



## Kenai City Council - Regular Meeting

December 01, 2021 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

**\*\*Telephonic/Virtual Information on Page 4\*\***

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

### Agenda

#### A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. 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)*

1. **Joy Merriner, BDO USA, LLP** - Presentation of the FY2021 City of Kenai Annual Comprehensive Financial Report, Federal and State Single Audit Reports, and Audit Wrap Up.

#### C. UNSCHEDULED PUBLIC COMMENTS

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

#### D. PUBLIC HEARINGS

1. **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)
2. **Ordinance No. 3255-2021** - Accepting and Appropriating Grants from the U.S. Department of Homeland Security Passed Through the State of Alaska Department of Military and Veterans' Affairs for the Purchases of Public Safety Radios for Police, Fire, and Communications Departments. (Administration)
3. **Resolution No. 2021-68** - Authorizing a Budget Transfer in the CARES Act Recovery Fund, First Responder and Incident Management Team Payroll, CARES Act Administration and Non-payroll, and Individual Assistance Grants Departments. (Administration)

- 4. Resolution No. 2021-69** - 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)
- 5. Resolution No. 2021-70** - Opposing Government Mandates Requiring Vaccines and Face Coverings Related to COVID 19. (Council Members Baisden and Winger)

**E. MINUTES**

- 1.** \*Regular Meeting of November 3, 2021. (City Clerk)

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

- 1.** \*Action/Approval - Bills to be Ratified. (Administration)
- 2.** \*Ordinance No. 3256-2021 - Increasing Estimated Revenues and Appropriations in the Airport Improvements Capital Project Funds, Authorizing the Acceptance of a Grant from the Federal Aviation Administration for the Kenai Municipal Airport Sand Storage Facility Construction Phase II, and Authorizing a Budget Transfer in the Airport Improvements Capital Project Fund – Kenai Municipal Airport Sand Storage Facility Project to Facilitate the Return of Funds Advanced from the Airport Special Revenue Fund. (Administration)
- 3.** \*Ordinance No. 3257-2021 - Accepting and Appropriating a Collection Equity Award from the Network of the National Library of Medicine Region 5 for the Purchase of Health and Wellness Titles for the Kenai Community Library Collection. (Council Members Knackstedt and Pettey)
- 4.** \*Ordinance No. 3258-2021 - Accepting and Appropriating Funding from the State of Alaska Department of Health and Social Services, Division of Public Health, for the Healthy and Equitable Communities Program, and Authorizing the City Manager to Execute a Memorandum of Agreement for this Funding. (Administration)
- 5.** \*Ordinance No. 3259-2021 - Increasing Estimated Revenues and Appropriations in the General and Municipal Roadway Improvement Capital Project Funds, and Increasing a Purchase Order to Foster's Construction for the 2021 Bryson Ave Bluff Erosion Repair Project. (Administration)
- 6.** \*Ordinance No. 3260-2021 - Amending Kenai Municipal Code 13.40.010-Definitions, to Maintain Current Regulations on Off-Road Vehicle Use in Kenai After January 1, 2022. (Council Member Knackstedt)
- 7.** Discussion - Land Management Plan Commission Consideration Changes (Vice Mayor Glendening and Council Member Winger)

**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**

1. **Resolution No. 2021-64** - Awarding an Agreement for the Kenai Waterfront Redevelopment Assessment and Feasibility Study. (Administration) [**Clerk's Note:** *At the November 3, 2021 Meeting, this item was Postponed to the December 15, 2021 Council Meeting; a motion to enact is on the floor.*]

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

- [1.](#) Purchase Orders Between \$2,500 and \$15,000
- [2.](#) Dog Park Update from Pat Porter
- [3.](#) Kenai Historical Society Newsletter - 12/2021
- [4.](#) United Cook Inlet Drift Association Statement on the Cook Inlet Fishery Closure.

*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/87096772386>

**Meeting ID:** 870 9677 2386 **Passcode:** 515923

OR

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

**Meeting ID:** 870 9677 2386 **Passcode:** 515923



Sponsored by: Administration

## CITY OF KENAI

### ORDINANCE NO. 3254-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, 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.

WHEREAS, telephonic participation in Planning and Zoning Commission meetings was provided to increase participation by allowing members to take part in meetings when work or family matters require their absence from Kenai; and,

WHEREAS, during the COVID-19 Public Health Emergency ordinances were suspended allowing for remote electronic participation, virtually; and,

WHEREAS, providing virtual remote electronic participation has proved to provide a better experience for the Commission member participating remotely and those participating in-person; and,

WHEREAS, at their regular meeting on October 13, 2021, the Planning and Zoning Commission unanimously supported amending KMC 14.05.025 to allow for remote electronic participation; and,

WHEREAS, the Council recognizes that it is vital for Planning and Zoning Commission members to have effective participation in meetings.

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

**Section 1.** Amendment of Section 14.05.025 – Telephonic participation at Planning and Zoning Commission meetings of the Kenai Municipal Code: That Kenai Municipal Code, Section 14.05.025 – Telephonic participation at Planning and Zoning Commission meetings, is hereby amended as follows:

**14.05.025 [TELEPHONIC] Remote electronic participation at Planning and Zoning Commission meetings.**

- (a) Except as otherwise provided in subsection (e), if at least a quorum is physically present at a Commission meeting, other commissioners may participate via [TELEPHONE] electronic means in the Commission meeting, if the commissioner declares that circumstances prevent physical attendance at the meeting. If the chair chooses to participate via [TELEPHONE] electronic means, the vice-chair shall preside.

- (b) No more than the first two (2) commissioners to contact the Clerk's office regarding [TELEPHONE] remote electronic participation in a particular meeting may participate via [TELEPHONE] remote electronic means at any one (1) meeting.
- (c) The commissioner shall notify the Clerk's office in writing as soon as reasonably practical, but not less than six (6) hours prior to the start of the Commission meeting that the member proposes to attend by [TELEPHONE] remote electronic means. Such notification shall state whether such [TELEPHONIC] remote electronic participation is pursuant to subsection (n) or (o), and, if needed, shall provide the physical address of the location, the telephone number, and any available facsimile, email, or other document transmission service. Failure to provide the notification within the period of time provided herein shall result in the member's exclusion from attendance of a Commission meeting through [TELEPHONIC] remote electronic participation. The Clerk or designee shall notify all Commission members of the request.
- (d) At the meeting, the Clerk or designee shall establish the [TELEPHONE] appropriate connection when the call to order is imminent.
- (e) A commissioner participating by [TELEPHONE] remote electronic means shall be counted as present for purposes of discussion and voting except for matters and agenda items appealable to the Board of Adjustment.
- (f) The commissioner participating by [TELEPHONE] remote electronic means shall make every effort to participate in the entire meeting. From time to time during the meeting, the presiding officer shall confirm the connection, if necessary.
- (g) The commissioner participating by [TELEPHONE] remote electronic means may ask to be recognized by the presiding officer to the same extent as any other member except for matters and agenda items appealable to the Board of Adjustment.
- (h) To the extent reasonably practicable, the Clerk or designee shall provide backup materials to commissioners participating by [TELEPHONE] remote electronic means.
- (i) If the [TELEPHONE] remote electronic connection cannot be made or is made and then lost, the meeting shall commence or continue as scheduled and the Clerk or designee shall attempt to establish or restore the connection.
- (j) Meeting times shall be expressed in Alaska [T]ime regardless of the time at the location of any commissioner participating by [TELEPHONE] remote electronic means.

- (k) Participation by [TELEPHONE] remote electronic means shall be allowed for regular, special and work session meetings of the Commission.
- (l) Remarks by commissioners participating by [TELEPHONE] remote electronic means shall be transmitted so as to be audible by all members and the public in attendance at the meeting, provided that in executive session the remarks shall be audible only to those included in the executive session.
- (m) As used in these rules, “[TELEPHONE] electronic means” means any system for synchronous two (2) or more way voice and/or virtual communication. “Chair” includes the vice-chair or any other commissioner serving as chair pro tempore.
- (n) Each commissioner may attend a maximum of two (2) meetings by [TELECONFERENCE] remote electronic means during the twelve (12) month calendar year.
- (o) A commissioner may attend an additional two (2) meetings by [TELECONFERENCE] remote electronic means during the twelve (12) month calendar year if the member declares that he or she is physically unable to attend the meeting due to the need for extended medical care and treatment of the member or member’s immediate family.
- (p) In this section, “immediate family” means the spouse of the person, another person cohabitating with the person in a conjugal relationship that is not a legal marriage, a child (including a stepchild or foster child) of the person, a parent, sibling, grandparent, aunt or uncle of the person, or a parent or sibling of the person’s spouse.

(Ord. 2734-2014)

**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 1<sup>st</sup> day of December, 2021.

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BRIAN GABRIEL SR., MAYOR

ATTEST:

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Jamie Heinz, MMC, City Clerk

Introduced: November 3, 2021  
Enacted: December 1, 2021  
Effective: December 31, 2021





# 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:** Ryan Foster, Planning Director

**DATE:** October 25, 2021

**SUBJECT:** **Ordinance No. 3254-2021 – Approving amendment to Kenai Municipal Code Section 14.05.025 to provide for remote electronic participation**

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Telephonic participation in Planning and Zoning Commission meetings is provided in KMC 14.05.025 to increase participation by allowing members to take part in meetings when work or family matters require their absence from Kenai. During the COVID-19 Public Health Emergency, ordinances were suspended, which allowed for remote electronic participation, virtually, via videoconference. Virtual remote electronic participation has proved to provide a better experience for the Commission member participating remotely and those participating in-person. At their regular meeting on October 13, 2021, the Planning and Zoning Commission unanimously approved amending KMC 14.05.025 to allow for remote electronic participation, including videoconference capabilities. This ordinance would amend KMC 14.05.025 to allow for remote electronic participation in Planning and Zoning Commission meetings.

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3255-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING GRANTS FROM THE U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE STATE OF ALASKA DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS FOR THE PURCHASES OF PUBLIC SAFETY RADIOS FOR POLICE, FIRE, AND COMMUNICATIONS DEPARTMENTS.

WHEREAS, the City of Kenai received a notice from the State of Alaska Department of Military and Veterans' Affairs that it was awarded a total of \$259,000 for grant projects under the 2021 State Homeland Security Program; and,

WHEREAS, two projects were awarded funding under these grant programs, including \$84,000 for police and fire mobile radios and \$175,000 for dispatch radio system upgrades; and,

WHEREAS, the public safety departments in the City of Kenai have been involved in a multi-year project to upgrade all radio systems to newer manufacturer supported technologies that meet current industry standards; and,

WHEREAS, acceptance of these grants and appropriation of funds 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 City Manager is authorized to accept grants from the U.S. Department of Homeland Security passed through the State of Alaska Department of Military and Veterans' Affairs for replacement of public safety radios, execute any required grant documents, and expend the funds in accordance with this Ordinance and the grant's provisions and conditions.

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

|  |                  |
|--|------------------|
| Public Safety Capital Project Fund:                      |                  |
| Increase Estimated Revenues –                            |                  |
| Federal Grants   | <u>\$259,000</u> |
| Increase Appropriations –                                |                  |
| Mobile Radio Replacement Police -- Machinery & Equipment | \$ 42,000        |
| Mobile Radio Replacement Fire – Machinery & Equipment    | 42,000           |
| Communications Radio Replacement – Machinery & Equipment | <u>175,000</u>   |
|  | <u>\$259,000</u> |

**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 immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 1<sup>st</sup> day of December, 2021.

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

ATTEST:

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

Approved by Finance: 

Introduced: November 3, 2021  
Enacted: December 1, 2021  
Effective: December 1, 2021



## MEMORANDUM

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

**THROUGH:** Paul Ostrander, City Manager

**FROM:** David Ross, Police Chief

**DATE:** October 25, 2021

**SUBJECT:** **Ordinance No. 3255-2021, Accepting and Appropriating DHS Grant**

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Grants were applied for by the City of Kenai, under the 2021 Homeland Security Program, and two of those grant requests were funded totaling \$259,000. The City received notice of award of an \$84,000 grant for the City to continue its police and fire public safety radio replacements. The second grant awarded is for \$175,000 for dispatch radio system upgrades. This grant to upgrade dispatch radios is the second and smaller phase of a two phase project to completely replace the dispatch base station radio system.

I am respectfully requesting consideration of the ordinance accepting and appropriating the currently awarded grant funds for the purposes they were intended.



Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2021-68**

A RESOLUTION OF THE CITY OF KENAI, ALASKA, AUTHORIZING A BUDGET TRANSFER IN THE CARES ACT RECOVERY FUND, FIRST RESPONDER AND INCIDENT MANAGEMENT TEAM PAYROLL, CARES ACT ADMINISTRATION AND NON-PAYROLL, AND INDIVIDUAL ASSISTANCE GRANTS DEPARTMENTS.

WHEREAS, Ordinance 3130-2020 accepted and appropriated \$7,700,832 of CARES Act funding awarded to the City; and,

WHEREAS, to date the City has expended \$7,617,493, earned \$527 of interest, and has remaining \$83,866 which must be expended by December 30, 2021; and,

WHEREAS, outstanding encumbrances include \$14,134 for purchase and installation of touchless water bottle filling stations in various city facilities and \$6,300 for spatial analysis and conceptual design of City Hall; and,

WHEREAS, the remaining \$63,432 is unencumbered and available as of the date of this resolution; and,

WHEREAS, the CARES Act explicitly allowed for the payment of first responder payroll by providing a presumption that all wages paid to first responders would be considered to have been in response to the COVID-19 public health emergency; and,

WHEREAS, utilization of such presumption provides the City the opportunity to fully expend its remaining CARES Act grant funds by the December 30, 2021 deadline; and,

WHEREAS, authorization of a budget revision to facilitate the expending of all CARES Act funding provided to the City is in the best interest of the community.

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

**Section 1.** That the following budget revision is authorized.

CARES Act Recovery Fund:

Decrease Expenditures:

|  |                    |
|--|--------------------|
| CARES Act Administration and Non-Payroll - Contingency | \$10,859.16        |
| Individual Assistance Grants – Contingency             | <u>52,572.98</u>   |
|  | <u>\$63,432.14</u> |

Increase Expenditures:

|  |                    |
|--|--------------------|
| First Responder and Incident Management Team Payroll – Contingency | <u>\$63,432.14</u> |
|--|--------------------|

Resolution No. 2021-68  
Page 2 of 2


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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 1<sup>st</sup> day of December, 2021.

\_\_\_\_\_  
JIM GLENDENING, VICE MAYOR

ATTEST:

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

Approved by Finance: 

\_\_\_\_\_



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** November 12, 2021

**SUBJECT:** **Resolution 2021-68 Authorizing a budget transfer in the CARES Act Recovery Special Revenue Fund**

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The purpose of this memo is to recommend adoption of Resolution 2021-68, which authorizes a budget transfer in the CARES Act Recovery Special Revenue Fund to facilitate expending of remaining grant funds by the December 30, 2021 deadline.

The City was awarded \$7,617,493 in CARES Act funds from the United States Treasury, and an additional \$2,758,864 was passed to the City through the Kenai Peninsula Borough for the City's response to the COVID-19 public health emergency. To date, an additional \$527 of interest has been earned on the CARES Act funds received, and the City has expended \$10,293,018 of these funds leaving \$83,866 to be expended by the Act's deadline of December 30, 2021. A summary of program expenditures through October 28, 2021 was provided to Council at its November 3<sup>rd</sup> meeting and is attached again for your convenience.

Of the remaining \$83,866, \$20,434 is currently encumbered for projects, including \$14,134 for the installation of touchless water bottle filling stations at various City facilities and \$6,300 for spatial analysis and conceptual design for City Hall. The remaining \$63,432 is unencumbered and available in two departments, the CARES Act Administration and Non-Payroll, in the amount of \$10,859 and Individual Assistance Grants, in the amount of \$52,573.

Based on Council's direction from the November 3, 2021 Council meeting, adoption of Resolution 2021-68 is recommended. The resolution would authorize a budget transfer within the CARES Act Recovery Special Revenue Fund from CARES Act Administration and Non-Payroll in the amount of \$10,859 and Individual Assistance Grants in the amount of \$52,573 to facilitate expending of remaining grant funds by the December 30, 2021 deadline.

Your support is respectfully requested.

Attachment



City of Kenai COVID-19 CARES Act  
Relief and Recovery Grant Programs  
Expenditures and Available Balances

|   | Current Budget          | Actual FY20            | Actual FY21            | Actual FY22     | Total Expenditures & Encumbrances | Available Balance   | Projected Expenditures Remaining | Projected Excess or (Deficit) |
|---|-------------------------|------------------------|------------------------|-----------------|-----------------------------------|---------------------|----------------------------------|-------------------------------|
| <b>First Responder and Incident Management Team Payroll</b> | \$ 4,915,569.50         | \$ 2,005,476.77        | \$ 2,910,092.73        | \$ -            | \$ 4,915,569.50                   | \$ -                | \$ -                             | \$ -                          |
| <b>Business and Nonprofit Entity Recovery Grants</b>        |                         |                        |                        |                 |                                   |                     |                                  |                               |
| Round 1: Small Business and Nonprofit Grants                | 2,215,000.00            | 1,905,000.00           | 310,000.00             | -               | 2,215,000.00                      | -                   | -                                | -                             |
| Round 2: Small Business Grants                              | <u>1,511,872.00</u>     | <u>-</u>               | <u>1,511,872.00</u>    | <u>-</u>        | <u>1,511,872.00</u>               | <u>-</u>            | <u>-</u>                         | <u>-</u>                      |
| Total Business and Nonprofit Entity Recovery                | 3,726,872.00            | 1,905,000.00           | 1,821,872.00           | -               | 3,726,872.00                      | -                   | -                                | -                             |
| <b>CARES Act Administration &amp; Non-Payroll</b>           | 447,068.53              | 146,609.73             | 269,122.49             | 42.90           | 415,775.12                        | 31,293.41           | 20,434.25                        | 10,859.16                     |
| <b>Individual Assistance Grants</b>                         |                         |                        |                        |                 |                                   |                     |                                  |                               |
| Small Business  | 14,000.00               | -                      | 14,000.00              | -               | 14,000.00                         | -                   | -                                | -                             |
| Commercial Fishers  | 50,000.00               | -                      | 50,000.00              | -               | 50,000.00                         | -                   | -                                | -                             |
| Rental and Mortgage Relief                                  | 1,072,373.98            | -                      | 1,019,801.00           | -               | 1,019,801.00                      | 52,572.98           | -                                | 52,572.98                     |
| Mental Health Services                                      | -                       | -                      | -                      | -               | -                                 | -                   | -                                | -                             |
| Small Business Marketing Services                           | 24,000.00               | -                      | 24,000.00              | -               | 24,000.00                         | -                   | -                                | -                             |
| Food Assistance Services                                    | 127,000.00              | -                      | 127,000.00             | -               | 127,000.00                        | -                   | -                                | -                             |
| Unassigned  | <u>-</u>                | <u>-</u>               | <u>-</u>               | <u>-</u>        | <u>-</u>                          | <u>-</u>            | <u>-</u>                         | <u>-</u>                      |
| Total Individual Assistance Grants                          | <u>1,287,373.98</u>     | <u>-</u>               | <u>1,234,801.00</u>    | <u>-</u>        | <u>1,234,801.00</u>               | <u>52,572.98</u>    | <u>-</u>                         | <u>52,572.98</u>              |
| <b>Total All</b>  | <u>\$ 10,376,884.01</u> | <u>\$ 4,057,086.50</u> | <u>\$ 6,235,888.22</u> | <u>\$ 42.90</u> | <u>\$ 10,293,017.62</u>           | <u>\$ 83,866.39</u> | <u>\$ 20,434.25</u>              | <u>\$ 63,432.14</u>           |

Note: Total budget includes \$527.35 in investment earnings since inception of program.

October 28, 2021





Sponsored by: Administration

## CITY OF KENAI

### RESOLUTION NO. 2021-69

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA 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.

WHEREAS, the lease to Integrated Account Management, Inc. for Lot 3, Block 3, Cook Inlet Industrial Air Park Subdivision expires on June 30, 2022; and,

WHEREAS, on June 30, 2021, Integrated Account Management, Inc. submitted an application to renew a lease of City owned airport fund properties outside of the Airport Reserve, described as Lot 3, Block 3, Cook Inlet Industrial Air Park Subdivision; and,

WHEREAS, the Integrated Account Management, Inc. lease application states the intention to maintain current professional office operations; with the appraised value of existing improvements of \$697,000, that allows a lease term of 45 years according to the term table in Kenai Municipal Code 22.05.055; and,

WHEREAS, the proposed continued use would be mutually beneficial and would conform with the Kenai Municipal Code for zoning and Kenai's Comprehensive Plan; and,

WHEREAS, the City of Kenai did not receive a competing lease application within thirty (30) days of publishing a public notice of the lease application from Integrated Account Management, Inc.; and,

WHEREAS, at their regular meeting on October 27, 2021, the Planning and Zoning Commission reviewed the lease application and recommended approval by the City Council; and,

WHEREAS, at their regular meeting on November 9, 2021, the Airport Commission reviewed the lease application and recommended approval by the City Council.

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

**Section 1.** That a Lease of Airport Reserve Lands is approved and the City Manager is authorized to execute a lease between the City of Kenai, Lessor, and Integrated Account Management, Inc., Lessee, using the City's Standard Lease form for a 45-year term.

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

Resolution No. 2021-69  
Page 2 of 2

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 1<sup>st</sup> day of December, 2021.

\_\_\_\_\_  
JIM GLENDENING, VICE MAYOR

ATTEST:

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



# 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:** Ryan Foster, Planning Director

**DATE:** November 16, 2021

**SUBJECT:** **Resolution No. 2021-69 – Approving the Execution of a Lease to Integrated Account Management, Inc.**

On June 26, 2006, Integrated Account Management, Inc. entered into an assignment of lease for Lot 3, Block 3, Cook Inlet Industrial Air Park Subdivision with Décor Inlet Industries, Inc. This lease terminates on June 30, 2022.

Integrated Account Management, Inc. proposes to maintain the current professional office operations; with the appraised value of existing improvements, \$697,000, that allows a lease term of 45 years according to the term table in Kenai Municipal Code 22.05.055.

Pursuant to Kenai Municipal Code 22.05.040 Lease application review, notice of the lease application was posted in the Peninsula Clarion and no competing applications were submitted for the parcel within 30 days to the City.

The parcel is within the Central Mixed Use (CMU) Zone. Pursuant to KMC 14.20.125, the purpose of the CMU Zone is to provide a centrally located area in the City for general retail shopping, personal and professional services, entertainment establishments, restaurants and related businesses. The district is also intended to accommodate a mixture of residential and commercial uses. The existing professional office use is a permitted and compatible use in the CMU Zone.

The Imagine Kenai 2030 Comprehensive Plan outlines goals, objectives, and action items for the City, including this one pertaining to Quality of Life:

Objective Q- 14: Continue to foster a compact, intensive mix of private and public uses in the downtown core area.

The proposed use by Integrated Account Management, Inc. complies with the Imagine Kenai 2030 Comprehensive Plan by supporting development on lease lots in the downtown business district.

This is an airport fund property, but is located outside of the Airport Reserve Boundary.

The Planning and Zoning Commission recommended approval of the lease application at their meeting on October 27, 2021. The Airport Commission recommended approval of the lease application at their meeting on November 9, 2021.

Thank you for your consideration.

Attachments:

City of Kenai Land Lease Application from Integrated Account Management, Inc.

Aerial Map of 140 Main Street Loop Road.





## City of Kenai Land Lease Application

|                  |   |
|------------------|---|
| Application for: | New Lease                                   |
| Amendment        | Extension                                   |
| Assignment       | <input checked="" type="checkbox"/> Renewal |

|                   |            |
|-------------------|------------|
| Application Date: | 06/25/2021 |
|-------------------|------------|

### Applicant Information

|                          |  |       |                                   |        |    |           |       |
|--------------------------|--|-------|-----------------------------------|--------|----|-----------|-------|
| Name of Applicant:       | Integrated Account Management, Inc. / John C. & Marie L. Parker  |       |                                   |        |    |           |       |
| Mailing Address:         | 140 Main Street Loop   | City: | Kenai                             | State: | AK | Zip Code: | 99611 |
| Phone Number(s):         | Home Phone: 907-252-1086   |       | Work/ Message Phone: 907-283-3007 |        |    |           |       |
| E-mail: (Optional)       | pesi@acsalaska.net   |       |                                   |        |    |           |       |
| Name to Appear on Lease: | Integrated Account Management, Inc.  |       |                                   |        |    |           |       |
| Mailing Address:         | 140 Main Street Loop   | City: | Kenai                             | State: | AK | Zip Code: | 99611 |
| Phone Number(s):         | Home Phone: 907-252-1086   |       | Work/ Message Phone: 907-283-3007 |        |    |           |       |
| E-mail: (Optional)       | pesi@acsalaska.net   |       |                                   |        |    |           |       |
| Type of Applicant:       | <input type="checkbox"/> Individual (at least 18 years of age)      <input type="checkbox"/> Partnership      <input checked="" type="checkbox"/> Corporation      <input type="checkbox"/> Government<br><input type="checkbox"/> Limited Liability Company (LLC)      <input type="checkbox"/> Other _____ |       |                                   |        |    |           |       |

### Property Information and Term Requested

|  |   |
|--|---|
| Legal description of property (or, if subdivision is required, a brief description of property):   |   |
| Lot 3 Block 3 Cook Inlet Industrial Air Park Sub Plat #K-1448<br>KPB Parcel No. 04323017LH01      Address: 140 Main Street Loop, Kenai, AK 99611   |   |
| Does the property require subdivision? (if Yes, answer next two questions)   | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| Subdivision costs are the responsibility of the applicant unless the City Council determines a subdivision serves other City purposes:   |   |
| 1. Do you believe the proposed subdivision would serve other City purposes?  | <input type="checkbox"/> YES <input type="checkbox"/> NO            |
| 2. Are you prepared to be responsible for all costs associated with subdivision?   | <input type="checkbox"/> YES <input type="checkbox"/> NO            |
| If an appraisal is required to determine the minimum price on the land, are you prepared to be responsible for the deposit to cover costs associated with appraisal? (The cost of the appraisal will be either refunded or credited toward the purchaser at closing) | <input type="checkbox"/> YES  |
| Are you prepared to be responsible for recording costs associated with lease execution?  | <input checked="" type="checkbox"/> YES                             |
| Do you have or have you ever had a Lease with the City? (if Yes, answer next question)   | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| 1. Legal or brief description of property leased:  |   |
| Same property as above   |   |
| Request a Lease with an Option to Purchase once development requirements are met? <small>*Does not apply to Airport Reserve properties</small>   | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| Requested term for Initial Lease or Renewal (based on Term Table, not to exceed 45 years): 45 years  |   |
| Requested term for Lease Extension (based on Term Table, not to exceed a total of 45 Years):   |   |
| Requested Starting Date: 08/01/2021  |   |

# RECEIVED

CITY OF KENAI  
DATE 6/30/21  
PLANNING DEPARTMENT

**Proposed Use and Improvements**

Proposed Use (check one):      | Aeronautical      |  Non-Aeronautical

Do you plan to construct new or additional improvements? (if Yes, answer next five questions)       YES     NO

1. Will the improvement change or alter the use under an existing lease?       YES     NO

2. What is the proposed use of the improvement?

3. What is the estimated value of the improvement?

4. What is the nature and type of improvement?

5. What are the dates construction is estimated to commence and be completed?  
 (generally, construction must be completed within two years)  
 Estimated Start Date:      Estimated Completion Date:

Describe the proposed business or activity intended:  
 Professional offices: Trustee Services of Alaska, Professional Escrow Services, Inc., Integrated Robotics

How does the proposed lease support a thriving business, residential, recreational, or cultural community?  
 The above companies have been in business in the City of Kenai for 30+ years and intend to maintain business in this location continuing to provide services to the community, the City of Kenai and the State of Alaska.

Lease Assignment Only: What is the name of the individual or legal entity the lease is to be assigned?

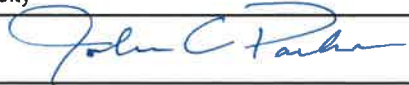
**Lease Renewal Only**

Renewal of an Existing Lease (at least one year of term remaining): Requires new development.  
 Lease Term based on: Estimated cost of new improvements and | Purchase Price (optional)

Renewal of an Expiring Lease (less than one year of term remaining): Does not require new development.  
 Lease Term based on:  Purchase Price | Professional Estimate of Remaining Useful Life  
 Fair Market Value appraisal and/or  Estimated cost of new improvements (optional)

Requested Term for Renewal Based on Term Table, not to exceed 45 Years: 45 years

Submitting an application for a lease does not give the applicant a right to lease or use the land requested in the application. The application shall expire twelve (12) months after the date the application has been made if the City and the applicant have not, by that time, entered into a lease, unless the City Council for good cause grants an extension for a period not to exceed six (6) months. The City has no obligation to amend, renew or extend a lease and may decline to do so upon making specific findings as to why a lease renewal, extension, or amendment is not in the best interest of the City

|             |   |        |                 |
|-------------|---|--------|-----------------|
| Signature:  |  | Date:  | 06/25/2021      |
| Print Name: | JOHN C. PARKER  | Title: | President/Owner |

|  |   |
|--|---|
| For City Use Only:<br><input type="checkbox"/> General Fund <input type="checkbox"/> Airport Reserve Land<br><input type="checkbox"/> Airport Fund <input type="checkbox"/> Outside Airport Reserve<br>Account Number: | Date Application Fee Received:<br>Date Application Determined Complete:<br>30-Day Notice Publication Date:<br>City Council Action/Resolution: |
|--|---|



140 Main Street Loop Road  
COOK INLET INDUSTRIAL AIR PARK SUB LOT 3 BLK 3  
Parcel 04323017



**LEGEND**

 Subject Parcel

0 25 50 Feet

Date: 10/21/2021



Data Source: Kenai Peninsula Borough. Data is for graphic representation only. Imagery may not match true parcel boundaries.



Sponsored by: Council Members Baisden and Winger

**CITY OF KENAI**

**RESOLUTION NO. 2021-70**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, OPPOSING GOVERNMENT MANDATES REQUIRING VACCINES AND FACE COVERINGS RELATED TO COVID 19.

WHEREAS, the Council supports the rights of individuals and parents of minors to make personal decisions with regard to their individual healthcare choices related to vaccines for COVID-19 and face coverings; and,

WHEREAS, the Council supports the rights of businesses to make their own decisions with regard to COVID-19 mitigation, if any, required within their establishments; and,

WHEREAS, the Council does not support government mandates requiring individuals to take COVID-19 vaccines and or wear face coverings in public facilities, including schools, as a condition of employment, or for travel related purposes.

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

**Section 1.** The Council opposes all government mandates requiring individuals to take COVID-19 vaccines or wear face coverings as a condition of employment, to be in public facilities including schools or for travel related purposes.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 1<sup>st</sup> day of December, 2021.

\_\_\_\_\_  
JIM GLENDENING, VICE MAYOR

ATTEST:

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





## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**FROM:** James Baisden and Teea Winger, Council Members

**DATE:** November 19, 2021

**SUBJECT:** **Resolution No. 2021-70, Opposing Vaccine and Face Covering Mandates**

---

Resolution No. 2021-70 is intended to make a general statement on behalf of the Council opposing government mandates requiring people to become vaccinated against COVID-19 or to wear face coverings as a condition of employment, for access to public facilities, including schools, or for travel related purposes. This Resolution does not take a stance on behalf of Council on the effectiveness of vaccines or face coverings in combating COVID-19 and its spread, or any associated risks, but specifically opposes government mandates in this regard and contrarily supports the choice of individuals, and parents of minors to make health related decisions for themselves and those under their care. This Resolution also supports the rights of private businesses to manage their businesses in regards to COVID-19 in a manner free of government interference.

Your consideration is appreciated.

**KENAI CITY COUNCIL – REGULAR MEETING  
NOVEMBER 3, 2021 – 6:00 P.M.  
KENAI CITY COUNCIL CHAMBERS  
210 FIDALGO AVE., KENAI, AK 99611  
MAYOR BRIAN GABRIEL, PRESIDING**

**MINUTES**

**A. CALL TO ORDER**

A Regular Meeting of the Kenai City Council was held on October 6, 2021, in City Hall Council Chambers, Kenai, AK. Mayor Gabriel called the meeting to order at approximately 6:00 p.m.

**1. Pledge of Allegiance**

Mayor Gabriel led those assembled in the Pledge of Allegiance.

**2. Roll Call**

There were present:

Brian Gabriel, Mayor  
Henry Knackstedt  
Jim Glendening  
Deborah Sounart

James Baisden  
Tea Winger  
Glenese Pettey

A quorum was present.

Also in attendance were:

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

**3. Agenda Approval**

**MOTION:**

Mayor Gabriel noted the following additions to the packet:

Add to item J.1.

**City Manager Report**

- Amendment 14 to Fishery Mgmt. Plan for Salmon Fisheries in the EEZ

Add to item O.4.

**Information Items**

- Chamber of Commerce Christmas Festivities Information

**MOTION:**

Council Member Knackstedt **MOVED** to approve the agenda with the requested revisions, and to move the Kenai Dog Park Discussion after Unscheduled Public Comments, and move Resolution No. 2021-65 to be first under Public Hearings. Council Member Glendening **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

#### 4. Oath of Office

Mayor Gabriel administered the Oath of Office to Council Members Sounart and Baisden.

#### 5. Election of Vice Mayor

**MOTION:**

Council Member Pettet **MOVED** to nominate Henry Knackstedt as Vice Mayor.

**MOTION:**

Council Member Winger **MOVED** to nominate Jim Glendening as Vice Mayor.

A secret ballot vote took place; City Clerk J. Heinz counted the votes aloud. The results were 3 in favor of Henry Knackstedt, and 4 in favor of Jim Glendening; Jim Glendening was elected as Vice Mayor.

#### 6. Consent Agenda

**MOTION:**

Council Member Knackstedt **MOVED** to approve the consent agenda and requested **UNANIMOUS CONSENT**. Council Member Pettet **SECONDED** the motion.

The items on the Consent Agenda were read into the record.

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

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

\*All items listed with an asterisk (\*) are considered to be routine and non-controversial by the council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered in its normal sequence on the agenda as part of the General Orders.

## B. SCHEDULED PUBLIC COMMENTS

### 1. Galen Hecht, Kenai Watershed Forum - Kenai Peninsula Stream Watch Program

Galen Hecht described how the Kenai Peninsula Stream Watch Program started as a grassroots effort to take care of the Kenai River, and explained what volunteers do and the impact that the program has had on trash removal, fishing line recycling, and educational messaging through the Dipnet Booth. Kathy Heindl also spoke about her experience as a volunteer and the value the program has for the community.

## **2. Tim Navarre, Kenai Peninsula Homelessness Coalition - Strategic Plan Update**

Tim Navarre explained that the coalition is made up of the Continuum of Care and Love Inc., and introduced their Strategic Plan and goals. Leslie Rohr, Executive Director of Love Inc. of the Kenai Peninsula, explained the framework of the strategic plan and their mission, priorities, strategies, actions and leadership. They provided data on the Kenai Peninsula homeless population and the sources for the data, services that were provided in past years, the reasons for homelessness, and the regions in the peninsula where they live. She noted that the COVID-19 pandemic had a significant impact on this data. Tim Navarre explained the timeline for the Strategic Plan process and upcoming community discussions, as well as other current community outreach efforts.

## **3. Sharon Efta - Censorship**

Sharon Efta explained her view of censorship, and that it is most dangerous when it is used by government for public control. She expressed that the mainstream press and social media reports on issues impartially, which is a form of censorship. She referred to studies which she provided to Council, and discussed natural immunity, vaccination, and therapeutic methods for disease control. She explained how data reported by Central Peninsula Hospital on COVID-19 was data manipulation and censorship. She emphasized that one-sided presentation of information controls narratives that shapes public opinion, and expressed concern about taking a federal grant for the library without knowing the scope of materials it will be used for. She discussed how the availability and presentation of library materials can lead to censorship.

## **C. UNSCHEDULED PUBLIC COMMENTS**

Margaret Gilman addressed the concepts of critique and contribution, noting that critique doesn't move us forward as community but contribution does. She highlighted the fundraiser started by residents to support the library, and asked Council to allow the library to continue cultivating their collection without Council approval.

April Orth discussed Ordinance No. 3224-2021, noting that she had asked at the September 15<sup>th</sup> meeting that it had be postponed and it was not. She explained that she was confused by the ordinance and had struggled to understand it. She expressed concerns about its timeframe for approval, contents regarding chain of custody and permanent absentee voting status, and its inclusion of language adopted from other areas. She asked that it be revoked and rewritten by elected officials.

Lyman Winger congratulated the new Council Members and Vice Mayor. He explained that he is raising funds for Kenai Middle School by selling swag and asked Council if they would like to purchase any.

Wayne Ogle congratulated new Council Members Baisden and Sounart and the other candidates who ran, and thanked previous Vice Mayor Bob Molloy. He noted that he appreciated Sharon

Efta's comments, noting the importance of informed consent and that we should be aware of suppression of information.

Tyson Cox reminded Council that Triumvirate Theater is still raising money, and thanked the City for working with them. He noted that Kenai Catering is holding a five-course meal fundraiser.

Huhnkie Lee introduced himself as a candidate running for US Senate as an independent. He explained his background, and that his focus is to bring the left and right political sides together and develop resources in an environmentally safe way.

#### **6. Discussion - Kenai Dog Park (City Council)**

**[Clerk's note: During Agenda Approval this item was moved to be heard next after Unscheduled Public Comment]**

Mayor Gabriel invited members of the Kenai Dog Park community group to speak and provide input.

Crystal Locke clarified that the original Dog Park planning organization that started in 2018 had dissolved, and the current committee did not receive all the information from them and their needs are not the same. She reviewed the group's current finances, structural plans and what is needed to meet them. She asked the City to consider the use of Daubenspeck funding for the park.

Lena Wismar explained that the group will have a revised budget at the end of November, and suggested the committee and City coordinate to apply for a tier one grant.

Further clarification was provided on the park's needs, including fencing, pavilion, water lines, and safety items. It was noted that some projects will require professional services to complete as volunteer work may not be sufficient. Noted that many items of the park will be the product of community contributions, but they are requesting that the City provide funding for some safety and security necessities. A status update of the fencing order was provided, and it was suggested that ARPA funds be used for some of the park's infrastructure. Information on the fundraiser raffle was provided, including prizes and how to purchase tickets. Council Members expressed support for the project, and discussion involved how the community group can best secure funding to complete the park.

#### **D. PUBLIC HEARINGS**

- 6. Resolution No. 2021-65 - Supporting Kenai Peninsula Borough Ordinance 2021-40, an Ordinance Amending KPB 2.40.015 Regarding Planning Commission Membership and Apportionment. (Council Member Glendening)**

**[Clerk's note: During Agenda Approval this item was moved to the top of Public Hearings.]**

#### **MOTION:**

Vice Mayor Glendening **MOVED** to adopt Resolution No. 2021-65 and Council Member Winger **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment.

Tyson Cox welcomed the new Council Members and congratulated Vice Mayor Glendening. He explained the legislative background of this issue, noting that it left questions regarding equitable representation, who is eligible to be a representative, and how many applicants need to be sent to the Borough Mayor. He suggested amending the resolution to clarify eligibility and also that it be sent to the KPB Planning Commission.

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

It was noted that this is a situation that was long overdue for being resolved, and this would go a long way to ensure we have a consistent voice in planning matters.

**MOTION TO AMEND:**

Vice Mayor Glendening **MOVED** to amend Resolution No. 2021-65 by changing the third WHEREAS to require 5 city seats be filled by a resident of the respective cities; removing the entire 6<sup>th</sup> WHEREAS; and changing Section 2 to read: "That a copy of this Resolution be forwarded to the Kenai Peninsula Borough Assembly, Mayor Pierce and the Kenai Peninsula Borough Planning Commission." Council Member Winger **SECONDED** the motion.

**UNANIMOUS CONSENT** was requested.

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

**MOTION TO AMEND:**

Council Member Knackstedt **MOVED** to amend Resolution No. 2021-65 by changing Section 1 to clarify that "a Kenai Peninsula Borough planning commissioner representing a city must be a resident of that city, and a list have at least one name." Council Member Pettey **SECONDED** the motion.

**UNANIMOUS CONSENT** was requested.

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

**UNANIMOUS CONSENT** was requested on the main motion as amended.

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

1. **Ordinance No. 3252-2021** - Increasing Estimated Revenue and Appropriations in the Water & Sewer Fund for Operational Costs in Excess of Budgeted Amounts at the Waste Water Treatment Plant. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3252-2021 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.

It was suggested that this be revisited when the Council works on the budget, once more information is known about how operations without the truck are going. Clarification was provided on disposal processes and it was noted that more time was needed to understand how this would affect operations, as demand changes seasonally. Gratitude was expressed for the Alaska Department of Environmental Conservation, who notified Director Curtin of an incident which could affect the acquisition of necessary chemicals.

It was noted that the screw press replacement could also affect disposal processes. Clarification was provided on the effect of having a service dispose of hazardous waste on City liability. Appreciation was expressed for the Director Curtin's preparative efforts and efficiency.

**VOTE:**

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

**MOTION PASSED UNANIMOUSLY.**

2. **Ordinance No. 3253-2021** - Accepting and Appropriating a Donation from Hilcorp Energy Company to Assist with the Annual Areawide Senior Thanksgiving Dinner. (Administration)

**MOTION:**

Council Member Sounart **MOVED** to enact Ordinance No. 3253-2021 and Council Member Knackstedt **SECONDED** the motion.

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

Appreciation was expressed to Hilcorp for the donation, and it was noted that this will not be an in-person dining event and will provide takeout meals. Clarification was provided that additional volunteers were not needed for the event. It was requested that a card be sent to Hilcorp to express appreciation from the City Council.

**VOTE:**

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

**MOTION PASSED UNANIMOUSLY.**

3. **Resolution No. 2021-62** - Establishing the Dates for Regular Meetings of the City Council for 2022. (City Clerk)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-62 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 there a second Council Meeting in November 2022 had been scheduled because there were five Wednesdays that month, and a gap of five weeks without a Council Meeting can be problematic for City Administration. Concerns were expressed about conflicts with the annual Alaska Municipal League conference, other commission meetings, and holidays.

**VOTE:**

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

**MOTION PASSED UNANIMOUSLY**

4. **Resolution No. 2021-63** - Approving The Execution of a Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Schilling Rentals, LLC on General Aviation Apron Sub No. 1 Amended Lot 2, Block 3. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-63 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.

**UNANIMOUS CONSENT** was requested.

Clarification was provided regarding the status of light pole relocation on the property.

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

5. **Resolution No. 2021-64** - Awarding an Agreement for the Kenai Waterfront Redevelopment Assessment and Feasibility Study. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-64 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.

A brief overview was provided on the background of the resolution, including the identification of the waterfront area for development, a work session with Council and property owners to discuss revitalization, the appropriation of funds for a feasibility study, the procurement of bids and award for the study.



It was noted that property owners had been included in discussions at the Council work session and had provided positive feedback. Clarification was provided regarding the purpose and scope of the study, and a preference was expressed for the postponement of the resolution so that the new Council Members could spend more time reviewing the material.

Concerns were shared that not all property owners in the waterfront area had attended the work session, and that Administration's vision for development may be perceived as government overreach. It was noted that the percentage of acreage in the area that is owned privately or by the City could be significant to the study. Clarification was provided that the postponement of approval would not create an issue with awarding the contract, and pushing back the timeline to accommodate this additional time would not have a significant impact.

Discussion included how a feasibility study can lead to ideas for development and opportunities for funding, and the rights of private property owners would not be impacted. It was noted that with fisheries in decline and canneries moving out of the area, it is forward thinking for the City to look for other opportunities for economic development in the waterfront to benefit the community.

**MOTION:**

Council Member Knackstedt **MOVED** to postpone Resolution No. 2021-64 until December 1, 2021 and Council Member Baisden **SECONDED** the motion.

It was noted that Mayor Gabriel would be absent from the December 1, 2021 Council meeting. The motion was withdrawn with consent of the second.

**MOTION:**

Council Member Knackstedt **MOVED** to postpone Resolution No. 2021-64 until December 15, 2021 and Council Member Baisden **SECONDED** the motion.

Discussion involved how the new Council Members could be brought up to speed on waterfront development, as well as how existing Council Members can be included in this conversation. Clarification was provided that per the Open Meetings Act, Council Members could reach out to Administration to schedule individual meetings or a meeting of up to 3 members, but if four or more wanted to meet at once a work session would need to be scheduled.

**UNANIMOUS CONSENT** was requested.

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

6. **Resolution No. 2021-65** - Supporting Kenai Peninsula Borough Ordinance 2021-40, an Ordinance Amending KPB 2.40.015 Regarding Planning Commission Membership and Apportionment. (Council Member Glendening)

**[Clerk's note: During Agenda Approval this item was moved to the top of Public Hearings.]**

7. **Resolution No. 2021-66** - Authorizing a Professional Service Contract With Dr. Angus McRae Warren for Medical Direction and Oversight of Kenai Fire Department and Kenai 911 Dispatch Center. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-66 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.

It was noted that Chief Prior had found a good replacement for their physician sponsor, and Dr. Angus is a well-respected and experienced doctor.

**UNANIMOUS CONSENT** was requested.

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

- 8. Resolution No. 2021-67 - Awarding an Agreement for the Purchase of Computer Equipment. (Administration)**

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-67 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 this equipment has been budgeted for as part of a 5-year replacement schedule for desktop and laptop computers. This year is higher than usual due to the replacement of laptops used by the police department.

**UNANIMOUS CONSENT** was requested.

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

**E. MINUTES**

1. \*Joint Work Session of October 11, 2021. (City Clerk)

Approved by the consent agenda.

2. \*Regular Meeting of October 20, 2021. (City Clerk)

Approved by the consent agenda.

**F. UNFINISHED BUSINESS – None.**

**G. NEW BUSINESS**

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

Approved by the consent agenda.

2. **\*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)

Introduced by the consent agenda and Public Hearing set for December 1, 2021.

3. **\*Ordinance No. 3255-2021** - Accepting and Appropriating Grants from the U.S. Department of Homeland Security Passed Through the State of Alaska Department of Military and Veterans' Affairs for the Purchases of Public Safety Radios for Police, Fire, and Communications Departments. (Administration)

Introduced by the consent agenda and Public Hearing set for December 1, 2021.

4. **Action/Approval** - Mayoral Nominations of Council Liaisons for Appointment to Committees and Commissions. (Mayor Gabriel)

Mayor Gabriel noted that he would like to appoint Council Member Pettey to the Supervisory Sub-Committee, and explained that nominations are based on Council Member requests and he also tries to give the members different committee assignments. He noted that the liaison acts as a conduit of information between the Council and committees/commissions.

**MOTION:**

Council Member Knackstedt **MOVED** to approve the Mayoral Nominations of Council Liaisons for Appointment to Committees and Commissions and appoint Council Member Pettey to Supervisory Sub-Committee. Council Member Pettey **SECONDED** the motion.

Vice Mayor Glendening requested to divide the question, voting first on appointments to all commissions and committees except the Supervisory Sub-Committee, and voting second on the appointment to the Supervisory Sub-Committee.

**VOTE ON APPOINTMENTS TO ALL COMMISSIONS AND COMMITTEES EXCEPT THE SUPERVISORY SUB-COMMITTEE:**

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

**MOTION PASSED UNANIMOUSLY.**

**VOTE ON APPOINTMENT OF COUNCIL MEMBER PETTEY TO SUPERVISORY SUB-COMMITTEE:**

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

**MOTION FAILED.**

Mayor Gabriel stated he would appoint Council Member Baisden for the Supervisory Sub-Committee.

**MOTION:**

Council Member Winger **MOVED** to approve the Mayoral appointment of Council Member Baisden to Supervisory Sub-Committee. Council Member Sounart **SECONDED** the motion.

It was noted that Baisden has experience with City policies and employee relations. The role of the Supervisory Sub-Committee was clarified.

**VOTE ON APPOINTMENT OF COUNCIL MEMBER BAISDEN TO SUPERVISORY SUB-COMMITTEE:**

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

NAY:

**MOTION PASSED UNANIMOUSLY.**

**5. Action/Approval - Utilization of Healthy and Equitable Communities Grant for Capital Projects. (Administration)**

Clarification was provided that the City was awarded a Healthy and Equitable Communities Grant, and the amount was further increased by a request from the Borough. Administration identified capital projects that were eligible uses for the funding, one being a boardwalk over a drainage area at the Municipal Park and the other being playground equipment replacement at the park strip. It was noted that the boardwalk would require the City to secure an easement on property that was donated to the Kenai Peninsula Community Care Center. It was clarified that Administration was looking for a recommendation from Council on which project should move forward with the funds.

It was clarified that the City could work with the Care Center to secure the easement, and the current playground equipment on the park strip could be potentially re-used if it still had value.

Council Member Pettey disclosed that she was on the board of the Peninsula Community Care Center board, but that she would not receive any financial gain if the boardwalk project moved forward. Mayor Gabriel ruled that there was no conflict of interest.

Clarification was provided that there was currently no crossing over the drainage at Municipal Park. It was noted that the Little League team had spoken with Parks and Recreation, and they had a trail system that they hoped to tie into the boardwalk project. Support was expressed for relocating the park strip playground equipment to the 4<sup>th</sup> and Birch park. Support was also expressed for the boardwalk as it may benefit a greater number of people.

Clarification was provided that these are ARPA funds, there is a three-year window to utilize the funds and future rounds of funding may be used for other capital projects.

**MOTION:**

Council Member Knackstedt **MOVED** to direct Administration to apply for the Healthy and Equitable Communities Grant to fund the Boardwalk capital project. Council Member Pettey **SECONDED** the motion.

It was noted that this project may be used by a broader range of people in our community.

**VOTE:**

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

**MOTION PASSED.**

It was clarified that the Council would be notified if the easement is not approved. The request was made to have the playground equipment examined prior to any future grant applications for this project.

**7. Discussion - Utilization of Remaining CARES Act Funds and Consideration of New Shop Local Program. (Administration)**

Acting City Manager Eubank reported that the City is approaching the extended deadline to use the CARES Act funds, provided an overview of unexpended funds, and explained that there is about \$52,000 available not currently slated for any projects. He noted that Administration recommends utilizing these funds for public safety wages, which would free up funds from the general fund which could be used for a shop local program. A special meeting would need to be scheduled to take action to approve that program and approve appropriation from the general fund. He noted that the Chamber of Commerce was willing to administer another program, and suggested a start date in late November or early December. It was clarified that program would be \$100k plus administrative fees, mirrored after last spring's program. Clarification was provided that a shop local program was considered instead of the grocery program because it incentivized people to support our businesses, and it was noted that the grocery program would also have an impact as food security is on a lot of peoples' minds.

The suggestion was made that, due to the smaller amount of funds available compared to the previous shop local program, vouchers be distributed in smaller increments than previously done. Concerns were expressed that the original shop local program was going to be a one-time program, and it could cause a slippery slope to continue to bring it back when there are other potential options for utilizing funds.

It was requested that Administration return to the drawing board and come up with a new way to use the funds. Clarification was provided on the funds that were freed up in the general fund do not have a deadline for usage. It was noted that tourism and many local businesses thrived this year, and the shop local factor had been very successful. It was noted that supply chain issues may affect prices during the holiday season, and it was suggested that a hybrid shopping-grocery program be considered. The previous grocery program was discussed in terms of its benefits and limitations as an economic program.

**H. COMMISSION / COMMITTEE REPORTS**

1. Council on Aging – No report. Next meeting November 10, 2021.
2. Airport Commission – No report. Next meeting November 9, 2021.
3. Harbor Commission – No report. Next meeting November 8, 2021.
4. Parks and Recreation Commission – No report. Next meeting November 4, 2021.

5. Planning and Zoning Commission – Council Member Glendening reviewed the actions of October 27, 2021 meeting. Next meeting November 10, 2021.
6. Beautification Committee – No report. Next meeting November 4, 2021.
7. Mini-Grant Steering Committee – Mayor Gabriel noted an upcoming meeting to consider an application received from the Disc Golf Association.

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

Mayor Gabriel reported on the following:

- Noted that the final decision on EEZ was included in the packet and discussed its impact on the local area;
- Met with Hilcorp and was updated on their activities;
- Attended the Chamber of Commerce luncheon and saw a presentation from the Alaska Oil & Gas Association;
- Encouraged everyone to attend Christmas Comes to Kenai event.

#### **J. ADMINISTRATION REPORTS**

1. City Manager – Acting City Manager Eubank reported on the following:
  - Bluff erosion project update: design is moving forward, expecting 35% drawings in December;
  - Legislation amending spending period for CARES Act Funds also amended ARPA legislation;
  - City is currently interviewing for Building Official and Parks & Recreation Director;
  - Pacific States Marine Fishery Commission passed final rule on closure of EEZ, and Administration foresees a lawsuit being filed in to challenge this rule and the City may want to be involved.
2. City Attorney – No report.
3. City Clerk – No report.

#### **K. ADDITIONAL PUBLIC COMMENT**

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

Council Member Knackstedt noted that the Kenai Historical Society would be meeting on November 7<sup>th</sup> to discuss the time period of 1940-1960. He reported that he would be attending the annual Alaska Municipal League conference, congratulated Vice Mayor Glendening, and wished everyone Happy Thanksgiving.

Council Member Baisden thanked Administration, Clerks, and Directors for making the new Council Members feel at home and showing them around the City departments. He provided an update on local high school sports.

Council Member Winger congratulated Vice Mayor Glendening, welcomed Council Members Baisden and Sounart and said she is looking forward to working with them. She thanked the Kenai Police Department on the great job they did over Halloween weekend, noted upcoming Christmas Comes to Kenai event, discussed high school sports activities and other community events.

Council Member Sounart thanked Administration, Council, and department heads for their warm welcome. She reported that she had attended the Alaska Early Treatment Medical Summit in Anchorage, noting that it was interesting to hear their professional opinions and hoped the ideas of early treatment spread.

Vice Mayor Glendening congratulated the new council members and noted he looked forward to working with them and learning from each other. He reported that he attended Chamber luncheon that Marathon refinery might be sold, noting there could be changes in the future. He discussed how the City currently has a number of major projects underway, and Planning and Zoning would be important for them.

Council Member Pettay congratulated Vice Mayor Glendening, and said she is looking forward to working with the new council members. She noted the upcoming Kenai Art Center mural event. Thanked Hilcorp for their generous donation, wished everyone a blessed Thanksgiving, and noted that there will be a craft fair at the high school where people can support local artists.

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 from HEA
3. KHS Newsletter October 2021

There being no further business before the Council, the meeting was adjourned at 11:46 p.m.

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

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Jamie Heinz, MMC  
City Clerk

**PAYMENTS OVER \$15,000.00 WHICH NEED COUNCIL RATIFICATION**  
**COUNCIL MEETING OF: DECEMBER 1, 2021**

| <b>VENDOR</b>           | <b>DESCRIPTION</b> | <b>DEPARTMENT</b> | <b>ACCOUNT</b>       | <b>AMOUNT</b> |
|-------------------------|--------------------|-------------------|----------------------|---------------|
| PERS                    | PERS               | VARIOUS           | LIABILITY            | 98,440.39     |
| REBORN AGAIN JANITORIAL | OCTOBER SERVICES   | AIRPORT           | REPAIR & MAINTENANCE | 4,231.25      |
| HOMER ELECTRIC          | ELECTRIC USAGE     | VARIOUS           | UTILITIES            | 101,214.95    |

**INVESTMENTS**

| <b>VENDOR</b> | <b>DESCRIPTION</b>   | <b>MATURITY DATE</b> | <b>AMOUNT</b> | <b>Effect. Int.</b> |
|---------------|----------------------|----------------------|---------------|---------------------|
| PIPER JAFFRAY | U.S. AGENCY SECURITY | 07/20/2026           | 439,862.89    | 0.87%               |





Sponsored by: Administration

## CITY OF KENAI

### ORDINANCE NO. 3256-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE AIRPORT IMPROVEMENTS CAPITAL PROJECT FUNDS, AUTHORIZING THE ACCEPTANCE OF A GRANT FROM THE FEDERAL AVIATION ADMINISTRATION FOR THE KENAI MUNICIPAL AIRPORT SAND STORAGE FACILITY CONSTRUCTION PHASE II, AND AUTHORIZING A BUDGET TRANSFER IN THE AIRPORT IMPROVEMENTS CAPITAL PROJECT FUND – KENAI MUNICIPAL AIRPORT SAND STORAGE FACILITY PROJECT TO FACILITATE THE RETURN OF FUNDS ADVANCED FROM THE AIRPORT SPECIAL REVENUE FUND.

WHEREAS, Resolution 2020-79 approved on the 16th day of September, 2020 previously authorized the City Manager to accept a Federal Aviation Administration grant for Phase I construction of the Kenai Municipal Airport Sand Storage Facility; and,

WHEREAS, via Ordinance 3155-2020 Substitute the City of Kenai accepted and appropriated grant 3-02-0142-064-2020 from the Federal Aviation Administration totaling \$1,954,101 on the 24th day of September, 2020 for Phase I of the Kenai Municipal Airport Sand Storage Facility; and,

WHEREAS, Ordinance 3155-2020 Substitute included advance funding from the Airport Special Revenue Fund in the amount of \$729,931 which when combined with \$265,681 of advance funding for project design brings the total project advance funding to \$995,612; and,

WHEREAS, the City of Kenai has received grant offer 03-02-0142-065-2021 from the Federal Aviation Administration totaling \$881,161 for Phase II of the Kenai Municipal Airport Sand Storage Facility; and,

WHEREAS, authorization of a budget transfer to move previously advanced funds from construction to the Airport Special Revenue fund is needed to return previously advanced funds; and,

WHEREAS, acceptance of the Phase II grant, a budget transfer to facilitate the return of advanced funds and this appropriation 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 City Manager is authorized to accept grant funding of \$881,161.00 from the Federal Aviation Administration.

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

|   |                  |
|---|------------------|
| Airport Improvement Capital Project Fund:       |                  |
| Increase Estimated Revenues – Federal Grants    | <u>\$881,161</u> |
| Increase Appropriations –                       |                  |
| Kenai Municipal Airport Sand Storage Facility – |                  |
| Construction                                    | <u>\$881,161</u> |

**Section 3.** That the following budget revision is authorized:

|  |                  |
|--|------------------|
| Airport Improvement Capital Project Fund:            |                  |
| Decrease Expenditures - Kenai Municipal Airport Sand |                  |
| Storage Facility – Construction                      | <u>\$881,161</u> |
| Increase Expenditures – Transfer to Airport Special  |                  |
| Revenue Fund   | <u>\$881,161</u> |

**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 15th day of December, 2021.

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

ATTEST:

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

Approved by Finance: 

Introduced: December 1, 2021  
Enacted: December 15, 2021  
Effective: December 15, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Eland Conway, Airport Manager  
**DATE:** November 22, 2021  
**SUBJECT:** Ordinance No. 3256-2021

---

The purpose of this memo is to request Council's approval to:

1. Increase estimated revenues and appropriations in the Airport Improvements Capital Projects Fund,
2. Accept a grant from the Federal Aviation Administration (FAA) to cover project costs associated with Phase II of the Kenai Municipal Airport (ENA) Sand Storage Facility,
3. Authorize a budget transfer from the Airport Improvements Capital Projects Fund to the Airport Special Revenue Fund.

At the FAA's request the ENA Sand Storage Facility was divided into two (2) continuous phases. Phase I allowed the FAA to appropriate grant 03-02-0142-064-2020 in September 2020, **\$1,954,101** of the **\$2,835,262** project, within the Federal Government's fiscal year 2020 (October 2019 to September 2020).

In May of 2021 the FAA appropriated grant 03-02-0142-065-2021, the remaining **\$881,161** of the **\$2,835,262** project.

In order to expedite and streamline the project, Council authorized two budget transfers totaling **\$995,612** from the Airport Special Revenue Fund to forward fund **\$995,612** of the **\$2,835,262**, including **\$114,451** in contingencies.

Ordinance No. 3256-2021 appropriates the **\$881,161** FAA Grant 03-02-0142-065-2021 to the Airport Improvements Capital Project Fund and returns **\$881,161** of the forward funded **\$995,612**. The remaining **\$114,451** contingency remains in the Airport Improvements Capital Project Fund.

Any contingency funds used may be eligible for FAA reimbursement at 93.75% to 100%. Any remaining contingency funds will remain in the Airport Improvements Capital Projects Fund for future ENA capital projects or be returned to the Airport Special Revenue Fund.

Council's support is respectfully requested.

|  |    |                  |
|--|----|------------------|
| FAA Grant 03-02-0142-064-2020  | \$ | 1,954,101        |
| ENA Special Revenue Fund-ADVANCE<br>(HDL Engineers Contract Administration Services) |    | 265,681          |
| ENA Special Revenue Fund-ADVANCE<br>(Project Balance + \$114,451 Contingency)        |    | 729,931          |
| FAA Grant 03-02-0142-065-2021  |    | 881,161          |
| ENA Special Revenue Fund-RETURN  |    | <b>(881,161)</b> |
| <hr/>  |    |                  |
| Sand Storage Project Balance   |    |                  |
| (Total Grants + \$114,451 Contingency)   | \$ | <b>2,949,713</b> |
| <hr/> <hr/>  |    |                  |





Sponsored by: Council Members Knackstedt and Pettey

**CITY OF KENAI**

**ORDINANCE NO. 3257-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING A COLLECTION EQUITY AWARD FROM THE NETWORK OF THE NATIONAL LIBRARY OF MEDICINE REGION 5 FOR THE PURCHASE OF HEALTH AND WELLNESS TITLES FOR THE KENAI COMMUNITY LIBRARY COLLECTION.

WHEREAS, the City of Kenai received a Collection Equity Award from the Network of the National Library of Medicine Region 5 for the purchase of health and wellness materials for the library collection; and,

WHEREAS, the funds will be used to purchase materials in a variety of formats to support the health information needs of the residents of Kenai and surrounding communities; and,

WHEREAS, there will be a focus on purchasing materials for underrepresented groups based on census data and informal community conversations; and,

WHEREAS, it is in the best interest of the City of Kenai to appropriate these grant funds for the purpose intended.

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 a grant from the Network of the National Library of Medicine in the amount of \$1,500 for the purchase of library books and to execute grant agreements and to expend the grant funds to fulfill the purpose and intent of this Ordinance.

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

General Fund:

|  |                |
|--|----------------|
| Increase Estimated Revenues –<br>Federal Grants, Library | <u>\$1,500</u> |
|--|----------------|

|   |                |
|---|----------------|
| Increase Appropriations –<br>Library--Books | <u>\$1,500</u> |
|---|----------------|

**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.

Ordinance No. 3257-2021  
Page 2 of 2

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 immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 15th day of December, 2021.

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

ATTEST:

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

Approved by Finance: 

Introduced: December 1, 2021  
Enacted: December 15, 2021  
Effective: December 15, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**FROM:** Council Members Knackstedt and Pettet  
**DATE:** November 12, 2021  
**SUBJECT:** **Ordinance No. 3257-2021 – Collection Equity Award from the Network of the National Library of Medicine, Region 5**

---

The Kenai Community Library has been selected to receive a \$1,500 award from the Network of the National Library of Medicine for the purchase of health and wellness titles. Per the American Library Association collection development guidelines, health and wellness publications are considered obsolete and in need of replacement after five-years. Many of the existing titles exceed five years of age. This grant will assist the library in refreshing outdated information, and bringing the Health Section up to date with new titles.

We request your support in accepting this grant for our community library, and to show your appreciation for our Library Director.

### **Excerpts from the Kenai Community Library Policies:**

“The library supports the Library Bill of Rights of the American Library Association Freedom to Read statement. The Library’s mandate is to provide the public access to information on all sides of an issue.”

“Books and/or other library material selection are and shall be vested in the librarian.”

“... censorship is a purely individual matter and declares that while anyone is free to reject for himself books of which he does not approve, he cannot exercise this right of censorship to restrict the freedom to read to others.”



## MEMORANDUM

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

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Katja Wolfe, Library Director

**DATE:** November 12, 2021

**SUBJECT:** **Ordinance 3257-2021-- Collection Equity Outreach Award from the Network of the National Library of Medicine, Region 5**

---

The Library has been selected to receive a Collection Equity Outreach Award from the Network of the National Library of Medicine (NNLM). The NNLM's mission is "to advance the progress of medicine and improve the public health by providing all U.S. health professionals with equal access to biomedical information and improving the public's access to information to enable them to make informed decisions about their health" (<https://nnlm.gov/>). The mission of the Kenai Community Library is to provide a comfortable and friendly environment, whether that is in-person or virtually, for our visitors of all ages and abilities to pursue opportunities of life-long learning, relax and read current materials, receive knowledgeable assistance and answers to questions, find professionally selected materials in all formats for personal enjoyment, enjoy programs or performances, and have access to technological resources. In other words, our mission and status as a community organization position us well as a key contributor to community health and health literacy by providing reliable and current health information and training staff to answer consumer health reference questions with confidence and skill. However, a significant portion of our health-related materials is 5 years or older. Unlike hospital or medical library special collections, our collection must provide wide range of information to the general public, from students to parents to seniors, and to people of all backgrounds. Keeping our health section updated and reliable does require significant funds, and this award will help us reach our goal faster.

Per the award, the amount of \$1,500 will be used for the purchase of health and wellness titles in various formats (e.g., print, audio, digital books, and DVDs) for all age groups. Library staff trained in collection development will select items on both physical and mental health and wellbeing from well-reviewed popular science, reference, and graphic medicine titles. Review sources include professional library journals such as School Library Journal, Library Journal, and Booklist. Topics will include self-care and mental health, healthy habits, dealing and living with chronic stress and chronic diseases, caregiver support, suicide, prevention, traditional knowledge, complementary and non-Western medicine (like, acupuncture and herbal remedies), reference books on Medicaid and Medicare, health literacy (i.e., how to find and use health information to make informed healthcare decisions), items on specific conditions (i.e., breast cancer and dementia), women's health, and men's health.



We aim to serve as a resource for reliable health information and to help reduce health disparities in our community by making health information freely available and accessible. Health literacy is a 21<sup>st</sup> century skill that is crucial to understanding health information and making knowledgeable health-related decisions. The award will help us expand our efforts to refresh and replenish our health section with new and updated titles.

Your consideration is appreciated.



# OCT 21 Back By Popular Demand: Collection Equity Award

Posted by [Michele Spatz](#) on [October 21st, 2021](#) Posted in: [Blog](#), [Funding](#), [News from](#)

[NNLM Region 5](#)

Tags: [Funding](#), [NNLM Region 5](#)

## Collection Equity Award

### Background/Purpose

The National Network of Libraries of Medicine Region 5 under cooperative agreement with the U.S. National Library of Medicine (NLM), announces the availability of funding through its Collection Equity Awards to fund collection development that amplifies diverse voices writing on health/medical topics or that include a health or medical issue as an integral narrative theme. Such collection development efforts are important to ensure equitable access to health information and promote health literacy and support programmatic outreach in under-resourced communities.

The Awards are designed to help build collections that are reflective of voices of the communities served which may be revealed through different genres such as graphic medicine, fiction, nonfiction, memoirs, Young Adult, manuscripts (published and unpublished), oral histories and film. Expanding diverse voices in libraries (all types), public health agencies, academic programs, or community organizations ensures collection equity and supports health literacy by illuminating health issues either common, or conversely, unique to underserved populations in the region.

Specifically, the Collection Equity Award seeks to address one or more of the following aims from the NNLM Region 5 cooperative agreement and supports NLM's mission to provide U.S. researchers, health professionals, public health workforce, educators, and the public with equal access to biomedical and health information resources and data.

- Advance health equity through national and regional partnerships and initiatives to ensure a variety of members and the public will have equal access to biomedical, health, and public health information and data.
- Administer funding awards to support a highly trained workforce for biomedical and health information resources and data, improve health literacy, and increase health equity through information.

### Eligibility

Applicants must be from institutions that are members of NNLM Region 5. Membership is free and open to institutions interested in improving equitable access to health information. To verify your membership, find out your NNLM ID or to apply for membership, contact Outreach and Access Coordinator Emily Hamstra via email: [ehamstra@uw.edu](mailto:ehamstra@uw.edu).

Funds from this award must be used for purchase of materials and resources from any genre that amplify diverse voices writing on health/medical topics or that include a health or medical issue as an integral narrative theme.

### Funding

#### ARCHIVED CONTENT

- [2021](#)
- [2020](#)
- [2019](#)
- [2018](#)
- [2017](#)
- [2016](#)
- [2015](#)
- [2014](#)
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- [Health Observances](#) (51)
- [K-12](#) (13)
- [New from NNLM Region 5](#) (5)
- [News from Network Members](#) (63)
- [News from NIH](#) (22)
- [News from NLM](#) (307)
- [News from NNLM](#) (47)

**Funding Period:** December 17, 2021 – April 30, 2022

**Amount:** \$1,500

**Number of Awards Available:** Minimum of 6

## Application

**Step 1:** Send an email stating your intent to apply by 5:00 p.m. Pacific Time on **November 12, 2021** to [nnlm@uw.edu](mailto:nnlm@uw.edu). Include the name of your library/organization and your intent to apply for the Collection Equity Award.

**Step 2:** [Download this Application Form](#) and submit the completed Application Form to [nnlm@uw.edu](mailto:nnlm@uw.edu) by the **Application Deadline:** 5:00 p.m. Pacific Time, **December 10, 2021**

### Note:

- Applications submitted by 5:00pm Pacific Time, December 10, 2021, will receive first consideration.
- The NNLM Region 5 staff will acknowledge your application when received, and notification of awards will be given by December 17, 2021.

## Budget Guidelines:

- Award is \$1,500. A lump sum payment will be issued upon submission of a completed invoice. The invoice template will be provided by Region 5 staff.

## Evaluation of Applications

Applications will be reviewed by: NNLM Region 5 staff.

Reviewers will score applications based on the following categories and criteria.

1. SIGNIFICANCE (60 points): The proposal:
  1. clearly defines the target populations it is meant to serve; and
  2. provides evidence of need.
2. PROJECT PLAN (20 points): The project plan:
  1. demonstrates potential to increase access to biomedical and health information for defined target populations; and
  2. describes an effective publicity/promotion strategy.
3. EVALUATION (20 points): The evaluation plan is clear and uses sound methodology.

**REPORTING:** The applicant agrees to the reporting requirement. This is an inclusion/exclusion criterion. Applicants lacking this element will be disqualified.

## Additional Information

### Reporting:

A final report is required no later than May 27, 2022, which consists of a bibliography of the resources purchased. The citation format will be provided to awardees.

### NIH Acknowledgement:

Any resource developed with project funds must include an acknowledgment of NIH grant support and a disclaimer stating the following:

"Developed resources reported in this [publications, press releases, internet sites] are supported by the National Library of Medicine (NLM), National Institutes of Health (NIH) under cooperative agreement number UG4LM013725. The content is solely the responsibility of the authors and does not necessarily represent the official views of the National Institutes of Health."

## Need additional information or help?

Michele Spatz, Outreach and Engagement Coordinator, NNLM Region 5, [nnlm@uw.edu](mailto:nnlm@uw.edu)

Telephone: 206-543-8262

- [News From NNLM PNR](#) (517)
- [News from NNLM Region 5](#) (24)
- [Opioid Use Disorder](#) (2)
- [PNR Weekly Digest](#) (55)
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- [Training & Education](#) (417)

### ABOUT MICHELE SPATZ

Michele is the NNLM Region 5 Outreach and Engagement Coordinator. She has extensive experience providing consumer health information and a passion for health literacy. Michele truly believes, "Because of you, Libraries Transform.®"

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Developed resources reported in this program are supported by the National Library of Medicine (NLM), National Institutes of Health (NIH) under cooperative agreement number UG4LM012343 with the University of Washington.

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**From:** [Henry Knackstedt](#)  
**To:** [Jamie Heinz](#)  
**Subject:** Fw: Regarding the Kenai Community Library  
**Date:** Tuesday, October 26, 2021 6:34:14 AM

---

Please include this email when the Ordinance is reintroduced on December 1st.

Henry

---

**From:** Maria Allison <mllaaska1764@gmail.com>  
**Sent:** Monday, October 25, 2021 4:06:41 PM  
**To:** Henry Knackstedt  
**Subject:** Regarding the Kenai Community Library

**CAUTION:** This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Kenai City Council Members, Today we were dismayed to read that some members of the Kenai City Council believe that they should choose the books that are ordered by the Kenai City Library. As members of our community for 43 years, we have been extremely impressed by the Kenai Library, and their wonderful collection of books. A library is not only a place to check out books, but a storehouse of the fiction, non-fiction, science, art, music, children's and grown-up's books of the world. It is full of information of all kinds. By providing free access to newspapers, magazines and books from everywhere, it allows all of us to learn and improve our minds. It is up to us to be the ones who decide what books to check out. It is up to the library to provide everything available to us.

No city council nor other governmental agency should determine what books should be placed in the library. Free access to all information is what the library is about. Librarians have always been major defenders of intellectual freedom, long before most people even knew what it was. This means that they are watchdogs on topics like free speech, copyright, privacy, and the right to know what governments and corporations are doing. They and their associations lobby for these rights and fight alongside other citizens to preserve them.

Libraries provide a free education to all. No matter what our income level is, we are all allowed to check out books and do our own research. It is "green" in that the books are shared, not read once and thrown away. It is one of the best resources for community information. It is a place where people of all ages can practice lifelong learning.

Please recognize the importance of a community library and our community's need to have access to all books. Libraries' collections should not be determined by a politically motivated group such as elected officials, but by librarians who are trained in this field.

Sincerely, Maria and Thomas Allison

**From:** [Dave Peck](#)  
**To:** [City Council](#)  
**Subject:** Library material grant for health care materials 3248-2021  
**Date:** Tuesday, October 26, 2021 5:15:41 PM

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CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear City Council members:

I attended the last city council meeting and gave public testimony as well as submitted a previous letter on this matter.

After watching/attending the proceedings I want to clarify my objections to this ordinance. It is not the nature of the materials that might be ordered that I was worried about as much as the terms/purpose of the grant, be it from the State of Alaska or a federal agency.

If it is the representation of the city or the granting agency that the grant is necessary or will be used to (1) attain equity for (2) under-represented groups in the community, in order to qualify for the money, then I would urge the city council not to authorize the funding. That's because of the nature of using "equity" as a social goal as I described in my previous letter. As a Kenai resident I object to that concept. Underserved is another phrase that leads one to believe we have people in the community who are purposely ignored who need more social justice to thrive. This ties in directly to equity. And once you accept equity as legitimate (even in a small way as in this case) the sky is the limit.

I don't object to the materials. I object to the reasoning the city is providing to qualify for the grant. I hope this makes sense.

Respectfully,  
Dave Peck  
705 Sycamore St  
Kenai

**From:** [Brian G. Gabriel, Sr.](#)  
**To:** [Jamie Heinz](#)  
**Subject:** Fwd: Approval of Library grant  
**Date:** Thursday, October 28, 2021 1:49:36 PM  
**Attachments:** [Library Bill of Rights.pdf](#)  
[Freedom to Read.pdf](#)

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Jamie,

Please include this comment in the packet for the first meeting in December.

Thanks, Brian

Sent from my iPhone

Begin forwarded message:

**From:** Michael Christian <barbmike2@icloud.com>  
**Date:** October 28, 2021 at 10:56:22 AM AKDT  
**To:** "Brian G. Gabriel, Sr." <bgabriel@kenai.city>  
**Subject:** Approval of Library grant

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

First of all, thank you for the hours you spend working on the City Council. I am writing not to criticize recent events, but to provide arguments in favor of the division of civic duties and the preservation of public access to a wide range of information.

I was dismayed with the pressure placed on the Council and Librarian Katja Wolfe to delay the approval of the National Library of Medicine grant until Ms. Wolfe provides a list of intended purchases. This action deeply involves the Council and one member of the community in the specialized work assigned a city employee: the considered acquisition of up-to-date and varied books, periodicals, and databases that allow the public to research a subject and make informed choices.

I would like to offer several arguments in support of our librarian and the freedom of information that libraries are intended to provide:

1. The ethics of library science preclude the type of one-sided expansion that the community member seems to fear. Ms. Wolfe's job requires her to know not only what is already available in her own library but what can be accessed through interlibrary loans from Alaska's community libraries, the UA Consortium

Library, and the libraries of the other forty-nine states. Few individuals outside of librarians possess this specialized knowledge or know how to apply it.

2. The City Council has not previously vetted library acquisitions. Since the ethical selection of reliable and balanced information requires considerable time and expertise, the City hires a full-time, qualified librarian. I doubt that the Council would sincerely want to add that full-time burden to their workload. Likewise, few individuals in the community could or would do this work.
3. Rather than second guess Ms. Wolfe's dedication to her job, the community and the Council should commend her for seeking and winning a grant. Having pursued grants myself, I appreciate the amount of budgetary and background research required for applications. Also, the grant, once awarded, demands even more time in records and justifications for the final report to the grantor. In this respect, the grant itself becomes a form of supervision.
4. Since the growth of social media and self-publishing houses that allow the dissemination of personal opinion and untested data, Americans have become inundated with information that may not be reliable or ethical. On the other hand, as I know from personal experience, juried periodicals and respected publishing houses ask experts in the field to vigorously examine submissions before publication can be offered. I would suggest this is especially true of medical publishing.
5. Before implying a librarian has nefarious intentions, an accuser should thoroughly research a chosen subject to identify whether shortfalls or biases actually exist.
6. I personally think Katja Wolfe deserves an apology for such an ethical affront from anyone with fewer library credentials, less experience, and less knowledge of our interlinked library than she has. Her treatment at the recent meeting was offensive in the extreme.

I hope these observations are helpful to you. I have attached information that may not be widely known among community members.

Respectfully,

Barbara Christian

410 Rogers Road

Kenai, AK 99611

907-283-3219

Supplements:



1. Katja Wolfe holds both a Masters of Library and Information Services and a Masters in Public Health.
2. Library Bill of Rights (below)
3. Freedom to Read Statement (attached)

## Library Bill of Rights

The American Library Association affirms that all libraries are forums for information and ideas, and that the following basic policies should guide their services.

- I. Books and other library resources should be provided for the interest, information, and enlightenment of all people of the community the library serves. Materials should not be excluded because of the origin, background, or views of those contributing to their creation.
- II. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.
- III. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.
- IV. Libraries should cooperate with all persons and groups concerned with resisting abridgment of free expression and free access to ideas.
- V. A person's right to use a library should not be denied or abridged because of origin, age, background, or views.
- VI. Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals or groups requesting their use.
- VII. All people, regardless of origin, age, background, or views, possess a right to privacy and confidentiality in their library use. Libraries should advocate for, educate about, and protect people's privacy, safeguarding all library use data, including personally identifiable information.

Adopted June 19, 1939, by the ALA Council; amended October 14, 1944; June 18, 1948; February 2, 1961; June 27, 1967; January 23, 1980; January 29, 2019.

Inclusion of "age" reaffirmed January 23, 1996.

Although the Articles of the *Library Bill of Rights* are unambiguous statements of basic principles that should govern the service of all libraries, questions do arise concerning application of these principles to specific library practices. See the documents designated by the Intellectual Freedom Committee as Interpretations of the Library Bill of Rights (<http://www.ala.org/advocacy/intfreedom/librarybill/interpretations>).

## The Freedom to Read Statement

The freedom to read is essential to our democracy. It is continuously under attack. Private groups and public authorities in various parts of the country are working to remove or limit access to reading materials, to censor content in schools, to label "controversial" views, to distribute lists of "objectionable" books or authors, and to purge libraries. These actions apparently rise from a view that our national tradition of free expression is no longer valid; that censorship and suppression are needed to counter threats to safety or national security, as well as to avoid the subversion of politics and the corruption of morals. We, as individuals devoted to reading and as librarians and publishers responsible for disseminating ideas, wish to assert the public interest in the preservation of the freedom to read.

Most attempts at suppression rest on a denial of the fundamental premise of democracy: that the ordinary individual, by exercising critical judgment, will select the good and reject the bad. We trust Americans to recognize propaganda and misinformation, and to make their own decisions about what they read and believe. We do not believe they are prepared to sacrifice their heritage of a free press in order to be "protected" against what others think may be bad for them. We believe they still favor free enterprise in ideas and expression.

These efforts at suppression are related to a larger pattern of pressures being brought against education, the press, art and images, films, broadcast media, and the Internet. The problem is not only one of actual censorship. The shadow of fear cast by these pressures leads, we suspect, to an even larger voluntary curtailment of expression by those who seek to avoid controversy or unwelcome scrutiny by government officials.

Such pressure toward conformity is perhaps natural to a time of accelerated change. And yet suppression is never more dangerous than in such a time of social tension. Freedom has given the United States the elasticity to endure strain. Freedom keeps open the path of novel and creative solutions, and enables change to come by choice. Every silencing of a heresy, every enforcement of an orthodoxy, diminishes the toughness and resilience of our society and leaves it the less able to deal with controversy and difference.

Now as always in our history, reading is among our greatest freedoms. The freedom to read and write is almost the only means for making generally available ideas or manners of expression that can initially command only a small audience. The written word is the natural medium for the new idea and the untried voice from which come the original contributions to social growth. It is essential to the extended discussion that serious thought requires, and to the accumulation of knowledge and ideas into organized collections.

We believe that free communication is essential to the preservation of a free society and a creative culture. We believe that these pressures toward conformity present the danger of limiting the range and variety of inquiry and expression on which our democracy and our culture depend. We believe that every American community must jealously guard the freedom to publish and to circulate, in order to preserve its own freedom to read. We believe that publishers and librarians have a profound responsibility to give validity to that freedom to read by making it possible for the readers to choose freely from a variety of offerings.

The freedom to read is guaranteed by the Constitution. Those with faith in free people will stand firm on these constitutional guarantees of essential rights and will exercise the responsibilities that accompany these rights.

We therefore affirm these propositions:

1. *It is in the public interest for publishers and librarians to make available the widest diversity of views and expressions, including those that are unorthodox, unpopular, or considered dangerous by the majority.*

Creative thought is by definition new, and what is new is different. The bearer of every new thought is a rebel until that idea is refined and tested. Totalitarian systems attempt to maintain themselves in power by the ruthless suppression of any concept that challenges the established orthodoxy. The power of a democratic system to adapt to change is vastly strengthened by the freedom of its citizens to choose widely from among conflicting opinions offered freely to them. To stifle every nonconformist idea at birth would mark the end of the democratic process. Furthermore, only through the constant activity of weighing and selecting can the democratic mind attain the strength demanded by times like these. We need to know not only what we believe but why we believe it.

2. *Publishers, librarians, and booksellers do not need to endorse every idea or presentation they make available. It would conflict with the public interest for them to establish their own political, moral, or aesthetic views as a standard for determining what should be published or circulated.*

Publishers and librarians serve the educational process by helping to make available knowledge and ideas required for the growth of the mind and the increase of learning. They do not foster education by imposing as mentors the patterns of their own thought. The people should have the freedom to read and consider a broader range of ideas than those that may be held by any single librarian or publisher or government or church. It is wrong that what one can read should be confined to what another thinks proper.

3. *It is contrary to the public interest for publishers or librarians to bar access to writings on the basis of the personal history or political affiliations of the author.*

No art or literature can flourish if it is to be measured by the political views or private lives of its creators. No society of free people can flourish that draws up lists of writers to whom it will not listen, whatever they may have to say.

4. *There is no place in our society for efforts to coerce the taste of others, to confine adults to the reading matter deemed suitable for adolescents, or to inhibit the efforts of writers to achieve artistic expression.*

To some, much of modern expression is shocking. But is not much of life itself shocking? We cut off literature at the source if we prevent writers from dealing with the stuff of life. Parents and teachers have a responsibility to prepare the young to meet the diversity of experiences in life to which they will be exposed, as they have a responsibility to help them learn to think critically for themselves. These are affirmative responsibilities, not to be discharged simply by preventing them from reading works for which they are not yet prepared. In these matters values differ, and values cannot be legislated; nor can machinery be devised that will suit the demands of one group without limiting the freedom of others.

5. *It is not in the public interest to force a reader to accept the prejudgment of a label characterizing any expression or its author as subversive or dangerous.*

The ideal of labeling presupposes the existence of individuals or groups with wisdom to determine by authority what is good or bad for others. It presupposes that individuals must be directed in making up their minds about the ideas they examine. But Americans do not need others to do their thinking for them.

6. *It is the responsibility of publishers and librarians, as guardians of the people's freedom to read, to contest encroachments upon that freedom by individuals or groups seeking to impose their own standards or tastes upon the community at large; and by the government whenever it seeks to reduce or deny public access to public information.*

It is inevitable in the give and take of the democratic process that the political, the moral, or the aesthetic concepts of an individual or group will occasionally collide with those of another individual or group. In a free society individuals are free to determine for themselves what they wish to read, and each group is free to determine what it will recommend to its freely associated members. But no group has the right to take the law into its own hands, and to impose its own concept of politics or morality upon other members of a democratic society. Freedom is no freedom if it is accorded only to the accepted and the inoffensive. Further, democratic societies are more safe, free, and creative when the free flow of public information is not restricted by governmental prerogative or self-censorship.

7. *It is the responsibility of publishers and librarians to give full meaning to the freedom to read by providing books that enrich the quality and diversity of thought and expression. By the exercise of this affirmative responsibility, they can demonstrate that the answer to a "bad" book is a good one, the answer to a "bad" idea is a good one.*

The freedom to read is of little consequence when the reader cannot obtain matter fit for that reader's purpose. What is needed is not only the absence of restraint, but the positive provision of opportunity for the people to read the best that has been thought and said. Books are the major channel by which the intellectual inheritance is handed down, and the principal means of its testing and growth. The defense of the freedom to read requires of all publishers and librarians the utmost of their faculties, and deserves of all Americans the fullest of their support.

We state these propositions neither lightly nor as easy generalizations. We here stake out a lofty claim for the value of the written word. We do so because we believe that it is possessed of enormous variety and usefulness, worthy of cherishing and keeping free. We realize that the application of these propositions may mean the dissemination of ideas and manners of expression that are repugnant to many persons. We do not state these propositions in the comfortable belief that what people read is unimportant. We believe rather that what people read is deeply important; that ideas can be dangerous; but that the suppression of ideas is fatal to a democratic society. Freedom itself is a dangerous way of life, but it is ours.

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This statement was originally issued in May of 1953 by the Westchester Conference of the American Library Association and the American Book Publishers Council, which in 1970 consolidated with the American Educational Publishers Institute to become the Association of American Publishers.

Adopted June 25, 1953, by the ALA Council and the AAP Freedom to Read Committee; amended January 28, 1972; January 16, 1991; July 12, 2000; June 30, 2004.

*A Joint Statement by:*

American Library Association (/)

Association of American Publishers (<http://www.publishers.org/>)

*Subsequently endorsed by:*

American Booksellers for Free Expression (<http://www.bookweb.org/abfe>)

The Association of American University Presses (<http://www.aaupnet.org/>)

The Children's Book Council (<http://www.cbcbooks.org/>)

Freedom to Read Foundation (<http://www.ftrf.org>)

National Association of College Stores (<http://www.nacs.org/>)

National Coalition Against Censorship (<http://www.ncac.org/>)

National Council of Teachers of English (<http://www.ncte.org/>)

The Thomas Jefferson Center for the Protection of Free Expression

**From:** [Amy Murrell Haunold](#)  
**To:** [City Council](#)  
**Subject:** Regarding censorship of Library materials.  
**Date:** Wednesday, November 3, 2021 4:11:17 PM

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To the city council'

Please be aware of my displeasure at hearing this council is attempting to violate my 1st Amendment US Constitutional rights. I highly disapprove of your egregious overreach of your duties in this matter. It is not a 'slippery slope' as described in the newspaper. It's a blatant violation of my rights and the rights of every citizen in this city. You do not decide what I can or can not read. I do.

If any council member thinks this suppression of the free exchange of ideas, whether verbal or written, is within their duties as a city council member, they are sadly uninformed of the basis of our Constitution and is not fit for public office. I urge you to dismiss them. If not, perhaps they should read up on the US Constitution. There are some good books on it, assuming they have a library card.

Regards,  
Amy Murrell-Haunold  
23 year Kenai resident  
43 year Alaskan resident  
Natural born American

**From:** [Genova Brookes Boyd](#)  
**To:** [City Council](#)  
**Subject:** Support for Ordinance No. 3248-2021  
**Date:** Wednesday, November 10, 2021 1:25:45 PM

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To Whom it May Concern,

I am writing to offer my whole hearted support for **Ordinance No. 3248-2021: Accepting and Appropriating a Collection Equity Award from the Network of the National Library of Medicine (NNLM) Region 5 for the purchase of Health and Wellness titles for the Kenai Community Library Collection.**

Libraries are at the forefront of providing free and equitable access to information to members of the community. In this vein, the Kenai Community Library Director, Ms. Katja Wolfe, and her professional staff, are tasked with creating an equitable and relevant Library collection, and are very well qualified and experienced to do so. This grant is an opportunity to provide the Kenai Library with a robust collection in the form of several titles which serve many diverse members of its community.

In Support of this Ordinance, I would like to respond to several comments made during the Kenai City Council meeting (October 20, 2021) as follows:

With regard to comments made by Ms. Sharon Efta of Kenai; Librarianship does not endorse the “rubber stamping” of any titles purchased for a Library “without knowing anything about them.” Director Wolfe and her professional staff have been employed as honorable representatives of their profession and should be trusted to select titles for the Library that best represent the community’s needs.

With regard to comments made by Mr. Dave Peck of Kenai that “equity causes division” and that titles chosen under the auspices of this grant may not serve underrepresented communities in Kenai; I would like to point out that the Library seeks to acquire consumer health titles, titles on stress relief, self-care, mental health, healthy habits, chronic conditions, dealing and living with chronic stress, caregiver support resources, suicide prevention, traditional medicine, traditional knowledge, non-western medical research, reference resources regarding Medicare and Medicaid, titles on health literacy, items on specific conditions such as ADHD and Cancer, etc., and resources for men’s health and women’s health. Perhaps Mr. Peck and other concerned constituents could suggest which traditionally underrepresented groups are not covered by this extensive list of topics.



With regard to a general misunderstanding (especially expressed by Ms. Christine Hutchison of Kenai) that grant money provided by the NNLM was federally funded, I would like to acknowledge the calm clarity provided by Councillor Pettey, who did indeed correctly state that the grant money provided is not from federal funding. Nevertheless, even federal funding provided to Libraries is not (as previously quoted by Ms. Efta) a “rubber stamp” on any acquisitions requested. Acquisitions are still subject to a rigorous overview and processing by qualified and experienced Librarians and professionals who have comprehensive understanding of community needs and the expectations of their profession.

Ms. Hutchison suggested that there were already titles in the Library which cover the aforementioned topics and that new titles were not necessary for the Library’s collection. However, Ms. Hutchison did not demonstrate understanding of the scope of the existing collections or the recurring collection needs of the Library; any possible lack of equitability or diversity of existing sources; recent developments in the key research areas; or the condition of the current materials. Ms. Hutchison then suggested that there should be an inventory of existing Library materials to prevent overlap between existing titles and new acquisitions. I would like to point her, and any others concerned, to the Library catalog which is available to the public for comparative overview at any time. It is also worth mentioning that Libraries often purchase multiple copies of titles to provide equitable access to resources that are in demand.

The one correct statement of note, (which Ms. Hutchison did consider), was related to the fundraising capacity of the Library and its community. I hope that the response of the Kenai community in raising several thousand additional dollars through a GoFundMe in support of acquiring titles on the aforementioned topics, sends a clear sign to Ms. Hutchison and the Council regarding the “consensus” of its local community on this matter. It seems that the community has strong opinions regarding the City Council’s screening of books made available at the Library.

I was particularly concerned with comments made by Councillor Winger who suggested that the NNLM provided information resources primarily devoted to the topic of the COVID-19 pandemic and nothing more of relevance to specific health related subjects as requested by the Library. I would like to refer Councillor Winger back to the NNLM website which hosts information on several relevant topics, specifically: health literacy; digital health literacy; consumer health; Diversity Equity and Inclusion in medicine and health; community health and wellness, specific health conditions and concerns (including heart diseases, substance abuse disorders and inherited diseases, amongst others); mental health; nutrition; and medical financial assistance. Included amongst many resources are also resources on COVID, for which I for one am grateful, since we happen to be in the midst of a pandemic.

I was amused by the following **Ordinance 3249-2021** for the American Library Association 'NASA at my Library' Program Initiative funding, which was voted in unanimously. Apparently, a detailed list of resources and services was not required for this approval. No Councillor or constituent seemed to have concerns with the intended purpose of NASA or its status as a federally funded organization. There was little doubt that NASA's content was adequate enough to implement STEM programming, and it appears that trust is restored to the Library to see this initiative through. How ironic.

I would like to conclude with a final appeal to the Council to allow this Ordinance to pass and to approve the funding to the Kenai Library. Health and Wellness resources are much needed in the Kenai community and beyond.

I'd also like to add appreciative words for Mayor Gabriel, Councillor Pettey and Councillor Glendening who showed consistent support of the Library and respect for the advanced qualifications and experience of its Director and her professional staff. Their advocacy for Intellectual Freedom and their support for Librarians as informed advocates for information access is commendable.

Yours Sincerely,

Genova Brookes Boyd  
Collection Development and Engagement Library/ Prof. Library Science  
University of Alaska, Fairbanks.

**The views, information, or opinions expressed in this letter are solely those of the individual and do not necessarily represent those of University of Alaska, Fairbanks and its employees.**

**From:** [Henry Knackstedt](#)  
**To:** [Jamie Heinz](#)  
**Cc:** [Glense Pettey](#)  
**Subject:** Fw: Library grant list delay  
**Date:** Friday, November 12, 2021 6:07:52 PM

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Jamie

Please include with the library resolution

Henry

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**From:** Lorrene Forbes <ml4bsalaska@gmail.com>  
**Sent:** Friday, November 12, 2021 5:03:02 PM  
**To:** Henry Knackstedt  
**Subject:** Library grant list delay

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Mr. Knackstedt,

I'm way behind but I appreciate your speaking up for the library director and staff in the purchase of new books for the collection. You hire people with the education and credentials and let them do their job. Locating grant opportunities, applying and using these extra funds is a valid and appreciated part of their job.

I have been a member of the Friends of the Library, my husband served on the board when the new library was first built, I served several terms on the Library Commission and we have been regular users since we moved here in 1971. I have never seen administration or Council provide oversight of collection additions. Our librarians monitor book usage, client needs and requests, whatever indicators to help keep the collection up-to-date. They order according to standards developed for libraries to serve all members.

We do not need the knee jerk reaction to the word "equity" in the grant title to have community and Council members wanting ordering oversight and censorship. Looking at what is happening around the country and even in our school district demonstrates what a "slippery slope" it can be. I noticed when viewing the meeting no one ironically objected to accepting the NASA grant.

The Council has no need to duplicate the work of our library staff as they have their own defined job which is to accept the grant and move on and not waste time. I will be my own censor for myself and family.

I'm sorry the Council felt they had to put a knot in the library's use of grant money. I appreciate your speaking honestly and reasonably.

Thank you.

Lorrene Forbes  
612 Cedar Drive

Sent from my iPad

**From:** [Brian G. Gabriel, Sr.](#)  
**To:** [Jamie Heinz](#)  
**Cc:** [Meghan Thibodeau](#)  
**Subject:** Fwd: kenai city council action on library grant  
**Date:** Thursday, November 18, 2021 8:58:33 AM

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Jamie,  
Please include the attached correspondence in our December 1st meeting packet.

Thanks,  
Brian

Sent from my iPhone

Begin forwarded message:

**From:** "Brian G. Gabriel, Sr." <[bgabriel@kenai.city](mailto:bgabriel@kenai.city)>  
**Date:** November 18, 2021 at 8:56:58 AM AKST  
**To:** karen jensen <[kljensen64@gmail.com](mailto:kljensen64@gmail.com)>  
**Subject: Re: kenai city council action on library grant**

Karen,

Since this item was postponed at the meeting before new Council Members took their seats, it will be re-introduced at our first meeting in December. I will ask our clerk to include your comments in our packet.

Thanks for reaching out,  
Brian

Sent from my iPhone

On Nov 18, 2021, at 7:57 AM, karen jensen  
<[kljensen64@gmail.com](mailto:kljensen64@gmail.com)> wrote:

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Exercise caution when opening attachments or clicking links,  
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----- Forwarded message -----

**From:** karen jensen <[kljensen64@gmail.com](mailto:kljensen64@gmail.com)>  
**Date:** Thu, Nov 18, 2021 at 7:54 AM  
**Subject:** kenai city council action on library grant  
**To:** <[city\\_council@kenai.city](mailto:city_council@kenai.city)>

Dear Kenai City Council Members:

Greetings. I am the Director of Libraries at the University of Alaska Fairbanks, and also a member of the National Network Libraries of Medicine (NNLM) Region 5 Executive Committee. Let me be crystal clear that the **opinions expressed here are mine alone and I am not speaking as an official representative of either organization**, but I offer that information because it indicates to some extent, my background and knowledge on the subject of library collection grants, and in particular, the NNLM library grant award that was rejected by the Kenai City Council. I'm writing to you today to express my concerns over the Council action that was taken against the Kenai library's NNLM grant award.

Libraries of all types currently face strained budgets and we do all we can to seek other funding sources, so that we can provide the best service and resources to our library patrons. This is not unusual or objectionable in any way, and in fact is an expectation. The funds are carefully considered, the grant applications are read in detail, so that we know what we are obligated to do and what we must report on each award. Professional librarians such as your Kenai City Library Director, are qualified to both make these grant applications, and make subject and title selections for their collections using those funds. It is completely objectionable for anyone outside of the library to dictate specific titles or approve individual resources, without the professional background to understand collection development policies, procedures, and the scope of the collection, as well as the information needs of all local residents. Consider thanking your librarian for the excellent work she is doing to extend limited local funds.

The National Library of Medicine (NLM) and the National Network of Libraries of Medicine (NNLM) have existed for decades. The NLM created the most critical biomedical scientific database out there - PubMed (Medline). The NNLM's mission is to ensure that accurate and current medical and health information is available to everyone. This small grant is part of that effort.

Listen to your experts who have served your community for a long time, before taking action. They know what they're doing, and listening to them before responding will give you a chance to learn how government works. Your job as a council is to support that government activity and provide wise council, not to tear it apart.

Thank you for your time.  
Sincerely,

Karen Jensen  
Fairbanks, Alaska  
[kljensen64@gmail.com](mailto:kljensen64@gmail.com)



**FRIENDS OF THE KENAI COMMUNITY LIBRARY**  
**P.O. BOX 656**  
**KENAI, AK 99611**

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Kenai City Council  
 210 Fidalgo Ave.  
 Kenai, AK 99611

November 22, 2021

Subject: Friends of the Kenai Community Library Letter of Support for the “Library Collection Equity Wellness Titles” Ordinance.

Dear Council Members,

We, the Friends of the Kenai Community Library Board of Directors, submit this letter in support of the “Library Collection Equity Wellness Titles” Ordinance: “Accepting and Appropriating a Collection Equity Award from the Network of the National Library of Medicine Region 5 for the Purchase of Health and Wellness Titles for the Kenai Community Library Collection.”

As many of you know, the Friends of the Kenai Community Library is a private, 501(c)(3), non-profit organization. Our mission is “to conduct activities that promote literacy and reading by creating an awareness of services provided by the Kenai Community Library.” We likewise operate “to support superior library service[s] in the community” through “advocacy [for] public and private support of library growth and improvement, encouragement of volunteer involvement in library programs, and acquisition of funds to supplement the library’s core annual budget.”

In keeping with our mission, we ask the Council to adopt the “Library Collection Equity Wellness Titles” Ordinance. We also implore the Council to refrain from reviewing the titles of books/resources to be purchased with the Ordinance’s awarded grant funds. Conditioning the Ordinance’s adoption upon such a review is both improper and dangerous.

As a matter of importance, we fully acknowledge the Council’s prerogative and duty to evaluate the propriety of accepting grant funds awarded to the City. Similarly, we fully support the democratic process of open dialogue and debate within a transparent community forum when it comes to deciding whether the Council ought to accept grant funds awarded to the City. However, we believe the Council would be going too far by predicating its adoption of the “Library Collection Equity Wellness Titles” Ordinance upon a meritorious review of the books/resources to be purchased.

First, requiring the Library Director to divulge a prospective list of titles as a condition of accepting the Ordinance's awarded grant funds is not only unprecedented, but unwarranted. The discretionary authority to oversee library collection development and maintenance is vested in the Kenai Library Director. Library collection development and maintenance is one of the Kenai Library Director's essential duties and responsibilities. To our knowledge, the Council has never sought to second-guess or otherwise interfere directly with the Kenai Library Director's discretionary authority in this manner. There is no reason to do so now.

Second, we affirm that the Kenai Library Director enjoys a presumption of regularity when it comes to the execution of the discretionary authority entrusted to her. This presumption also extends to the execution of her essential duties for purposes of overseeing library collection development and maintenance. This means that, absent evidence to the contrary, the Kenai Library Director is presumed to execute her discretionary authority and responsibilities properly. To our knowledge, no fact or allegation has been levied against the Kenai Library Director so as to rebut this presumption. Furthermore, no fact or allegation exists so as to call into question the Kenai Library Director's ability to exercise her discretionary authority and responsibilities properly when it comes to purchasing materials in accordance with this particular Ordinance's awarded grant funds. The Kenai Library Director should be permitted to perform the duties entrusted to her.

Third, we implore the Council to reflect upon the harmful implications that would stem from a decision to review a list of titles. Such action would be unfairly arbitrary. This is true both in a general sense and in a specific sense.

Generally, the Council's decision to do this would be unfairly arbitrary because no good reason has been articulated to justify second-guessing the Kenai Library Director's discretionary authority and responsibilities regarding the materials to be purchased. Why does the Council feel it cannot trust the Kenai Library Director to execute her duties faithfully with respect to this Ordinance's awarded grant funds? What cause or reason has been put forth to question the Kenai Library Director's ability to fulfill her duties and obligations when it comes to obtaining additional resources for our Community Library? How does the nature, topic, or purpose of this Ordinance's awarded grant funds in any way cast doubt or suspicion upon the Kenai Library Director's ability to execute the duties and responsibilities entrusted to her when it comes to library collection development and maintenance? There are no good answers to these questions, and so a decision by the Council to review a list of titles as a condition of adopting the Ordinance would be unfairly arbitrary.

Specifically, the Council's decision to do this would be unfairly arbitrary as applied because this would mean that the "Library Collection Equity Wellness Titles" Ordinance is being singled-out and scrutinized for its subject-matter. During the City Council Meeting held on October 20, 2021, it was requested that the Kenai Library Director provide a list of titles to be purchased with the Ordinance (then designated as Ordinance No. 3248-2021), thereby conditioning the Ordinance's adoption upon review of the prospective titles to be purchased. Then, turning to the very next ordinance on the Council's Agenda; namely, Ordinance No. 3249-2021 -

“Accepting and Appropriating Funding from the American Library Association for the Kenai Community Library’s Participation in the NASA@ My Library Programming Initiative,” the Council announced its unquestioning support for the awarded grant funds and promptly adopted Ordinance No. 3249-2021. In so doing, the Council approved the earmarking of \$500 from the NASA@ My Library Programming Initiative’s funds for the acquisition of library books.

Why does the Council believe it is necessary to review a list of titles to be purchased with the grant money awarded under the “Library Collection Equity Wellness Titles” Ordinance, when no such review of prospective titles was required before passing Ordinance No. 3249-2021? Why is the acquisition of library materials about NASA and planetary science something that can be entrusted to the discretion of the Kenai Library Director without Council oversight or review, but not when it comes to the acquisition of library materials about health, wellness, and medicine? Pursuing such conduct is demonstrably arbitrary because it would result in disparate treatment of the “Library Collection Equity Wellness Titles” Ordinance, and it is plain that such disparate treatment would be founded upon a partisan-based, normative evaluation of the subject-matter associated with the materials to be purchased. This is wrong.

Fourth, a decision by the Council to review a list of titles as a condition of adopting the “Library Collection Equity Wellness Titles” Ordinance would run contrary to the principles governing library collection development and maintenance as enshrined within the Kenai Municipal Code. Under the Municipal Code’s list of Kenai Community Library Policies, the book selection sub-policy’s preamble recognizes “the pluralistic nature of this community and the varied backgrounds and the needs of the citizens,” such that the “[s]election of books and/or other library materials shall be made on the basis of their value of interest, information, and enlightenment of all the people of the community.” With the authority to select books and/or other library materials being “vested in the librarian[,]” the book selection policy goes on to declare that “[n]o book and/or library material shall be excluded because of the race, nationality[,] or the political or social views of the author.” In this same vein, the policy declares that “censorship is a purely individual matter . . . and that while anyone is free to reject for himself books of which he does not approve, he cannot exercise this right of censorship to restrict the freedom to read to others.” The policy continues by declaring its defense of “the principles of the freedom to read . . . and that whenever censorship is involved[,] no book and/or library material shall be removed from the library save under the orders of a court of competent jurisdiction.” The book selection policy then concludes by adopting and incorporating by reference “The Library Bill of Rights” and “The Freedom to Read Statement adopted by the American Library Association.” We encourage the Council to review these enumerated policies within the Kenai Municipal Code, and – in accordance with these enumerated policies – refrain from reviewing titles of prospective materials prior to adopting the “Library Collection Equity Wellness Titles” Ordinance.



Fifth, and finally, we support a Kenai Community Library that is robust, diverse, and multi-faceted when it comes to the information, materials, and resources made available to the public. This is best in keeping with providing a forum for the free and unfettered marketplace of ideas, while simultaneously providing information to the public free of partisan oversight and prejudicial limitation. The Council's apparent plan to engage in a conditional, review-based screening of titles to be purchased before adopting the "Library Collection Equity Wellness Titles" Ordinance is not in keeping with these goals.

Thank you for the opportunity to voice our support in favor of the "Library Collection Equity Wellness Titles" Ordinance! Please demonstrate your support for the Kenai Community Library by adopting this Ordinance, and by refraining from the review of any books/resources to be purchased with the Ordinance's awarded grant funds!

Sincerely,

The Friends of the Kenai Community Library Board of Directors



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3258-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING FUNDING FROM THE STATE OF ALASKA DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DIVISION OF PUBLIC HEALTH, FOR THE HEALTHY AND EQUITABLE COMMUNITIES PROGRAM, AND AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT FOR THIS FUNDING.

WHEREAS, the City was notified of an award from the State of Alaska, DHSS, Division of Public Health for grant funding in support of creating and sustaining healthy and equitable communities that strategically aim to build infrastructure to improve health outcomes for high risk, underserved populations; and,

WHEREAS, the City is eligible to receive \$86,596.90 comprised of the City’s allocation of \$43,298.45 and an additional \$43,298.45 from the Kenai Peninsula Borough allocation that was approved by Kenai Peninsula Borough Ordinance 2021-19-29; and,

WHEREAS, the City proposed a list of projects that were approved by the Health and Equitable Communities Program Manager, with the City’s Municipal Park Trail Boardwalk Project selected as first priority by the City Council at its November 3, 2021 meeting; and,

WHEREAS, the Trail Boardwalk Project was included in the City’s Fiscal Year 2021-2026 Capital Improvement plan and is anticipated to utilize all the available funding; and,

WHEREAS, it is in the best interest of the City to accept grant funding to improve infrastructure within the City that will result in a healthier community.

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 a grant in the amount of \$86,596.90 from the State of Alaska, Department of Health and Social Services, and to expend those funds in compliance with the grant’s requirements and this ordinance.

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

|  |                    |
|--|--------------------|
| Trail Construction Capital Project Fund:   |                    |
| Increase Estimated Revenues –              |                    |
| Federal Grants                             | <u>\$86,596.90</u> |
| Increase Appropriations – Capital Projects |                    |
| Construction                               | <u>\$86,596.90</u> |

**Section 3.** That the City Manager is authorized to execute a memorandum of agreement with the State of Alaska, Department of Health and Social Services, Division of Public Health in requirements of the Healthy and Equitable Communities Grant.

**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 15<sup>th</sup> day of December, 2021.

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

ATTEST:

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

Approved by Finance: 

Introduced: December 1<sup>st</sup>, 2021  
Enacted: December 15<sup>th</sup>, 2021  
Effective: December 15<sup>th</sup>, 2021



# KENAI

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

## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Tony Prior, Fire Chief

**DATE:** November 18, 2021

**SUBJECT:** **Ordinance 3258-2021 Healthy & Equitable Communities Grant**

---

We were notified of a grant opportunity from the State of Alaska, Department of Health and Social Services (DHSS), Division of Public Health (DPH), that provides funding for communities to improve infrastructure that will build and promote living healthy and future pandemic prevention. Funding from this Healthy and Equitable Communities grant must have an emphasis on high risk, underserved population groups. The grant notification specified a minimum of three (3) years of funding support and we are addressing round one (1) of the program in this memo.

Funding for the program is based on population of each community within Alaska and is calculated by the Alaska Health Equity Index. The City of Kenai is eligible for a municipal allocation of \$43,298.45 from the State. Additionally, we have worked collaboratively with the Kenai Peninsula Borough (KPB) who is able to directly award additional funding to the City that is proportionate to the City's municipal allocation, bringing our total funding to \$86,596.90. KPB and the City of Kenai have recommended to the grant manager that KPB's proportionate amount eligible to the City, be directly awarded to City and has been approved by the grant manager. This will increase efficiency and maximize funding directly to the project.

A Memorandum of Agreement (MOA) will need to be executed between DPH and the City to meet requirements of the grant.

A list of projects was submitted to the Program Manager for pre-approval with all projects but one being approved. The top 2 priorities were presented to Council on November 3<sup>rd</sup>, with Council voting for the Municipal Park Trail Boardwalk Project as the first project to move forward.

This project has the potential to benefit individuals of all ages who come to Kenai and use the Trail Systems. We thank you for your consideration of this ordinance and we respectfully request your approval.



# Office of the Borough Mayor

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

Charlie Pierce  
Mayor

October 22, 2021

Maria Caruso

AK Department of Health & Social Services/Division of Public Health  
3601 C Street, Suite 756  
Anchorage, AK 99503-5924

*Submitted electronically*

Subject: Healthy Equitable Communities Grant – City Allocations

Dear Ms. Caruso:

The Kenai Peninsula Borough formally requests that a portion of the Borough's allocation is directly awarded from DHSS to the cities of Kenai and Soldotna as follows:

City of Kenai: direct award \$43,298.45 of Borough funds to the city. This amount is in addition to the city's anticipated allocation.

City of Soldotna: direct award \$25,847.27 of Borough funds to the city. This amount is in addition to the city's anticipated allocation.

This request removes a layer of unnecessary processes through the Borough by allowing the state to provide direct oversight between the Division of Health and the cities. We greatly appreciate the cities' efforts to provide services and programs that will have public benefit. Please contact Brenda Ahlberg, Community & Fiscal Projects Manager should you need additional information at 907-714-2153 or [bahlberg@kpb.us](mailto:bahlberg@kpb.us)

Sincerely,

Charlie Pierce,  
Mayor

ba/CP

CC: Brenda Ahlberg, Community & Fiscal Projects Manager  
Paul Ostrander, City of Kenai City Manager  
Stephanie Queen, City of Soldotna City Manager



Sponsored by: Administration

## CITY OF KENAI

### ORDINANCE NO. 3259-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL AND MUNICIPAL ROADWAY IMPROVEMENT CAPITAL PROJECT FUNDS, AND INCREASING A PURCHASE ORDER TO FOSTER'S CONSTRUCTION FOR THE 2021 BRYSON AVE BLUFF EROSION REPAIR PROJECT.

WHEREAS on September 20, 2021 the City of Kenai executed a construction agreement with Foster's Construction in the amount of \$309,775 for the 2021 Bryson Ave Bluff Erosion Repair Project; and,

WHEREAS Council authorized the project through passage of Ordinance 3244-2021 at the September 1, 2021 meeting; and,

WHEREAS Council's authorization at that time included a \$45,000 contingency for the project, for a total approved purchase order amount of \$354,775 to Foster's Construction; and,

WHEREAS erosion conditions resulting from the failed storm water piping continued to erode from the time of Bid release to the time of construction start, which resulted in additional quantities of classified fill to be used; and,

WHEREAS the total cost of this additional fill material installed totals \$53,332.50, subtracting the \$45,000 provided in contingency, leaves a balance of \$8,332.50 in required additional funding; and,

WHEREAS the quantities were determined by land surveyor McLane's Consulting prior to and after construction; and,

WHEREAS the project is now 95% complete with the exception of topsoil and grass seed which will take place in the spring.

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

**Section 1.** That the Administration is authorized to execute Change Order 1 to Fosters Construction in the amount \$53,332.50 for a new total Construction Agreement cost of \$363,107.50. Purchase Order 123283 is authorized to be increased from \$354,775 to \$363,107.50.

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

General Fund:

Increase Estimated Revenues –  
Appropriation of Fund Balance \$8,332.50

Increase Appropriations -  
Transfer to Municipal Roadway Improvement Capital  
Project Fund \$8,332.50

Municipal Roadway Improvement Capital Project Fund:

Increase Estimated Revenues –  
Transfer From General Fund \$8,332.50

Increase Appropriations:  
2021 Bryson Ave Bluff Erosion Repair Project –  
Construction \$8,332.50

**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 15<sup>th</sup> day of December, 2021.

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

ATTEST:

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

Approved by Finance: 

Introduced: December 1, 2021  
Enacted: December 15, 2021  
Effective: December 15, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Scott Curtin, Director of Public Works  
**DATE:** November 22, 2021  
**SUBJECT:** **Ordinance No. 3259-2021**

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The purpose of this memo is to request Council's approval to increase estimated revenues and appropriations in the Roadway Improvement Capital Project Fund to cover project costs associated with Change Order 1 to Foster's Construction for the 2021 Bryson Ave Bluff Erosion Repair project.

The erosion associated with this project was the result of failed storm water conveyance piping. The erosion was ongoing and continued from the time of bid release to construction start which resulted in a larger affected area. Contingency funding was included within the original appropriating Ordinance in anticipation of this need, however actual costs came in \$8,332.50 above projections.

Council has previously approved the original purchase order of \$354,775 to Foster's construction which included the \$45,000 contingency. Approval of this Ordinance will increase that purchase order to \$363,107.50.

Included below are photos of the project, before, during, and after construction. As well as the site survey used to calculate fill quantities. All in all the project has been a success, and is a great relief to both the property owners within the affected area as well as the Public Works Department that has been monitoring the area for over a year.

Council's support is respectfully requested.









Sponsored by: Council Member Knackstedt

## CITY OF KENAI

### ORDINANCE NO. 3260-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AMENDING KENAI MUNICIPAL CODE 13.40.010-DEFINITIONS, TO MAINTAIN CURRENT REGULATIONS ON OFF-ROAD VEHICLE USE IN KENAI AFTER JANUARY 1, 2022.

WHEREAS, effective January 1, 2022 the State is changing its regulations to allow certain “all purpose vehicles” on roadways where the speed limit is 45 miles per hour or less, unless prohibited by municipal law; and,

WHEREAS, Chapter 13.40- Off-Road Operations of Motor Vehicles, currently limits certain off-road or “all purpose” vehicle use in the City of Kenai; and,

WHEREAS, in order to maintain the current regulations enacted by the City of Kenai for off-road or “all purpose” vehicle use in the City, a change to the definitions section of KMC 13.40.010 is required; and,

WHEREAS, it is in the best interest of the City to maintain its current off-road or “all purpose” vehicle regulations after January 1, 2022.

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

**Section 1.** Amendment of Section 13.40.010 of the Kenai Municipal Code: That Kenai Municipal Code, Section 13.40.010 - Definitions, is hereby amended as follows:

(a) “Electric personal motor vehicle” means an electric personal assistive mobility device that is a self-balancing vehicle with two (2) nontandem wheels, designed to transport only one (1) person, has an electronic propulsion system, and has a maximum speed of not more than fifteen (15) miles an hour.

(b) “Off-road motor vehicle” means any [MOTOR VEHICLE NOT AUTHORIZED FOR OPERATION ON A PUBLIC ROADWAY ACCORDING TO STATE LAW OR REGULATION] self-propelled vehicle designed primarily for recreational cross country travel on land, snow, ice or water, or on more than one type of terrain and steered by wheels, tread, skis or any combination thereof, including vehicles that operate on a cushion of air, including but not limited to vehicles commonly known as all-terrain vehicles, four-wheelers, three-wheelers, side-by-sides, snow machines, hover crafts, dune buggies, or dirt bikes or any motorized vehicle that is being operated off of the maintained streets and roadways.

(c) "Wheelchair" means a manually operated or power-driven device designed primarily for use by an individual with a mobility disability for the main purpose of indoor or of both indoor and outdoor locomotion.

**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 15th day of December, 2021.

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

ATTEST:

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

Introduced: December 1, 2021  
Enacted: December 15, 2021  
Effective: January 14, 2021



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members  
**FROM:** Henry Knackstedt, Council member  
**DATE:** November 22, 2021  
**SUBJECT:** **Ordinance No. 3260-2021, Off Road Vehicle Use**

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The State of Alaska Department of Public Safety is implementing new regulations effective January 1, 2022 to allow certain off-road or all-purpose vehicle use on public roads with a speed limit of 45 miles per hour or less. The regulation change allows for municipalities to continue to regulate off-road vehicles within their jurisdictions. The City of Kenai has previously regulated the use of these types of motorized vehicles within its jurisdiction. It is my understanding from administration that there is generally little conflict with regard to use of these vehicles in the City, however, the City's regulations addressing public safety and protection of private and public property are valuable. The proposed Ordinance would maintain the prior status of off-road vehicle use in the City. Because the City's prior regulations referenced a state law definition for off-road vehicles that is no longer valuable for the intended purpose, this Ordinance provides a new definition for "off-road" vehicles maintaining the existing status for off-road vehicle use in Kenai.

Attached for your review is KMC Chapter 13.40- Off-Road Operations of Motor Vehicles, and a Question and Answer Sheet on the new state law produced by the Department of Public Safety.

Your consideration is appreciated.

James E. Cockrell  
Commissioner

[www.DPS.Alaska.Gov](http://www.DPS.Alaska.Gov)



Department of  
Public Safety

Anchorage, Alaska

## All Purpose Vehicle Usage on Roadways Frequently Asked Questions

### What does this new regulation do?

Beginning January 1, 2022 all purpose vehicles will be allowed on roadways where the speed limit is less than 45 miles per hour and where boroughs, municipalities, or cities have not banned their use within their boundaries. All purpose vehicles must be equipped with a headlight, one rear-facing red light, one rear-facing red reflector, and one rear-facing red break light. The all-purpose vehicle must be equipped with brakes, a muffler, carburetor, and a throttle.

### What if my borough, municipality, or city opts out?

If the borough, municipally, or city opts out of the regulations the APVs may not be used on roadways within their jurisdiction.

### Do I need a special driver's license or endorsement?

No, your current valid drivers license will be valid for the operation of an all-purpose vehicle. Those without a valid driver's license may not operate an all-purpose vehicle on a roadway.

### Do I need a special registration?

No, a special registration is not required. However, the APV will be required to have a standard motor vehicle registration.

### Do I need a license plate?

Yes, front and rear license plates must be affixed to the APV if it is being operated on roadways.

### Do I need insurance?

Yes, the operator must have a motor vehicle liability policy that complies with AS 28.22.

### What is an all-purpose vehicle?

An all-purpose vehicle is any self-propelled device that is on wheels or tracks that come in contact with the ground. Common all-purpose vehicles are four-wheelers, all terrain vehicles (ATVs), utility terrain vehicles (UTVs), or side-by-sides.

### Do snowmachines and hovercrafts qualify as all-purpose vehicles?

Snowmachines and hovercrafts are still not allowed to be operated on the roadway under these new regulations.

**Do I have to follow traffic laws when I operate my APV on a roadway?**

You must follow all traffic laws when operating your APV on a roadway.

**Can an Alaska State Trooper or local police officer pull me over when I am operating an APV?**

Yes, APVs are subject to many of the same laws and regulations that vehicles must follow.

**What happens when the speed on a roadway increases from 45 miles-per-hour to 55 miles-per-hour?**

You may not operate an all-purpose-vehicle on any portion of a roadway that has a speed limit higher than 45 miles-per-hour. If the speed limit increases on the roadway, you may not travel on the portion of that roadway where the speed is higher than the limit.

**Am I required to use a helmet when I operate my APV on a roadway?**

Helmets are not required for drivers of an all purpose vehicle, however passengers are required to wear a helmet.

**Am I required to use a seatbelt if my APV is equipped with them when I operate on a roadway?**

If the all purpose vehicle is equipped with seat belts, the driver and any passengers will be required to use them while operating on a roadway.

**Am I required to provide child restraints or car seats for children that are passengers on an APV being operated on a roadway?**

Child restraint systems or car seats must be used if the APV is equipped with seat belts. If the APV is not equipped with seatbelts then a car seat or child restraint system is not required.

**Do I need to have turn signals on my APV?**

The operator must use hand signals or properly installed turn signals as required under current regulations and statutes for motor vehicles or motorcycles.

### 13.40.010 Definitions.

- (a) "Electric personal motor vehicle" means an electric personal assistive mobility device that is a self-balancing vehicle with two (2) nontandem wheels, designed to transport only one (1) person, has an electronic propulsion system, and has a maximum speed of not more than fifteen (15) miles an hour.
- (b) "Off-road motor vehicle" means any motor vehicle not authorized for operation on a public roadway according to State law or regulation or any motorized vehicle that is being operated off of the maintained streets and roadways.
- (c) "Wheelchair" means a manually operated or power-driven device designed primarily for use by an individual with a mobility disability for the main purpose of indoor or of both indoor and outdoor locomotion.

(Ords. 883, 2576-2011)

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**The Kenai Municipal Code is current through Ordinance 3243-2021, passed September 15, 2021.**

Disclaimer: The City Clerk has the official version of the Kenai Municipal Code. Users should contact the City Clerk for ordinances passed subsequent to the ordinance cited above.

**Note:** This site does not support Internet Explorer. To view this site, Code Publishing Company recommends using one of the following browsers: Google Chrome, Firefox, or Safari.

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

City Telephone: (907) 283-7535

[Code Publishing Company](#)





## MEMORANDUM

**TO:** Mayor Gabriel and Council Members  
**FROM:** Vice Mayor Jim Glendening and Council Member Teea Winger  
**DATE:** November 15, 2021  
**SUBJECT:** Discussion - Land Management Plan – Commission consideration

---

We met with City Manager Paul Ostrander on Friday, November 12, 2021 to discuss how to maximize the engagement of the City’s Commissions and the public during consideration of the draft Land Management Plan. To date, the Planning and Zoning, Airport, Harbor, and Parks and Recreation commissions and Beautification Committee have been provided a presentation of the Plan and opportunity to comment and provide recommendations. Based on the scope and breadth of the document and discussions at commission meetings, it has become evident that additional time is needed to allow for effective review and comment. To help facilitate discussion and provide the Plan in smaller, more manageable sections, we are proposing the commissions be provided the Plan in the following manner:

- Each of the commissions will be provided approximately one-quarter of the document, comprised of 11- 12 maps of different land areas, to review and consider at each of the commission’s next four regularly scheduled meetings.
- At each of these meetings, the commissions will be tasked with considering each map independently and determining if any parcel included on the map under consideration requires further discussion. For example, a commissioner may have unanswered questions about a map or specific parcel (s) within the map area or wish to recommend an amendment to the recommendations included in Plan. If a map requires further discussion, it will be set aside for discussion at a future meeting.
- At the next meeting, following the above four meetings, all maps that have been set aside for further discussion will be brought forward individually and considered by the commission. At that point, questions on the maps can be answered and, if a commissioner recommends a change, a motion for consideration may be made. Assuming the motion receives a second, the commission can discuss the motion and vote on the recommended change.
- All motions passed by each commission will be included in that commission’s resolution providing recommendations related to the Land Management Plan to the City Council.

Additional meetings or joint meetings may be necessary to facilitate review and comment.

We appreciate your consideration.

**KENAI PARKS & RECREATION COMMISSION  
BEAUTIFICATION COMMITTEE  
JOINT SPECIAL MEETING  
NOVEMBER 4, 2021 – 6:00 PM  
KENAI CITY COUNCIL CHAMBERS  
CHAIR L. GABRIEL, PRESIDING**

**MEETING SUMMARY**

**1. CALL TO ORDER**

Chair Gabriel called the meeting to order at 6:00 p.m.

**a. Pledge of Allegiance**

Chair Gabriel led those assembled in the Pledge of Allegiance.

**b. Roll was confirmed as follows:**

|  |  |
|--|--|
| Parks and Recreation<br>Commissioners present: | T. Wisniewski, J. Dennis, S. Kisen, M. Bernard, J. Joanis,<br>D. Rigall  |
| Beautification Committee<br>Members present:   | L. Gabriel, J. Roland, T. Wilson, S. Douthit   |
| Staff/Council Liaison present:                 | Parks and Rec Administrative Assistant T. Best, City Clerk<br>J. Heinz, Council Liaison T. Winger, Council Liaison D.<br>Sounart |

A quorum was present.

**c. Agenda Approval**

**MOTION:**

Commissioner Kisen **MOVED** to approve the agenda as presented and Commissioner Rigall **SECONDED** the motion. There were no objections; **SO ORDERED**.

**2. UNSCHEDULED PUBLIC COMMENT – None.**

**3. NEW BUSINESS**

- a. **Discussion/Recommendation** – Joint Resolution No. PRB21-01 – Recommending the Council of the City of Kenai Approve and Adopt the City of Kenai Land Management Plan.

Planning Director Foster gave a presentation on the draft Land Management Plan (LMP), including why it was created, the background and development of the LMP, the new City Lands Inventory and Database, the objectives of the LMP, how it categorizes lands by recommendation, and timeline for approval by commissions and Council. He provided a demonstration of the new GIS tool and explained how it interacts with the database, and how it can be used by the City and the public in the future.

Discussion involved the title of the plan, and it was questioned whether it is a plan or a tool. Clarification was provided on the recommendation classifications.

**MOTION:**

Committee Member Douthit **MOVED** to approve Joint Resolution No. PRB21-01. Commissioner Kisenia **SECONDED** the motion.

It was noted that the Resolution would need to be updated dependent on public comment received.

**MOTION TO AMEND:**

Commissioner Rigall **MOVED** to amend Joint Resolution No. PRB21-01 by renaming the draft Land Management Plan to the City of Kenai Land Inventory and Recommendations. Commissioner Wisniewski **SECONDED** the motion.

Clarification was provided how the LMP would work with current City processes, Kenai Municipal Code, and Comprehensive Plan to streamline land management. Appreciation was expressed for the ease with which the public can access land information with the LMP.

The motion to amend was withdrawn with consent of the second.

**MOTION:**

Commissioner Joanis **MOVED** to postpone to a Joint Special Meeting on January 6, 2022. Commissioner Rigall **SECONDED** the motion. There were no objections; **SO ORDERED**.

**4. COMMISSION QUESTIONS & COMMENTS**

Commissioner Joanis thanked Administration for their work, noting the good discussion.

Committee Member Douthit thanked the Planning Director for the information, noting it will be a good tool.

Commissioner Dennis thanked the Planning Director for the information, noting she looks forward to talking about it in January.

Committee Member Wilson noted that this is good research and looks forward to further discussion.

Committee Member Roland noted the great discussion, is looking forward to seeing the tool online.

Chair Gabriel thanked Administration for bringing the LMP discussion to the Commission and Committee. Announced new Council Members as liaisons; Council Member Sounart will serve as Beautification Committee Liaison, and Vice Mayor Glendening will serve as Parks & Recreation Commission Liaison.

Council Liaison Sounart thanked everyone for the welcome and noted she looks forward to working with the Beautification Committee.

Council Liaison Winger thanked Administration, Commission and Committee, and looks forward to future discussions. Wished everyone a Happy Thanksgiving.

**5. ADDITIONAL PUBLIC COMMENT** – None.

**6. ADJOURNMENT**

There being no further business before the Commission, the meeting was adjourned at 7:30 p.m.

Meeting summary prepared and submitted by:

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Meghan Thibodeau  
Deputy City Clerk

**MINI-GRANT STEERING COMMITTEE  
NOVEMBER 5, 2021 – 2:00 P.M.  
KENAI CITY HALL  
CLERK'S CONFERENCE ROOM  
CHAIR BRIAN GABRIEL, PRESIDING**

**MEETING SUMMARY**

**1. CALL TO ORDER & ROLL CALL**

Chair Gabriel called the meeting to order at approximately 2:00 p.m.

Roll was confirmed as follows:

Members present: B. Gabriel, B. Brown, M. Bernard

Members absent:

A quorum was present.

**2. AGENDA APPROVAL**

**MOTION:**

Member Bernard **MOVED** to approve the agenda as presented. Member Brown **SECONDED** the motion. There were no objections; **SO ORDERED**.

**3. APPROVAL OF MEETING SUMMARY**

- a. October 3, 2019

**MOTION:**

Member Bernard **MOVED** to approve the meeting summary from October 3, 2019 and Member Brown **SECONDED** the motion. There were no objections; **SO ORDERED**.

**4. PERSONS SCHEDULED TO BE HEARD – None.**

**5. PERSONS PRESENT NOT SCHEDULED TO BE HEARD**

Chair Gabriel called applicant Christ Westervelt on the phone; he left a voicemail message.

**6. UNFINISHED BUSINESS – None.**

**7. NEW BUSINESS**

- a. Review of Mini-Grant Application for Award
- Kenai River Disc Golf Club

The Committee reviewed the application and it was clarified that the funds were for an event which took place on October 30<sup>th</sup>, and it was noted that the Committee would like to know how many people showed up and where the event was located. The Committee discussed what

they knew of past events from this group.

Support was expressed for the project, but it was noted that clarification was needed regarding whether the funds would be used to build up future events or cover the cost of the October 30<sup>th</sup> event, as well as more specific information on the items the funds would be used for.

It was suggested that the Committee reach out to the applicant to encourage him to re-apply for future events with more information about the organization and the costs needing to be covered. They discussed the potential for disc golf to be a successful sport in the community. Other questions raised involved possible cooperation between the Disc Golf Club and the Parks & Recreation Department.

**MOTION:**

Member Brown **MOVED** to take no action today; Member Bernard **SECONDED** the motion. There were no objections; **SO ORDERED**.

**8. ANNOUNCEMENTS**

Chair Gabriel noted that he will work with Member Brown on Council confirmation and will be recruiting new members for the two vacant seats.

**9. ADJOURNMENT**

There being no further business before the Committee, the meeting was adjourned at approximately 2:25 p.m.

Meeting summary prepared and submitted by:

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Meghan Thibodeau  
Deputy City Clerk

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Eland Conway, Airport Manager  
**DATE:** November 23, 2021  
**SUBJECT:** Kenai Municipal Airport (ENA) Mid-Month Report

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### Guardian/Schilling Hangar

The project is progressing with the sublessee expected to be in the building by the end of the year or early next year.

The airport is working with primary lessee to complete the FAA required Form 7460-1, for the proposed construction of a pole with mounted communications/antenna hardware. The [Submitted Form](#) does not list any frequencies of the communications/antenna hardware that will be mounted to the pole. I have reached out to the FAA for further guidance.



### Runway Sand

Triangle Recycling was awarded the contract to make 6k yards of runway sand. The contractor began making sand in late September. The contractor failed to meet specs producing approximately 2,400 of usable sand. The contractor and the airport agreed it would be mutually beneficial to terminate the contract, prorating the amount due.

### Federal Mask Mandate

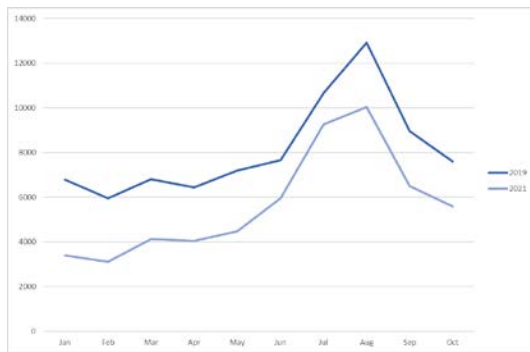
TSA has extended the mask mandate for persons in airports, on airplanes and on public transit through **Jan. 18, 2022**.

Although the mandate was set to expire Sept. 13, the agency noted that the surge in coronavirus cases, due to the highly transmissible delta variant, required the mask mandate to be extended.



### Enplanements

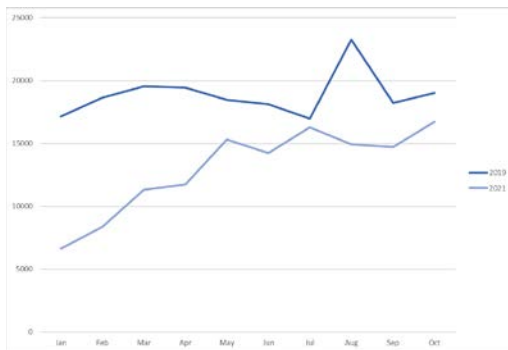
October enplanements were down 26% compared to October of 2019. YTD enplanements are down 32% compared to 2019.



| 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         |
| <b>Grand Total</b> | <b>80973</b> | <b>56470</b> |

### Parking Revenue

Parking revenue for October was down 12% compared to October of 2019. YTD parking revenue is down 31% 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          |
| <b>Grand Total</b> | <b>188,892</b> | <b>130,271</b> |







## 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:** November 2, 2021  
**SUBJECT:** **October 2021 Monthly Report**

This month the Kenai Animal Shelter took in **54** animals. Animal intake and disposition:

| DOGS: |                    |    |                    |    |
|-------|--------------------|----|--------------------|----|
|       | INTAKE             | 21 | DISPOSITION        | 19 |
|       | Waiver             | 2  | Adopted            | 9  |
|       | Stray              | 9  | Euthanized         | 0  |
|       | Impound            | 0  | Claimed            | 10 |
|       | Protective Custody | 5  | Field Release      | 0  |
|       | Quarantine         | 0  | Transferred        | 0  |
|       | Microchips         | 4  | Other Dispositions | 0  |
|       | Other Intakes      | 1  |                    |    |
| CATS: |                    |    |                    |    |
|       | INTAKE             | 32 | DISPOSITION        | 31 |
|       | Waiver             | 12 | Adopted            | 23 |
|       | Stray              | 17 | Euthanized         | 1  |
|       | Impound            | 0  | Claimed            | 1  |
|       | Protective Custody | 0  | Field Release      | 0  |
|       | Quarantine         | 0  | Transferred        | 6  |

|                |   |                                       |   |
|----------------|---|---------------------------------------|---|
| Microchips     | 0 | Other Dispositions                    | 0 |
| Other Intakes  | 3 |                                       | 0 |
| OTHER ANIMALS: |   |                                       |   |
| INTAKE         | 1 | DISPOSITION                           | 1 |
| Mouse          | 1 | Mouse                                 | 1 |
| Rabbit         | 0 | Rabbit                                | 0 |
| Other          | 0 | Guinea Pig                            | 0 |
| DOA:           | 4 | OTHER STATISTICS:                     |   |
| Dog            | 4 | Licenses (City of Kenai Dog Licenses) | 4 |
| Cat            | 0 |                                       |   |
|                |   |                                       |   |
|                |   |                                       |   |

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

Statistical Data:

- 797 2019 YTD Intakes
- 598 2020 YTD Intakes
- 513 2021 YTD Intakes





## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** November 23, 2021

**SUBJECT:** **November 2021 Monthly Report**

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The fiscal year 2021 Annual Comprehensive Financial Report (ACFR) has been completed with the assistance of many departments but especially the staff in the finance department. The document has been forwarded to the City's Auditors for review and issuance of their opinion. The ACFR will be presented to the Council at the December 1, 2021 Council meeting.

Over the next month, I will be completing online continuing education to maintain my Alaska CPA license. I am required to complete 80 hours of continuing education every two years with at least 20 hours in each of the two years. Lack of training opportunities and travel because of COVID-19 has resulted in seeking online solutions. I did receive 17 hours of continuing education by attending the Alaska Government Finance Officers conference in Anchorage last week. This was the first in person training I have attended since the pandemic began.

The FY23 Budget is now the major focus of the department, with information being compiled for department heads to assist them with their budget preparation.



## MEMORANDUM

**TO:** Mayor Brian Gabriel and City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Tony Prior, Fire Chief  
**DATE:** November 9, 2021  
**SUBJECT:** Fire Department Mid-Month Report – October

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Calls for service in October were down slightly from last year, however, we are approaching an increase of 100 calls over last year’s numbers. Here is the breakdown for October and overall.

| Year          | 2020 | 2021 | % change |
|---------------|------|------|----------|
| October total | 120  | 111  | -7.5%    |
| EMS           | 95   | 78   | -17.9%   |
| All Other     | 25   | 33   | 32.0%    |
| Year total    | 1083 | 1175 | 8.5%     |

### Training:

October focused on in-house Driver/Operator training in preparation for freezing temperatures. Water movement in freezing temperatures and driving on snow and ice are priority reviews as we move into winter months.

### Projects/Grants:

- We conducted a booster dose clinic on the 29<sup>th</sup> with 18 individuals at Vintage Point receiving boosters, 5 in-home visits, and 5 walk-in’s at KFD. Approval has been granted for boosters for certain age groups, immunocompromised, and high-risk occupational workers
- We received the initial shipment of Portable radios and have inventoried them and started programming them with alias/ID’s before they are issued to individuals.
- We are moving forward on Phase 2 replacement of radios. Now that portable radio replacement is complete, we are working on quotes to replace the mobile radios mounted in our Police and Fire Apparatus that will also be TDMA compatible and serviceable for parts and maintenance.

### Fire Prevention:





We had a very successful Fire Prevention Month as we were able to interact with 515 students in 25 classes. Instruction of students included “Stop, Drop and Roll”, “Learn Not to Burn” and Home Escape Plans “EDITH”.



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Katja Wolfe, Library Director  
**DATE:** November 11, 2021  
**SUBJECT:** Library Mid-Month Report for October 2021

### October 2021 at a Glance

| <b>Items Borrowed</b>           |    | <b>Oct-20</b> | <b>Oct-21</b> | <b>2021 YTD</b> |
|---------------------------------|---|---------------|---------------|-----------------|
| Physical                        |   | 5,958         | 5,989         | 53,765          |
| Digital                         |   | 1,494         | 1,500         | 16,172          |
| <b>Services</b>                 |   |               |               |                 |
| New Memberships                 |  | 36            | 49            | 386             |
| Room Reservations               |   | n/a           | 89            | 475             |
| <b>Programs</b>                 |   |               |               |                 |
| Number of Programs              |  | 21            | 15            | 170             |
| People Reached (e.g., DIY Kits) |   | n/a           | 550           | 2,034           |
| People Reached Virtually        |   | n/a           | 554           | 7,293           |
| <b>Technology Sessions</b>      |   |               |               |                 |
| Computer sessions               |  | 501           | 461           | 3,481           |
| WiFi Sessions                   |   | 2,759         | 4,458         | 44,894          |
| Early Literacy Station Sessions |   | n/a           | 130           | 674             |

## October 2021 programming highlights

- 15 programs
  - 10 virtual programs
    - Story times for ages 0-5 (248 total views within 7 days of program)
    - Let's Draw Dracula (60 total views within 7 days of program)
    - Lego® Club (88 total views within 7 days of program)
    - Maker Monday (80 total views within 7 days of program)
    - SMART – Fizz! (10 participants via Zoom)
    - Ghoulish Treats: Pumpkin breakfast (60 total views within 7 days of program)
  - 1 DIY kit
    - Spooky Sewing Kit (a total of 80 kits handed out)
  - 1 contest
    - Spooky Story Contest (18 participants)
  - 3 in-person programs
    - Spooky Outdoor Story Time (40 attendees)
    - Literary Haunted Hunt (approximately 350 attendees)
    - Live OpenSpace Event with the American Museum of Natural History (1 participant)
    - Staff participated in the Fall Pumpkin Festival

## October 2021 library services highlights

- Our study and conference rooms were used by 89 individuals/groups for a total of 250 hours
- Our Literary Haunted Hunt was a smashing success. Over 350 attendees walked through our Community Room during the week of October 25, some more than once.
- Congratulations to the winners of our Spooky Story Contest!
- Our next STEAM Zoom session with local schools (i.e., Science + Math + Art = SMART) is scheduled for November 18<sup>th</sup>.
- We are starting a new STEAM program called Leap into Science, a national program that combines science activities and reading. Available for young children and their families.





## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Ryan Foster, Planning Director  
**DATE:** November 16, 2021  
**SUBJECT:** **Planning and Zoning October 2021 Report**

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### Planning and Zoning Commission Agenda Items and Resolutions

- On October 13, 2021 the Planning and Zoning Commission recommended approval of the following action items:
  - **Action/Approval** - Approving the Execution of a Lease to Schilling Rentals for General Aviation Apron Sub No. 1 Amended Lot 2, Block 3.
  - **Action/Approval** - Approving Amendment to Kenai Municipal Code Section 14.05.025 to Provide for Remote Electronic Participation.
  
- On October 27, 2021 the Planning and Zoning Commission recommended approval of the following resolution and action approval item:
  - **Resolution No. PZ2021-37** - Recommending That Steven Oberts Subdivision No. 1 Attached Hereto Be Approved
  - **Action/Approval** - Recommendation for Resolution No. 2021-XX – Approving the Execution of a Lease to Integrated Account Management, Inc. on Lot 3, Block 3, Cook Inlet Industrial Air Park Subdivision.
  
- On October 27, 2021 the Planning and Zoning Commission postponed the following resolution 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.

### Building Permit and Site Plan Reviews

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

### Code Enforcement

There were two new code enforcement cases opened in October, 2021.

### City Council Agenda Items

- On October 6, 2021, Kenai City Council approved the following utility easement vacation:
  - **Resolution No. 2021-59** - Declaring the Vacation of Portions of Utility Easements Associated with Tract B, Block 5, Townsite of Kenai 2021 Kenaitze Replat (Plat KN 2021- 18) and Lots 4 & 5 Block 5, Original Townsite of Kenai (Plat KN 2970), and as Set Forth on the Attached Exhibit "A" are Not Needed for a Public Purpose and Consenting to Vacation. (Administration)
- On October 11, 2021 Planning staff attended the Kenai City Council Joint Work Session on the Draft Land Management Plan.

The City did not receive an application for a new lease in October 2021.







## MEMORANDUM

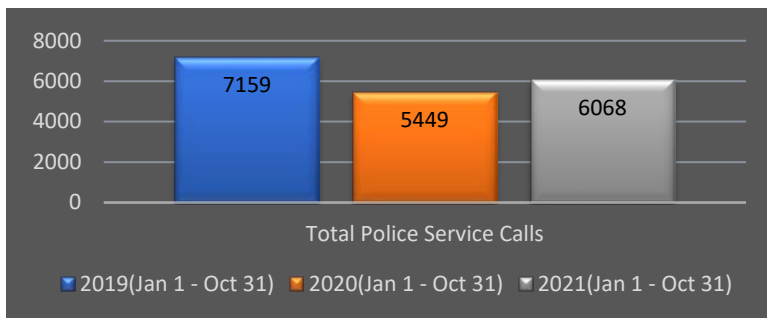
**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** David Ross, Police Chief  
**DATE:** November 8, 2021  
**SUBJECT:** **Police & Communications Department Activity – October 2021**

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Police handled 547 calls for service in October. Dispatch is still working with the Borough to obtain monthly statistics from the new 911 system for this report. Officers made 47 arrests. Traffic enforcement resulted in 227 traffic contacts and 61 traffic citations. There were 9 DUI arrests. Officers investigated 11 motor vehicle collisions in October, one of which was caused by a moose. There were no collisions involving drugs or alcohol.

One police officer vacancy has been filled with an experienced officer from Utah that will be starting in November. The Department is still working through the recruitment process to fill a second officer vacancy. Dispatcher Stacey Day- Barajas was promoted to the Dispatch Supervisor. One KPD officer attended a week long Field Training Officer class in Anchorage. Three KPD investigators attended a virtual child interviewing class. The Dispatch Supervisor attended an online class on employee retention in dispatch centers.

The KPD School Resource Officer continued teaching DARE to three fifth grade classes at Mountain View Elementary. The police department is in the process of putting three new F-150 pickups into service as police vehicles.



## MEMORANDUM

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

**THROUGH:** Paul Ostrander, City Manager

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

**DATE:** October / November 2021

**SUBJECT:** **Mid-Month Report; Public Works / Capital Projects**

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- 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.



- 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, the project development continues to move forward. 35% Design Documents remain anticipated by end of calendar year.

- Waste Water Treatment Plant Master Plan – *Update: 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.*
- Water & Sewer Master Plan – *Update: 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.*
- 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 in anticipation of an Invitation to Bid date in January 2022. Screw press is currently anticipated to arrive March 2022 and be operational before summer.*
- Kenai Well house 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. *Update: 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.*
- 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 underway. 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: project remains on track and on time.*

- 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. *Nothing new to report.*
- 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.
- 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. *Nothing new to report at this time.*



- 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. Included in this packet are costs associated with Change Order 1 to Foster's to cover additional fill requirements.
- 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.
- Lift Station Renovations – HDL Engineering 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.
- 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.





# 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:** November 19, 2021  
**SUBJECT:** October 2021 Monthly Report

|                                     | 2021 | 2020 |
|-------------------------------------|------|------|
| Home Delivered Meals                | 2082 | 3060 |
| Individuals                         | 107  | 140  |
| Dining Room (Congregate) Meals      | 443  | 0    |
| Individuals                         | 81   | 0    |
| Transportation (1-way rides)        | 110  | 0    |
|                                     | 13   | 0    |
| Grocery Shopping Assistance         | 3    | 11   |
| <b>SIGN-INS VIA MySeniorCenter©</b> |      |      |
| Writers Group                       | 18   | 0    |
| Caregiver Support Group             | 8    | 0    |
| Growing Stronger Exercise           | 227  | 0    |
| Tai Chi Class                       | 40   | 0    |
| TOPS Weight Loss Class              | 26   | 0    |
| Coffee/Paper                        | 269  | 0    |
| Bluegrass Jam Session               | 46   | 0    |
| Card Games                          | 81   | 0    |
| Wii Bowling                         | 51   | 0    |
| Arts & Crafts                       | 35   | 0    |
| Total Event Sign-ins                | 1288 | 0    |
| Individuals                         | 137  | 0    |
| Vintage Pointe Manor Vacancies      | 0    | 7    |



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** November 9, 2021

**SUBJECT:** **Quarterly Financial Report – September 30, 2021**

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Attached is a relatively easily produced quarterly financial report for the General Fund, Personal Use Fishery Fund, Airport Fund, Water/Sewer Fund, and Senior Fund as of September 30, 2021.

This report is essentially on a cash basis, so there are accounts that may not look reasonable. In the General Fund for example, sales and property tax revenue only includes payments made to the City by the Borough through August. The third calendar quarter 2021 sales tax filings and tax payments are not in at this point and we will not be received for this quarter until the end of October or early November.

State and Federal is below budget in all funds because of PERS aid. The State doesn't actually give us any money. Instead they make an 'on-behalf' payment to the pension system. Similarly, we have not booked expenditures for the PERS the State is covering, so the Non-Departmental department is way under budget. At year-end we will record revenue and expenditures for these items.

**Quarterly General Fund  
Expenditure Report  
For Quarter Ended September 30, 2021**

|  | FY2021<br><u>Actual</u>    | Original *<br>FY2022<br><u>Budget</u> | Amended<br><u>Budget</u> | YTD<br><u>Actual</u>    | <u>Variance</u>            | <u>%</u>             |
|--|----------------------------|---------------------------------------|--------------------------|-------------------------|----------------------------|----------------------|
| <b>REVENUES</b>                                |                            |                                       |                          |                         |                            |                      |
| Appropriation of Fund Balance                  | \$ -                       | \$ 2,996,973                          | \$ 3,229,489             | \$ 1,920,335            | \$ (1,309,154)             | 59.46%               |
| Taxes  | 12,467,966                 | 11,894,795                            | 11,894,795               | 2,561,768               | (9,333,027)                | 21.54%               |
| Licenses/Permits and Ambulance                 | 641,344                    | 676,000                               | 676,000                  | 155,094                 | (520,906)                  | 22.94%               |
| State/Federal                                  | 933,911                    | 872,649                               | 950,712                  | 60,641                  | (890,071)                  | 6.38%                |
| Dock/Multipurpose/Miscellaneous                | 171,920                    | 198,000                               | 198,000                  | 63,792                  | (134,208)                  | 32.22%               |
| Fines and Forfeitures                          | 90,281                     | 87,500                                | 87,500                   | 54,632                  | (32,868)                   | 62.44%               |
| Interest and Miscellaneous                     | 418,456                    | 495,631                               | 495,631                  | 273,998                 | (221,633)                  | 55.28%               |
| Transfers/Central Admin Fees                   | 1,919,243                  | 1,886,515                             | 1,886,515                | 555,450                 | (1,331,065)                | 29.44%               |
| <b>Total Revenues</b>                          | <b><u>16,643,121</u></b>   | <b><u>19,108,063</u></b>              | <b><u>19,418,642</u></b> | <b><u>5,645,710</u></b> | <b><u>(13,772,932)</u></b> | <b><u>29.07%</u></b> |
| <b>EXPENDITURES &amp; TRANSFERS</b>            |                            |                                       |                          |                         |                            |                      |
| General Government                             |                            |                                       |                          |                         |                            |                      |
| 01 City Clerk                                  | \$ 283,478                 | \$ 330,235                            | \$ 330,235               | \$ 81,787               | \$ 248,448                 | 75.23%               |
| 11 Legislative                                 | 143,115                    | 202,739                               | 202,739                  | 62,247                  | 140,492                    | 69.30%               |
| 12 Legal                                       | 323,175                    | 373,165                               | 373,165                  | 78,881                  | 294,284                    | 78.86%               |
| 13 City Manager                                | 398,747                    | 522,983                               | 522,983                  | 112,096                 | 410,887                    | 78.57%               |
| 14 Human Resources                             | 176,877                    | 185,854                               | 185,854                  | 38,956                  | 146,898                    | 79.04%               |
| 15 Finance                                     | 742,965                    | 838,269                               | 838,269                  | 188,602                 | 649,667                    | 77.50%               |
| 16 Land Administration                         | 3,111                      | 12,140                                | 107,176                  | -                       | 107,176                    | 100.00%              |
| 18 Non-Departmental                            | 1,894,692                  | 1,279,842                             | 1,279,806                | 554,305                 | 725,501                    | 56.69%               |
| 19 Planning and Zoning                         | 202,154                    | 291,640                               | 291,640                  | 53,050                  | 238,590                    | 81.81%               |
| 20 Safety                                      | 890                        | 2,900                                 | 2,900                    | -                       | 2,900                      | 100.00%              |
| Total General Government                       | <u>4,169,204</u>           | <u>4,039,767</u>                      | <u>4,134,767</u>         | <u>1,169,924</u>        | <u>2,964,843</u>           | <u>71.71%</u>        |
| Public Safety                                  |                            |                                       |                          |                         |                            |                      |
| 21 Police                                      | 1,892,090                  | 3,498,535                             | 3,502,792                | 734,561                 | 2,768,231                  | 79.03%               |
| 22 Fire  | 1,884,884                  | 3,332,557                             | 3,429,266                | 715,357                 | 2,713,909                  | 79.14%               |
| 23 Communications                              | 457,533                    | 902,084                               | 902,084                  | 210,734                 | 691,350                    | 76.64%               |
| 29 Animal Control                              | 420,148                    | 460,808                               | 460,808                  | 129,552                 | 331,256                    | 71.89%               |
| Total Public Safety                            | <u>4,654,655</u>           | <u>8,193,984</u>                      | <u>8,294,950</u>         | <u>1,790,204</u>        | <u>6,504,746</u>           | <u>78.42%</u>        |
| Public Works                                   |                            |                                       |                          |                         |                            |                      |
| 31 Public Works Administration                 | 186,660                    | 161,966                               | 161,966                  | 33,364                  | 128,602                    | 79.40%               |
| 32 Shop  | 595,132                    | 661,366                               | 661,366                  | 112,097                 | 549,269                    | 83.05%               |
| 33 Streets                                     | 994,012                    | 961,983                               | 961,983                  | 118,747                 | 843,236                    | 87.66%               |
| 34 Buildings                                   | 360,192                    | 491,284                               | 491,284                  | 49,204                  | 442,080                    | 89.98%               |
| 35 Street Lighting                             | 179,657                    | 201,913                               | 201,913                  | 23,548                  | 178,365                    | 88.34%               |
| 60 Dock  | 32,156                     | 64,993                                | 64,993                   | 6,668                   | 58,325                     | 89.74%               |
| Total Public Works                             | <u>2,347,809</u>           | <u>2,543,505</u>                      | <u>2,543,505</u>         | <u>343,628</u>          | <u>2,199,877</u>           | <u>86.49%</u>        |
| Parks and Recreation & Culture                 |                            |                                       |                          |                         |                            |                      |
| 03 Visitor Center                              | 139,222                    | 146,843                               | 146,843                  | 30,289                  | 116,554                    | 79.37%               |
| 40 Library                                     | 822,085                    | 936,183                               | 948,659                  | 209,280                 | 739,379                    | 77.94%               |
| 45 Parks, Recreation & Beautification          | 1,102,360                  | 1,175,406                             | 1,175,406                | 222,886                 | 952,520                    | 81.04%               |
| Total Parks and Recreation & Culture           | <u>2,063,667</u>           | <u>2,258,432</u>                      | <u>2,270,908</u>         | <u>462,455</u>          | <u>1,808,453</u>           | <u>79.64%</u>        |
| <b>Total Operating Expenditures</b>            | <b><u>13,235,335</u></b>   | <b><u>17,035,688</u></b>              | <b><u>17,244,129</u></b> | <b><u>3,766,211</u></b> | <b><u>13,477,918</u></b>   | <b><u>78.16%</u></b> |
| Transfer to other funds                        |                            |                                       |                          |                         |                            |                      |
| Street Improvement Capital Project Fund        | 1,116,560                  | 78,387                                | 78,387                   | 78,387                  | -                          | 0.00%                |
| Kenai Recreation Center Capital Project Fund   | 60,000                     | 1,036,000                             | 1,113,275                | 1,113,275               | -                          | 0.00%                |
| Animal Shelter Capital Project Fund            | -                          | 40,000                                | 40,000                   | 40,000                  | -                          | 0.00%                |
| Public Safety Building Capital Proj. Fund      | -                          | 50,000                                | 50,000                   | 50,000                  | -                          | 0.00%                |
| Public Safety Capital Project Fund             | 22,388                     | 175,000                               | 175,000                  | 175,000                 | -                          | 0.00%                |
| Kenai Multipurpose Facility Capital Proj. Fund | 152,259                    | -                                     | -                        | -                       | -                          | -                    |
| Library Improvement Capital Proj. Fund         | 58,000                     | -                                     | -                        | -                       | -                          | -                    |
| Visitor Center Improvement Capital Proj. Fund  | 182,000                    | -                                     | -                        | -                       | -                          | -                    |
| Information Technology Capital Proj. Fund      | 35,000                     | -                                     | -                        | -                       | -                          | -                    |
| City Hall Improvement Capital Proj. Fund       | 210,000                    | -                                     | -                        | -                       | -                          | -                    |
| Kenai Fine Arts Center Imp. Cap. Proj. Fund    | 120,000                    | -                                     | 24,863                   | 24,863                  | -                          | 0.00%                |
| Kenai Cemetery Imp. Capital Project Fund       | -                          | 260,000                               | 260,000                  | 260,000                 | -                          | 0.00%                |
| Kenai Senior Center Imp. Capital Project Fund  | -                          | 82,845                                | 82,845                   | 82,845                  | -                          | 0.00%                |
| Senior Citizen Special Revenue Fund            | 185,563                    | 220,518                               | 220,518                  | 55,129                  | 165,389                    | 75.00%               |
| Debt Service                                   | 114,906                    | 129,625                               | 129,625                  | -                       | 129,625                    | 100.00%              |
| Total Transfer to other funds                  | <u>2,256,676</u>           | <u>2,072,375</u>                      | <u>2,174,513</u>         | <u>1,879,499</u>        | <u>295,014</u>             | <u>13.57%</u>        |
| <b>Total Expenditures &amp; Transfers</b>      | <b><u>15,492,011</u></b>   | <b><u>19,108,063</u></b>              | <b><u>19,418,642</u></b> | <b><u>5,645,710</u></b> | <b><u>13,772,932</u></b>   | <b><u>70.93%</u></b> |
| <b>Net Revenues over(under) Expenditures</b>   | <b><u>\$ 1,151,110</u></b> | <b><u>\$ -</u></b>                    | <b><u>\$ -</u></b>       | <b><u>\$ -</u></b>      | <b><u>\$ -</u></b>         |                      |

\* Note: The original budget includes outstanding encumbrances at 6/30/2021.



**Quarterly Personal Use Fishery Fund  
Expenditure Report  
For Quarter Ended September 30, 2021**

|  | FY2021<br><u>Actual</u> | Original *<br>FY2022<br><u>Budget</u> | Amended<br><u>Budget</u>  | YTD<br><u>Actual</u>    | <u>Variance</u>           | <u>%</u>              |
|--|-------------------------|---------------------------------------|---------------------------|-------------------------|---------------------------|-----------------------|
| <b><u>REVENUES</u></b>                     |                         |                                       |                           |                         |                           |                       |
| Appropriation of Fund Balance              | \$ -                    | \$ 30,658                             | \$ 30,658                 | \$ -                    | \$ (30,658)               | -100.00%              |
| Beach Parking                              | 175,979                 | 183,775                               | 183,775                   | 161,580                 | (22,195)                  | -12.08%               |
| Beach Camping                              | 214,248                 | 179,725                               | 179,725                   | 186,387                 | 6,662                     | 3.71%                 |
| Dock Launch & Park                         | 115,304                 | 109,600                               | 109,600                   | 95,465                  | (14,135)                  | -12.90%               |
| Dock Parking Only                          | 13,377                  | 13,400                                | 13,400                    | 10,641                  | (2,759)                   | -20.59%               |
| Participant Drop-off Fee                   | 4,792                   | 4,205                                 | 4,205                     | 4,019                   | (186)                     | -4.42%                |
| Interest Earnings                          | 469                     | 750                                   | 750                       | -                       | (750)                     | -100.00%              |
| PERS Grant                                 | 3,969                   | 4,696                                 | 4,696                     | -                       | (4,696)                   | -100.00%              |
| Credit Card Fees                           | (12,807)                | (13,000)                              | (13,000)                  | (11,338)                | 1,662                     | -12.78%               |
| Transfer from Other Funds                  | 2,215                   | -                                     | -                         | -                       | -                         | 0.00%                 |
| <b>Total Revenue</b>                       | <b><u>517,546</u></b>   | <b><u>513,809</u></b>                 | <b><u>513,809</u></b>     | <b><u>446,754</u></b>   | <b><u>(67,055)</u></b>    | <b><u>-13.05%</u></b> |
| <b><u>EXPENDITURES &amp; TRANSFERS</u></b> |                         |                                       |                           |                         |                           |                       |
| Public Safety                              | \$ 79,278               | \$ 106,173                            | \$ 106,173                | \$ 87,735               | \$ 18,438                 | 17.37%                |
| Streets                                    | 36,127                  | 53,332                                | 53,332                    | 25,446                  | 27,886                    | 52.29%                |
| Boating Facility                           | 50,089                  | 52,588                                | 52,330                    | 62,654                  | (10,324)                  | -19.73%               |
| Parks, Recreation & Beautification         | 187,793                 | 196,800                               | 225,138                   | 120,648                 | 104,490                   | 46.41%                |
| <b>Total Operating Expenditures</b>        | <b><u>353,287</u></b>   | <b><u>408,893</u></b>                 | <b><u>436,973</u></b>     | <b><u>296,483</u></b>   | <b><u>140,490</u></b>     | <b><u>32.15%</u></b>  |
| Transfers to Other Funds                   | 88,724                  | 125,000                               | 96,920                    | 96,920                  | -                         | 0.00%                 |
| <b>Total Expenditures &amp; Transfers</b>  | <b><u>442,011</u></b>   | <b><u>533,893</u></b>                 | <b><u>533,893</u></b>     | <b><u>393,403</u></b>   | <b><u>140,490</u></b>     | <b><u>26.31%</u></b>  |
| <b>Net Revenues over Expenditures</b>      | <b><u>\$ 75,535</u></b> | <b><u>\$ (20,084)</u></b>             | <b><u>\$ (20,084)</u></b> | <b><u>\$ 53,351</u></b> | <b><u>\$ (73,435)</u></b> |                       |

\* Note: The original budget includes outstanding encumbrances at 6/30/2021.

**Quarterly Airport Fund  
Expenditure Report  
For Quarter Ended September 30, 2021**

|  | FY2021<br><u>Actual</u>      | Original *<br>FY2022<br><u>Budget</u> | Amended<br><u>Budget</u> | YTD<br><u>Actual</u>    | <u>Variance</u>           | <u>%</u>             |
|--|------------------------------|---------------------------------------|--------------------------|-------------------------|---------------------------|----------------------|
| <b><u>REVENUES</u></b>                     |                              |                                       |                          |                         |                           |                      |
| Appropriation of Fund Balance              | \$ -                         | \$ -                                  | \$ 1,060,809             | \$ 401,989              | \$ (658,820)              | 0.00%                |
| State/Federal                              | 1,278,200                    | 42,413                                | 42,413                   | 141,343                 | 98,930                    | 333.25%              |
| Interest , Leases & Fees                   | 715,024                      | 718,049                               | 718,049                  | 417,459                 | (300,590)                 | 58.14%               |
| Terminal Revenues                          | 568,669                      | 726,281                               | 726,281                  | 198,784                 | (527,497)                 | 27.37%               |
| Landing Fees                               | 262,661                      | 300,874                               | 300,874                  | 102,027                 | (198,847)                 | 33.91%               |
| Transfers In                               | <u>1,075,573</u>             | <u>1,012,722</u>                      | <u>1,012,722</u>         | <u>-</u>                | <u>(1,012,722)</u>        | <u>0.00%</u>         |
| <b>Total Revenues</b>                      | <b><u>3,900,127</u></b>      | <b><u>2,800,339</u></b>               | <b><u>3,861,148</u></b>  | <b><u>1,261,602</u></b> | <b><u>(2,599,546)</u></b> | <b><u>32.67%</u></b> |
| <b><u>EXPENDITURES &amp; TRANSFERS</u></b> |                              |                                       |                          |                         |                           |                      |
| Terminal Area                              | \$ 606,123                   | \$ 617,684                            | \$ 641,871               | \$ 116,186              | \$ 525,685                | 81.90%               |
| Airfield                                   | 1,860,679                    | 1,952,017                             | 1,955,653                | 360,844                 | 1,594,809                 | 81.55%               |
| Administration                             | 340,708                      | 337,960                               | 333,242                  | 68,128                  | 265,114                   | 79.56%               |
| Other Buildings & Areas                    | 181,399                      | 191,242                               | 191,242                  | 28,731                  | 162,511                   | 84.98%               |
| Training Facility                          | <u>29,487</u>                | <u>54,140</u>                         | <u>54,140</u>            | <u>2,713</u>            | <u>51,427</u>             | <u>94.99%</u>        |
| Total Expenditures                         | <u>3,018,396</u>             | <u>3,153,043</u>                      | <u>3,176,148</u>         | <u>576,602</u>          | <u>2,599,546</u>          | <u>81.85%</u>        |
| Transfer to other funds                    |                              |                                       |                          |                         |                           |                      |
| Airport Improvement Capital Projects       | <u>2,131,758</u>             | <u>685,000</u>                        | <u>685,000</u>           | <u>685,000</u>          | <u>-</u>                  | <u>0.00%</u>         |
| Total Transfer to other funds              | <u>2,131,758</u>             | <u>685,000</u>                        | <u>685,000</u>           | <u>685,000</u>          | <u>-</u>                  | <u>0.00%</u>         |
| <b>Total Expenditures &amp; Transfers</b>  | <b><u>5,150,154</u></b>      | <b><u>3,838,043</u></b>               | <b><u>3,861,148</u></b>  | <b><u>1,261,602</u></b> | <b><u>2,599,546</u></b>   | <b><u>67.33%</u></b> |
| <b>Net Revenues over Expenditures</b>      | <b><u>\$ (1,250,027)</u></b> | <b><u>\$ (1,037,704)</u></b>          | <b><u>\$ -</u></b>       | <b><u>\$ -</u></b>      | <b><u>\$ -</u></b>        |                      |

\* Note: The original budget includes outstanding encumbrances at 6/30/2021.

**Quarterly Water Sewer Fund  
Expenditure Report  
For Quarter Ended September 30, 2021**

|  | FY2021<br><u>Actual</u>      | Original *<br>FY2022<br><u>Budget</u> | Amended<br><u>Budget</u> | YTD<br><u>Actual</u>    | <u>Variance</u>           | <u>%</u>             |
|--|------------------------------|---------------------------------------|--------------------------|-------------------------|---------------------------|----------------------|
| <b><u>REVENUES</u></b>                     |                              |                                       |                          |                         |                           |                      |
| Appropriation of Fund Balance              | \$ -                         | \$ 141,413                            | \$ 141,413               | \$ 153,391              | \$ 11,978                 | 108.47%              |
| State/Federal                              | 52,403                       | 52,873                                | 52,873                   | -                       | (52,873)                  | 0.00%                |
| Water/Sewer Fees                           | 2,884,047                    | 2,955,597                             | 2,955,597                | 868,009                 | (2,087,588)               | 29.37%               |
| Penalty and Interest                       | (19)                         | 41,600                                | 41,600                   | 9,968                   | (31,632)                  | 23.96%               |
| Interest and Miscellaneous                 | 11,368                       | 15,480                                | 15,480                   | 975                     | (14,505)                  | 6.30%                |
| Transfers In                               | 23,496                       | -                                     | -                        | -                       | -                         | 0.00%                |
| <b>Total Revenues</b>                      | <b><u>2,971,295</u></b>      | <b><u>3,206,963</u></b>               | <b><u>3,206,963</u></b>  | <b><u>1,032,343</u></b> | <b><u>(2,174,620)</u></b> | <b><u>32.19%</u></b> |
| <b><u>EXPENDITURES &amp; TRANSFERS</u></b> |                              |                                       |                          |                         |                           |                      |
| Water                                      | \$ 773,023                   | \$ 923,360                            | \$ 923,360               | \$ 194,920              | \$ 728,440                | 78.89%               |
| Sewer                                      | 406,204                      | 538,061                               | 538,061                  | 80,505                  | 457,556                   | 85.04%               |
| Wastewater Treatment Plant                 | 1,028,490                    | 1,215,542                             | 1,215,542                | 226,918                 | 988,624                   | 81.33%               |
| Total Expenditures                         | <u>2,207,718</u>             | <u>2,676,963</u>                      | <u>2,676,963</u>         | <u>502,343</u>          | <u>2,174,620</u>          | <u>81.23%</u>        |
| Transfer to other funds -                  |                              |                                       |                          |                         |                           |                      |
| Water & Sewer Capital Projects             | <u>1,770,615</u>             | <u>530,000</u>                        | <u>530,000</u>           | <u>530,000</u>          | -                         | -                    |
| Total Transfer to other funds              | <u>1,770,615</u>             | <u>530,000</u>                        | <u>530,000</u>           | <u>530,000</u>          | -                         | -                    |
| <b>Total Expenditures &amp; Transfers</b>  | <b><u>3,978,333</u></b>      | <b><u>3,206,963</u></b>               | <b><u>3,206,963</u></b>  | <b><u>1,032,343</u></b> | <b><u>2,174,620</u></b>   | <b><u>67.81%</u></b> |
| <b>Net Revenues over Expenditures</b>      | <b><u>\$ (1,007,038)</u></b> | <b><u>\$ -</u></b>                    | <b><u>\$ -</u></b>       | <b><u>\$ -</u></b>      | <b><u>\$ -</u></b>        |                      |

\* Note: The original budget includes outstanding encumbrances at 6/30/2021.

**Quarterly Senior Fund  
Expenditure Report  
For Quarter Ended September 30, 2021**

|  | FY2021<br><u>Actual</u> | Original *<br>FY2022<br><u>Budget</u> | Amended<br><u>Budget</u> | YTD<br><u>Actual</u>  | <u>Variance</u>         | <u>%</u>             |
|--|-------------------------|---------------------------------------|--------------------------|-----------------------|-------------------------|----------------------|
| <b><u>REVENUES</u></b>                     |                         |                                       |                          |                       |                         |                      |
| Appropriation of Fund Balance              | \$ -                    | \$ 24,210                             | \$ 24,210                | \$ 79,683             | \$ 55,473               | 329.13%              |
| State Grants                               | 259,786                 | 238,442                               | 263,442                  | 25,000                | (238,442)               | 9.49%                |
| Federal Grants                             | 39,231                  |                                       |                          |                       |                         |                      |
| USDA Grant                                 | 20,954                  | 20,000                                | 20,000                   | -                     | (20,000)                | 0.00%                |
| Choice Waiver                              | 109,725                 | 125,000                               | 125,000                  | 13,804                | (111,196)               | 11.04%               |
| KPB Grant                                  | 169,221                 | 169,221                               | 169,221                  | -                     | (169,221)               | 0.00%                |
| United Way                                 | -                       | -                                     | -                        | -                     | -                       | #DIV/0!              |
| Rents & Leases                             | 9,088                   | 13,000                                | 13,000                   | 989                   | (12,011)                | 7.61%                |
| Miscellaneous Donations                    | 13,825                  | 25,000                                | 25,000                   | 1,163                 | (23,837)                | 4.65%                |
| Donations - Senior Connection              | 50,000                  | 50,000                                | 50,000                   | -                     | (50,000)                | 0.00%                |
| Meal Donations                             | 40,689                  | 82,500                                | 82,500                   | 13,773                | (68,727)                | 16.69%               |
| Ride Donations                             | 125                     | 7,000                                 | 7,000                    | 18                    | (6,982)                 | 0.26%                |
| Transfer from General Fund - Operations    | 185,563                 | 220,518                               | 220,518                  | 55,130                | (165,388)               | 25.00%               |
| Other                                      | 32,508                  | 300                                   | 300                      | -                     | (300)                   | 0.00%                |
| <b>Total Revenues</b>                      | <b><u>930,715</u></b>   | <b><u>975,191</u></b>                 | <b><u>1,000,191</u></b>  | <b><u>189,560</u></b> | <b><u>(810,631)</u></b> | <b><u>18.95%</u></b> |
| <b><u>EXPENDITURES &amp; TRANSFERS</u></b> |                         |                                       |                          |                       |                         |                      |
| Senior Citizen Access                      | \$ 148,572              | \$ 237,332                            | \$ 237,332               | \$ 48,143             | \$ 189,189              | 79.71%               |
| Congregate Meals                           | 257,297                 | 247,084                               | 256,322                  | 49,378                | 206,944                 | 80.74%               |
| Home Meals                                 | 280,494                 | 221,853                               | 237,615                  | 46,306                | 191,309                 | 80.51%               |
| Senior Transportation                      | 80,224                  | 106,805                               | 106,805                  | 14,880                | 91,925                  | 86.07%               |
| Choice Waiver                              | 150,835                 | 162,117                               | 162,117                  | 30,853                | 131,264                 | 80.97%               |
| Total Expenditures                         | <u>917,422</u>          | <u>975,191</u>                        | <u>1,000,191</u>         | <u>189,560</u>        | <u>810,631</u>          | <u>81.05%</u>        |
| Transfer to other funds -                  | -                       | -                                     | -                        | -                     | -                       | -                    |
| Total Transfer to other funds              | <u>-</u>                | <u>-</u>                              | <u>-</u>                 | <u>-</u>              | <u>-</u>                | <u>-</u>             |
| <b>Total Expenditures &amp; Transfers</b>  | <b><u>917,422</u></b>   | <b><u>975,191</u></b>                 | <b><u>1,000,191</u></b>  | <b><u>189,560</u></b> | <b><u>810,631</u></b>   | <b><u>81.05%</u></b> |
| <b>Net Revenues over Expenditures</b>      | <b><u>\$ 13,293</u></b> | <b><u>\$ -</u></b>                    | <b><u>\$ -</u></b>       | <b><u>\$ -</u></b>    | <b><u>\$ -</u></b>      |                      |

\* Note: The original budget includes outstanding encumbrances at 6/30/2021.

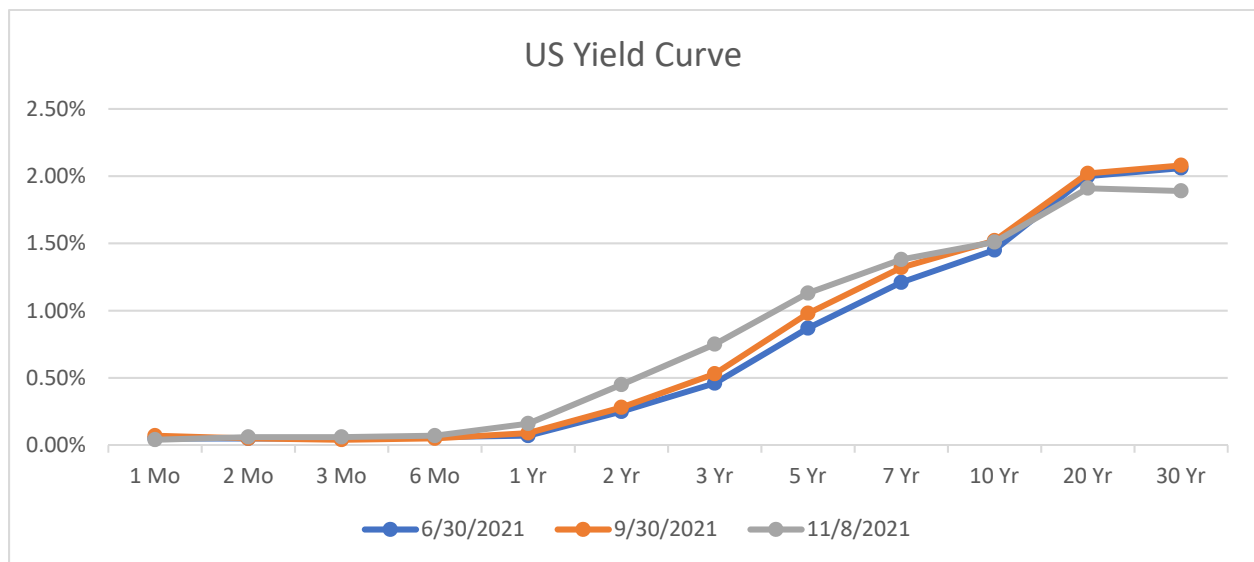


# MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Terry Eubank  
**DATE:** November 9, 2021  
**SUBJECT:** September 30, 2021 Quarterly Investment Report

### City of Kenai Investment Portfolio

At June 30, 2021 the City had investments with a market value of \$29,526,872. That is up from \$28,075,773 at June 30, 2021. The City's portfolio is yielding 0.69% that is down from 0.78% at June 30, 2021. Unfortunately, as higher yielding securities mature they are being replaced at lower yields, causing the portfolio's rate of return to decrease. This trend of declining yield should slow or reverse as short-term rates are beginning to rise due to the Federal Reserve's recent actions. The Federal Reserve will be slowing its purchases of bonds over the next few months and is the market predicts, through current pricing of bonds, two 0.25% rate hikes by the end of calendar year 2022. The market is not predicting soaring interest rates and pricing does not indicate the Federal Funds Rate will go above 1.00% through 2028. An increase in rates will help the portfolio's yield but will negatively impact its market value. There is an inverse relationship between an increase in market rates and the value of existing bonds. The following is a graphical representation of the yield curve at June 30, September 30 and yesterday.



**City's Investment Portfolio**

|                                      |                      |
|--------------------------------------|----------------------|
| US Agency Securities                 | \$11,689,777         |
| AML Investment Pool                  | 3,753,492            |
| Wells Fargo Money Market             | 5,640,357            |
| FDIC Insured Certificates of Deposit | 7,554,262            |
| Bank Balance                         | <u>888,984</u>       |
| Total                                | <u>\$ 29,526,872</u> |

**Permanent Fund Investments**

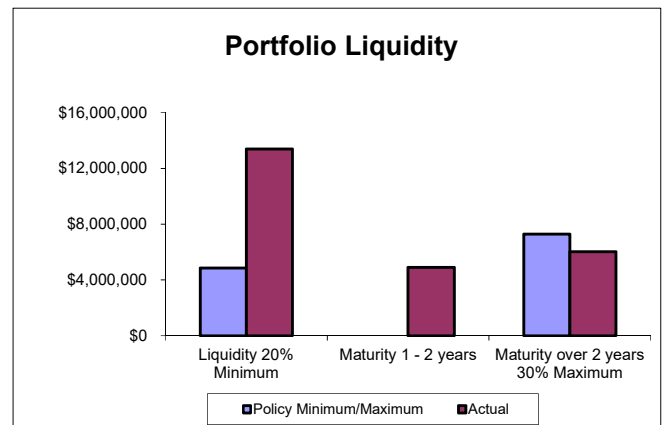
The third quarter 2021 a slight decline in equity markets with returns remain positive year to date. Portfolio returns for the third quarter of 2021 were (1.06)% and the one-year return was 17.35%. Since inception the portfolio has returned 8.52%. As of September 30, 2021, the portfolio value was \$34,890,162, comprised of \$29,746,816 (85.26%) Airport Land Sale Permanent Fund, \$3,763,212 (10.78%) General Land Sale Permanent Fund monies, \$191,168 (0.55%) Kenai Community Foundation holdings, and \$1,188,966 (3.41%) Kenai Senior Connection holdings.



## CITY OF KENAI INVESTMENT PORTFOLIO SUMMARY September 30, 2021

|  | <b>September 30, 2021</b>   | <b>Current Yield</b> |
|--|-----------------------------|----------------------|
|  | <u>Fair Market Value</u>    |                      |
| <b>Cash &amp; Cash Equivalents</b>       |                             |                      |
| Wells Fargo Checking                     | \$ 888,984                  | 0.01%                |
| Wells Fargo Secured Money Market         | 5,640,357                   | 0.01%                |
| FDIC Insured Certificates of Deposit     | 7,554,262                   | 2.24%                |
| Alaska Municipal League Investment Pool  | <u>3,753,492</u>            | <u>0.01%</u>         |
| <b>Total Cash &amp; Cash Equivalents</b> | <b>17,837,095</b>           | <b>0.95%</b>         |
| <b>Government Securities</b>             |                             |                      |
| Maturities Less than 1 Year              | 4,018,110                   | 0.08%                |
| Maturities 1 to 2 Years                  | 4,240,971                   | 0.18%                |
| Maturities Greater than 2 Years          | <u>3,430,696</u>            | <u>0.60%</u>         |
| <b>Total Government Securities</b>       | <u>11,689,777</u>           | <u>0.27%</u>         |
| <b>Total Portfolio</b>                   | <b>\$ <u>29,526,872</u></b> | <b><u>0.68%</u></b>  |

|   |                        |
|---|------------------------|
| Investment Portfolio - Purchase Price     | \$ 29,397,801          |
| Investment Portfolio - Fair Value 9/30/21 | <u>29,526,872</u>      |
| Fair Value Adjustment - 06/30/21          | 129,071                |
| Fair Value Adjustment thru - 9/30/2021    | <u>(120,317)</u>       |
| <b>Cummulative Change in Fair Value</b>   | <b>\$ <u>8,754</u></b> |



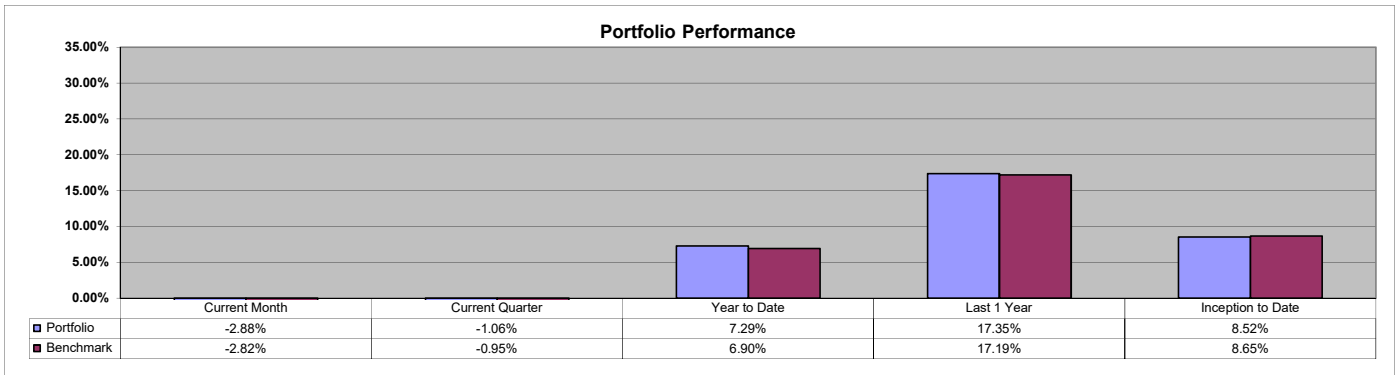
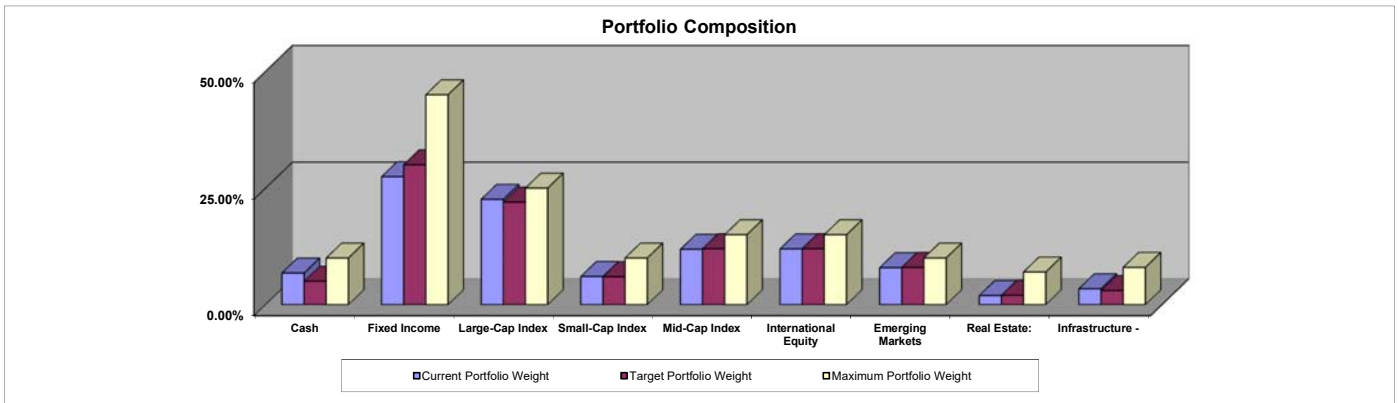
CITY OF KENAI  
INVESTMENTS  
9/30/2021

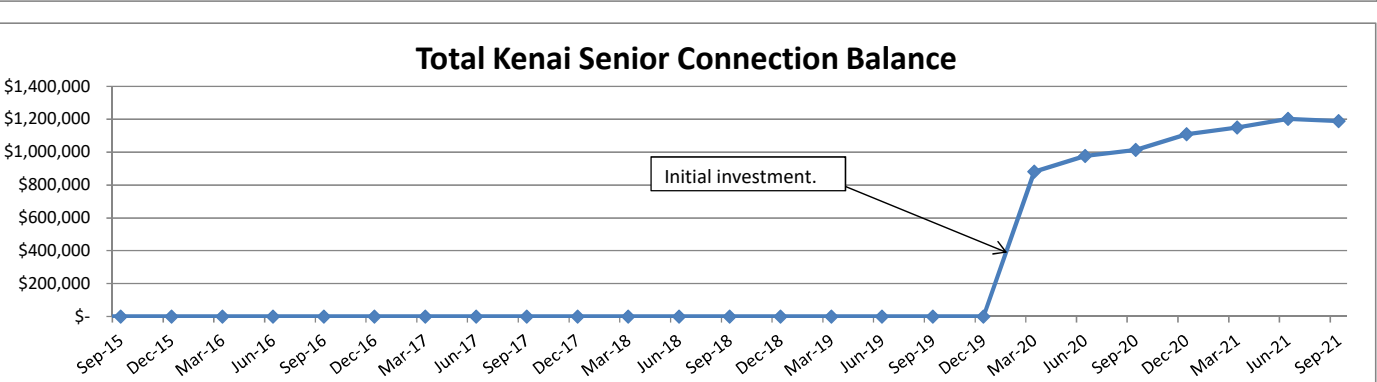
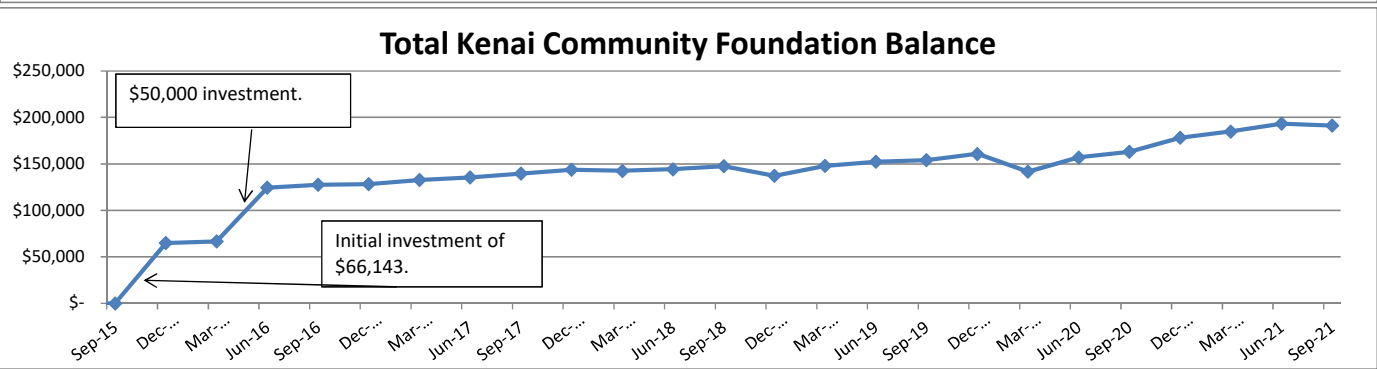
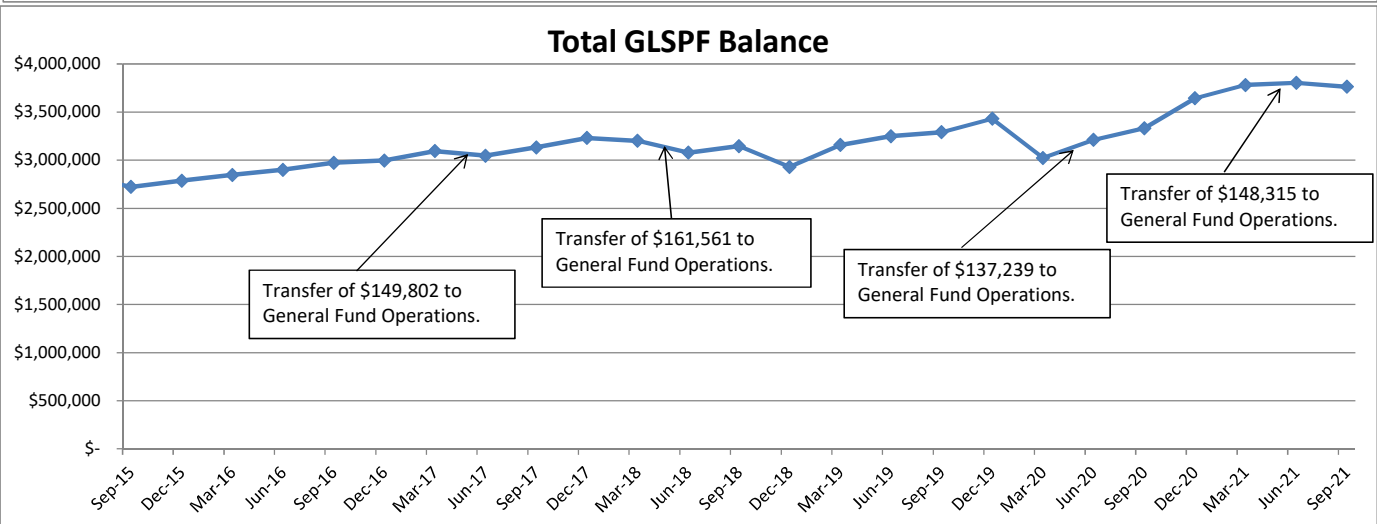
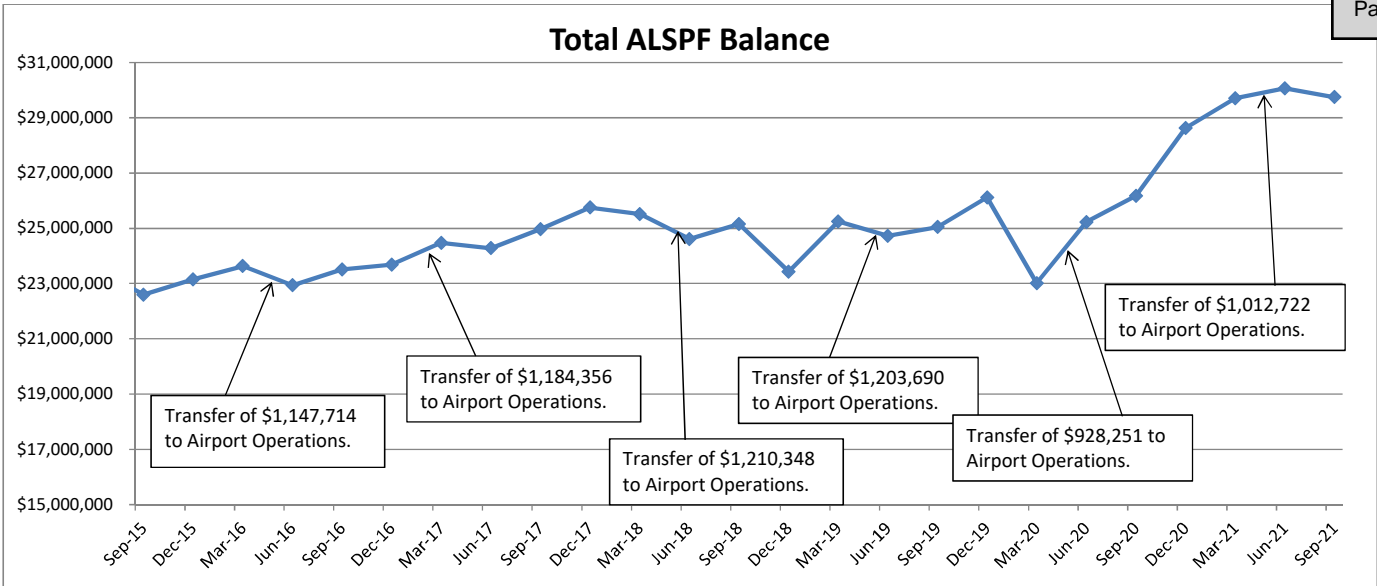
| SECURITY                          | Expected Call or Maturity | CUSIP           | original cost | Current year cost or 06/30/21 Market Value | 09/30/21 Market Value | Unrealized Gain or Loss | Accrued Interest | EFFECT. RATE   | DATE PURCH. | DATE DUE   |
|-----------------------------------|---------------------------|-----------------|---------------|--|-----------------------|-------------------------|------------------|----------------|-------------|------------|
| FFCB 0.10 4/27/22                 | 7/27/21 One Time          | 3133EMNU2       | 1,000,006     | 999,270.00                                 | 999,780.00            | 60.00                   | 427.78           | 0.100          | 1/29/2021   | 4/27/2022  |
| FFCB 0.125 2/3/23                 | Bullet                    | 3133EMPH9       | 1,000,200     | 999,270.00                                 | 999,360.00            | 90.00                   | 201.39           | 0.125          | 2/3/2021    | 2/3/2023   |
| FNMA 2.0 1/5/22                   | Bullet                    | 3135GOS38       | 1,019,341     | 1,009,790.00                               | 1,004,880.00          | (4,910.00)              | 4,777.78         | 0.070          | 2/1/2021    | 1/5/2022   |
| FNMA 2.625 1/11/22                | Bullet                    | 3135GOU92       | 1,025,576     | 1,013,430.00                               | 1,006,910.00          | (6,520.00)              | 5,833.33         | 0.070          | 2/1/2021    | 1/11/2022  |
| FHMS KSMC A2 2.615 1/25/23        | Bullet                    | 3137BO4Y7       | 2,652,004     | 2,623,167.30                               | 2,606,081.40          | (17,085.90)             | 5,524.19         | 0.196          | 2/4/2021    | 1/25/2023  |
| FHMS K037 A1                      | Bullet                    | 3137BYX1        | 531,783       | 527,813.21                                 | 524,620.83            | (3,192.38)              | 1,114.18         | 0.174          | 4/12/2021   | 4/25/2023  |
| FHMS K047 A1                      | Bullet                    | 3137BKRH5       | 329,985       | 327,206.85                                 | 325,168.01            | (2,038.84)              | 738.37           | 0.297          | 4/14/2021   | 12/25/2024 |
| FHMS K053 A1                      | Bullet                    | 3137BN6F6       | 508,078       | 499,968.44                                 | 497,164.80            | (2,803.64)              | 1,017.88         | 0.383          | 11/27/2020  | 2/25/2025  |
| FHLMC 2.375 1/13/22               | Bullet                    | 3137EADB2       | 1,023,074     | 1,012,240.00                               | 1,006,540.00          | (5,700.00)              | 5,145.83         | 0.070          | 2/1/2021    | 1/13/2022  |
| FHMS KMP1 A1                      | Bullet                    | 3137FATD0       | 316,461       | 314,268.60                                 | 312,750.49            | (1,518.11)              | 566.31           | 0.302          | 4/14/2021   | 8/25/2024  |
| FN AN3349                         | Bullet                    | 3138LFWK0       | 294,605       | 291,043.03                                 | 289,748.74            | (1,294.29)              | 478.37           | 0.589          | 11/20/2020  | 10/1/2023  |
| FN AM4716                         | Bullet                    | 3138L5G20       | 635,858       | 630,990.88                                 | 618,499.06            | (12,491.82)             | 1,663.46         | 0.787          | 11/20/2020  | 10/1/2023  |
| FN Am47124                        | Bullet                    | 3138L74J2       | 847,496       | 834,280.03                                 | 828,930.16            | (5,349.87)              | 2,011.51         | 0.759          | 11/20/2020  | 10/1/2023  |
| FNR 2003-79 NJ Mtge               | Bullet                    | 31393EER6       | 115,469       | 112,212.33                                 | 110,908.45            | (1,303.88)              | 449.04           | 0.346          | 2/5/2021    | 8/25/2025  |
| FHR 2935 AC Mtge                  | Bullet                    | 31395MQ28       | 86,476        | 84,090.43                                  | 83,184.37             | (906.06)                | 331.67           | 0.487          | 2/5/2021    | 2/25/2025  |
| FN BL6989                         | Bullet                    | 3140HYXT0       | 477,641       | 475,962.99                                 | 475,250.95            | (712.04)                | -                | 0.751          | 4/9/2021    | 2/1/2025   |
| TOTAL                             |                           |                 | 11,864,053.03 | 11,755,454.09                              | 11,689,777.26         | (65,676.83)             | 30,281.09        | 0.302<br>0.077 | 0.18        | 0.60       |
| FDIC Insured CD's                 | CD - 12/31/10             |                 |               |  |                       |                         |                  |                |             |            |
| 3.55 AXP 12/4/23                  |                           | 27471 02589AA28 | 249,998       | 264,548.55                                 | 261,655.10            | (2,893.45)              | 2,835.62         | 3.160          | 1/2/2019    | 12/4/2023  |
| 2.45 BWW 5/10/22                  |                           | 35141 05580ARK2 | 245,000       | 250,061.70                                 | 248,554.95            | (1,506.75)              | 2,368.11         | 2.450          | 5/10/2019   | 5/10/2022  |
| 1.75 SECSTB 12/18/24              |                           | 8941 062163BN9  | 245,000       | 256,544.40                                 | 253,405.95            | (3,138.45)              | 152.71           | 1.750          | 12/18/2019  | 12/18/2024 |
| 0.20 HAPOAL 11/27/22              |                           | 33686 06251A2M1 | 249,000       | 249,191.73                                 | 249,166.83            | (24.90)                 | 186.92           | 0.200          | 11/17/2020  | 11/17/2022 |
| 3.10 BANK MIDWEST CD 9/15/23      |                           | 5170 063615BM9  | 245,000       | 260,520.75                                 | 258,212.85            | (2,307.90)              | 291.32           | 3.100          | 9/17/2018   | 9/15/2023  |
| 2.45 SONHBT 5/23/22               |                           | 24540 06426KBB3 | 245,000       | 250,211.15                                 | 248,753.40            | (1,457.75)              | 131.56           | 2.450          | 5/23/2019   | 5/23/2022  |
| 2.30 BACR 10/18/22                |                           | 57203 06740KLD7 | 245,000       | 251,921.25                                 | 250,603.15            | (1,318.10)              | 2,562.77         | 2.300          | 10/18/2017  | 10/18/2022 |
| 2.4 COF 4/19/22                   |                           | 33954 1404202E9 | 247,000       | 251,660.89                                 | 250,149.25            | (1,511.64)              | 2,679.78         | 2.400          | 4/19/2017   | 4/19/2022  |
| 2.4 COF 8/30/22                   |                           | 4297 14042RHS3  | 245,000       | 251,568.45                                 | 250,216.05            | (1,352.40)              | 467.18           | 2.400          | 8/28/2017   | 8/30/2022  |
| 3.15 CFBANK 9/18/23               |                           | 28263 15721UCQ0 | 245,000       | 260,738.80                                 | 258,416.20            | (2,322.60)              | 274.87           | 3.150          | 9/18/2018   | 9/18/2023  |
| 3.30 C 9/7/23                     |                           | 7213 17312QS34  | 245,000       | 261,370.90                                 | 258,965.00            | (2,405.90)              | 531.62           | 3.300          | 9/7/2018    | 9/7/2023   |
| 1.75 CNBMIL 12/9/24               |                           | 3814 17801GBW8  | 245,000       | 256,492.95                                 | 253,359.40            | (3,133.55)              | 258.42           | 1.750          | 12/9/2019   | 12/9/2024  |
| 2.55 CMS 1/18/22                  |                           | 57293 29278TAK6 | 245,000       | 248,366.30                                 | 246,800.75            | (1,565.55)              | 256.75           | 2.550          | 2/16/2018   | 1/18/2022  |
| 3.10 SRCE 10/21/22                |                           | 9087 33646CKJ2  | 245,000       | 254,532.95                                 | 252,734.65            | (1,798.30)              | 208.08           | 3.100          | 9/21/2018   | 10/21/2022 |
| 2.35 GS 8/30/22                   |                           | 33124 38148PNS2 | 245,000       | 251,423.90                                 | 250,103.35            | (1,320.55)              | 457.45           | 2.350          | 8/28/2017   | 8/30/2022  |
| 1.85 LIVQAK 12/11/24              |                           | 58665 538036HF4 | 245,000       | 257,343.10                                 | 254,145.85            | (3,197.25)              | 372.53           | 1.850          | 12/11/2019  | 12/11/2024 |
| 1.65 MEDBNK 12/6/21               |                           | 57449 58404DFV8 | 247,000       | 248,711.71                                 | 247,701.48            | (1,010.23)              | 279.14           | 1.650          | 12/6/2019   | 12/6/2021  |
| 2.60 MS 2/15/22                   |                           | 32992 61747MKR3 | 245,000       | 248,917.55                                 | 247,347.10            | (1,570.45)              | 820.25           | 2.600          | 2/15/2018   | 2/15/2022  |
| 1.75 MS 12/6/21                   |                           | 34221 61760A3R8 | 247,000       | 248,854.97                                 | 247,758.29            | (1,096.68)              | 1,397.41         | 1.750          | 12/5/2019   | 12/6/2021  |
| 2.05 NTLNYC 8/30/22               |                           | 18734 634116CM7 | 245,000       | 250,537.00                                 | 249,402.65            | (1,134.35)              | 13.76            | 2.050          | 10/30/2017  | 8/30/2022  |
| 3.40 NCBSVG 12/21/23              |                           | 32612 635573AL2 | 247,234       | 263,992.40                                 | 261,123.45            | (2,868.95)              | 2,327.84         | 3.220          | 1/2/2019    | 12/21/2023 |
| 0.30 NYCB 11/9/23                 |                           | 16022 649447UE7 | 249,000       | 249,258.96                                 | 248,502.00            | (756.96)                | 296.75           | 0.300          | 11/9/2020   | 11/9/2023  |
| 2.15 NRTHFL 10/25/22              |                           | 28710 66612ABX5 | 245,000       | 251,529.25                                 | 250,301.80            | (1,227.45)              | 2,294.61         | 2.150          | 10/30/2017  | 8/30/2022  |
| 1.70 RCKCAN 12/20/23              |                           | 33542 77183VAD0 | 245,000       | 253,658.30                                 | 251,894.30            | (1,764.00)              | 125.52           | 1.700          | 12/20/2019  | 12/20/2023 |
| 2.80 SALLMA 4/17/24               |                           | 58177 795450ZH7 | 245,000       | 262,127.95                                 | 259,114.45            | (3,013.50)              | 3,138.68         | 2.590          | 5/7/2019    | 4/17/2024  |
| 2.75 SBIIN 02/16/23               |                           | 33682 856285HZ7 | 245,000       | 255,260.60                                 | 253,626.45            | (1,634.15)              | 849.11           | 2.750          | 2/16/2018   | 2/16/2023  |
| 1.65 SNV 12/9/21                  |                           | 873 87164DPS3   | 245,000       | 246,764.00                                 | 245,737.45            | (1,026.55)              | 243.66           | 1.650          | 12/9/2019   | 12/9/2021  |
| 2.35 SYF 10/20/22                 |                           | 27314 87164WTC2 | 245,000       | 252,109.90                                 | 250,759.95            | (1,349.95)              | 2,586.93         | 2.350          | 10/20/2017  | 10/22/2022 |
| 2.15 EVER 10/28/22                |                           | 34775 87270LAV5 | 245,000       | 251,622.35                                 | 250,392.45            | (1,229.90)              | 2,222.45         | 2.150          | 10/30/2017  | 10/28/2022 |
| 2.05 THFDSL 10/27/21              |                           | 30012 88413QBT4 | 245,000       | 246,619.45                                 | 245,357.70            | (1,261.75)              | 2,160.36         | 2.050          | 10/27/2017  | 10/27/2021 |
| TOTAL FDIC Insured CD's           |                           |                 | 7,371,231.99  | 7,606,462.16                               | 7,554,262.25          | (52,199.91)             | 32,792.16        | 2.241          |             |            |
| WELLS MONEY MKT                   |                           |                 | 5,640,356.64  | 5,640,356.64                               | 5,640,356.64          |                         | 43.93            | 0.010          |             |            |
| AML POOL - City ACCT              | Agreed to Amliip          |                 | 3,753,492.23  | 3,753,492.23                               | 3,753,492.23          |                         | 26.86            | 0.010          |             |            |
|                                   | Agreed to GL              |                 | 28,629,133.89 | 28,755,765.12                              | 28,637,888.39         | (117,876.74)            | 63,144.04        |                |             |            |
| WF Cash                           | Agreed to WF              |                 | 888,983.99    | 888,983.99                                 | 888,983.99            | -                       | -                | 0.010          |             |            |
| TOTAL                             |                           |                 | 29,518,117.88 | 29,644,749.11                              | 29,526,872.38         | (117,876.74)            | 63,144.04        |                |             |            |
| TOTAL CURRENT YIELD               |                           | MONTHS          |               |  | 8,754.49              |                         |                  | 0.6850%        |             |            |
|                                   | Max/Min                   | Return          | Actual        | Difference                                 |                       |                         |                  |                |             |            |
| Maturity over 2 years 30% Maximum | 8,858,061.71              | 1.3974%         | 6,249,491     | 2,608,570.58                               | OK                    |                         |                  |                |             | 6000000    |
| Liquidity 20% Minimum             | 5,905,374.48              | 0.4243%         | 17,778,294    | (11,872,919.44)                            | OK                    |                         |                  |                |             |            |
| Maturity 1 - 2 years              |                           | 0.7184%         | 5,499,087     |  |                       |                         |                  |                |             |            |
|                                   |                           | 0.6850%         | 29,526,872    |  |                       |                         |                  |                |             |            |



**CITY OF KENAI  
PERMANENT FUND  
INVESTMENT PORTFOLIO SUMMARY  
June 30, 2021**

|  | Fair Market Value |                   |                   |                   |                   | Current or   | Current        | Target         | Portfolio      |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|----------------|----------------|----------------|
|  | 30-Sep-20         | 31-Dec-20         | 31-Mar-21         | 30-Jun-21         | 30-Sep-21         | Average      | Portfolio      | Weight         | Maximum        |
|  |                   |                   |                   |                   |                   | Yield        | Weight         | Weight         | Maximum        |
| <b>Cash</b>                                  |                   |                   |                   |                   |                   |              |                |                |                |
| Cash & Cash Equivalents                      | 1,675,498         | 2,070,212         | 1,859,760         | 2,190,624         | 2,369,402         | 0.01%        | 6.78%          | 5.00%          | 10.00%         |
| <b>Fixed Income</b>                          |                   |                   |                   |                   |                   |              |                |                |                |
| Government & Corporate Securities            |                   |                   |                   |                   |                   |              |                |                |                |
| Government Securities                        | 9,029,809         | 9,059,561         | 5,510,068         | 5,766,625         | 6,276,866         | 1.36%        | 17.99%         |                |                |
| Corporate Securities                         | <u>2,954,951</u>  | <u>3,008,315</u>  | <u>3,358,495</u>  | <u>3,331,243</u>  | <u>3,300,253</u>  | <u>1.83%</u> | <u>9.46%</u>   |                |                |
| Total Fixed Income                           | 11,984,760        | 12,067,876        | 8,868,563         | 9,097,868         | 9,577,119         | 1.56%        | 27.45%         | 30.00%         | 45.00%         |
| <b>Equities:</b>                             |                   |                   |                   |                   |                   |              |                |                |                |
| Domestic Equities:                           |                   |                   |                   |                   |                   |              |                |                |                |
| Large-Cap Index                              | 6,277,450         | 7,044,122         | 7,785,032         | 7,847,291         | 7,883,679         |              | 22.60%         | 22.00%         | 25.00%         |
| Small-Cap Index                              | 1,504,959         | 1,969,325         | 2,373,660         | 2,210,115         | 2,103,327         |              | 6.03%          | 6.00%          | 10.00%         |
| Mid-Cap Index                                | <u>3,040,011</u>  | <u>3,587,646</u>  | <u>4,544,749</u>  | <u>4,369,012</u>  | <u>4,143,616</u>  |              | <u>11.88%</u>  | <u>12.00%</u>  | <u>15.00%</u>  |
| Total Domestic Equities                      | 10,822,420        | 12,601,093        | 14,703,441        | 14,426,418        | 14,130,622        |              | 40.51%         | 40.00%         | 50.00%         |
| International Equities:                      |                   |                   |                   |                   |                   |              |                |                |                |
| International Equity                         | 3,135,397         | 3,408,193         | 4,360,394         | 4,389,491         | 4,175,003         |              | 11.97%         | 12.00%         | 15.00%         |
| Emerging Markets                             | <u>1,555,963</u>  | <u>1,772,297</u>  | <u>2,839,434</u>  | <u>2,923,176</u>  | <u>2,766,724</u>  |              | <u>7.93%</u>   | <u>8.00%</u>   | <u>10.00%</u>  |
| Total International Equities                 | 4,691,360         | 5,180,490         | 7,199,828         | 7,312,667         | 6,941,727         |              | <u>19.90%</u>  | 20.00%         | 25.00%         |
| Real Estate:                                 |                   |                   |                   |                   |                   |              |                |                |                |
| JP Morgan Beta Builders MSCI Reit            | 443,932           | 488,356           | 542,069           | 773,540           | 677,098           |              | 1.94%          |                |                |
| Pacer Benchmark Industrial Real Estat        | <u>145,812</u>    | <u>159,528</u>    | <u>174,858</u>    | <u>-</u>          | <u>-</u>          |              | <u>0.00%</u>   |                |                |
| Total Real Estate                            | 589,744           | 647,884           | 716,927           | 773,540           | 677,098           |              | 1.94%          | 2.00%          | 7.00%          |
| Infrastructure -                             |                   |                   |                   |                   |                   |              |                |                |                |
| Flexshares Stoxx Global Broad Infrastructure | <u>922,410</u>    | <u>994,560</u>    | <u>1,477,735</u>  | <u>1,465,887</u>  | <u>1,194,194</u>  |              | <u>3.42%</u>   | <u>3.00%</u>   | <u>8.00%</u>   |
| Total Equities                               | <u>17,025,934</u> | <u>19,424,027</u> | <u>24,097,931</u> | <u>23,978,512</u> | <u>22,943,641</u> |              | <u>65.77%</u>  | <u>65.00%</u>  | <u>90.00%</u>  |
| Total Portfolio                              | <u>30,686,192</u> | <u>33,562,115</u> | <u>34,826,254</u> | <u>35,267,004</u> | <u>34,890,162</u> | <u>7.29%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>145.00%</u> |
| Total ALSPF Balance                          | 26,178,591        | 28,632,059        | 29,710,505        | 30,068,105        | 29,746,816        |              |                |                |                |
| Total GLSPF Balance                          | 3,331,523         | 3,643,755         | 3,781,000         | 3,803,858         | 3,763,212         |              |                |                |                |
| Total Kenai Community Foundation             | 162,903           | 178,171           | 184,881           | 193,233           | 191,168           |              |                |                |                |
| Total Kenai Senior Connection                | 1,013,175         | 1,108,130         | 1,149,869         | 1,201,808         | 1,188,966         |              |                |                |                |





# CITY OF KENAI PERMANENT FUNDS

Account Statement - Period Ending September 30, 2021



**ALASKA PERMANENT  
CAPITAL MANAGEMENT**  
Registered Investment Adviser

## ACCOUNT ACTIVITY

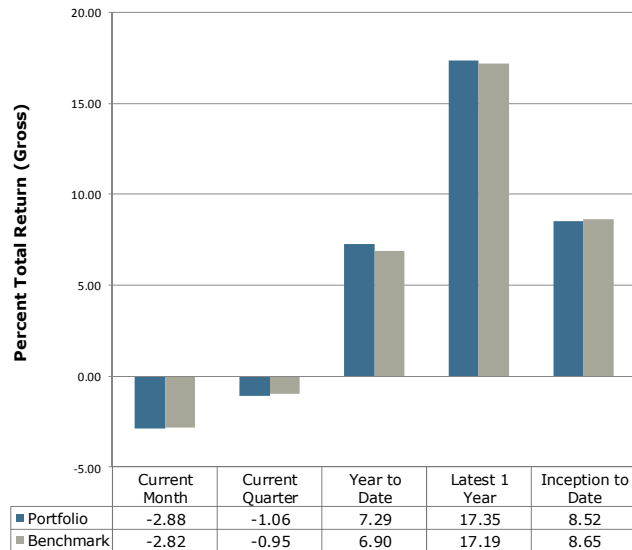
|                             |            |
|-----------------------------|------------|
| Portfolio Value on 08-31-21 | 35,923,976 |
| Contributions               | 0          |
| Withdrawals                 | -511       |
| Change in Market Value      | -1,117,952 |
| Interest                    | 19,530     |
| Dividends                   | 65,119     |
| <hr/>                       |            |
| Portfolio Value on 09-30-21 | 34,890,162 |

## MANAGEMENT TEAM

|                              |  |
|------------------------------|--|
| Client Relationship Manager: | Blake Phillips, CFA®<br>Blake@apcm.net |
| Your Portfolio Manager:      | Bill Lierman, CFA®                     |
| Contact Phone Number:        | 907/272 -7575                          |

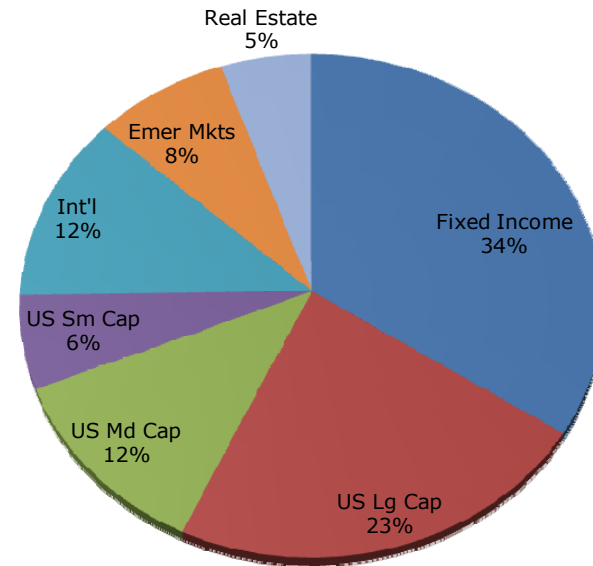
## INVESTMENT PERFORMANCE

**Current Account Benchmark:  
Equity Blend**



Performance is Annualized for Periods Greater than One Year

## PORTFOLIO COMPOSITION



Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
***CITY OF KENAI PERMANENT FUNDS***  
*September 30, 2021*

| Asset Class & Target                   | Market Value      | %<br>Assets | Range      |
|--|-------------------|-------------|------------|
| <b>FIXED INCOME (35%)</b>              |                   |             |            |
| US Fixed Income (30.0%)                | 9,577,091         | 27.4        | 25% to 45% |
| Cash (5.0%)                            | 2,394,208         | 6.9         | 0% to 10%  |
| <b>Subtotal:</b>                       | <b>11,971,299</b> | <b>34.3</b> |            |
| <b>EQUITY (60%)</b>                    |                   |             |            |
| US Large Cap (22.0%)                   | 7,858,901         | 22.5        | 17% to 27% |
| US Mid Cap (12.0%)                     | 4,143,616         | 11.9        | 7% to 17%  |
| US Small Cap (6.0%)                    | 2,103,327         | 6.0         | 0% to 11%  |
| Developed International Equity (12.0%) | 4,175,003         | 12.0        | 7% to 17%  |
| Emerging Markets (8.0%)                | 2,766,724         | 7.9         | 0% to 13%  |
| <b>Subtotal:</b>                       | <b>21,047,571</b> | <b>60.3</b> |            |
| <b>ALTERNATIVE INVESTMENTS (5%)</b>    |                   |             |            |
| Real Estate (2.0%)                     | 677,098           | 1.9         | 0% to 5%   |
| Infrastructure (3.0%)                  | 1,194,194         | 3.4         | 0% to 6%   |
| <b>Subtotal:</b>                       | <b>1,871,292</b>  | <b>5.4</b>  |            |
| <b>TOTAL PORTFOLIO</b>                 | <b>34,890,162</b> | <b>100</b>  |            |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF KENAI PERMANENT FUNDS**  
*September 30, 2021*

| Quantity                | Security                                 | Average Cost | Total Average Cost | Price  | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|-------------------------|--|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| <b>FNMA &amp; FHLMC</b> |  |              |                    |        |              |             |               |                  |                   |
| 7,879                   | FHLMC POOL G14203<br>4.000% Due 04-01-26 | 104.56       | 8,238              | 106.26 | 8,372        | 0.02        | 315           | 26               | -0.78             |
| 80,513                  | FG POOL C91270<br>4.500% Due 10-01-29    | 105.67       | 85,079             | 109.14 | 87,869       | 0.25        | 3,623         | 302              | 0.85              |
| 80,846                  | FG POOL J30401<br>3.000% Due 01-01-30    | 101.30       | 81,894             | 106.45 | 86,063       | 0.25        | 2,425         | 202              | 0.78              |
| 83,084                  | FG POOL G16255<br>2.500% Due 07-01-32    | 99.70        | 82,837             | 105.62 | 87,756       | 0.25        | 2,077         | 173              | 1.06              |
| 82,367                  | FNCL POOL 995373<br>4.500% Due 02-01-39  | 106.72       | 87,901             | 112.00 | 92,254       | 0.26        | 3,707         | 309              | 1.77              |
| 105,877                 | FR RB5095 MTGE<br>2.000% Due 01-01-41    | 103.84       | 109,938            | 101.08 | 107,024      | 0.31        | 2,118         | 35               | 1.51              |
| 209,132                 | FN POOL AJ1405<br>4.000% Due 09-01-41    | 104.48       | 218,510            | 110.44 | 230,963      | 0.66        | 8,365         | 697              | 1.77              |
| 118,746                 | FN POOL AT2324<br>3.000% Due 01-01-43    | 100.20       | 118,987            | 107.90 | 128,129      | 0.37        | 3,562         | 59               | 1.54              |
| 175,672                 | FG POOL V80057<br>3.000% Due 05-01-43    | 100.23       | 176,083            | 108.78 | 191,097      | 0.55        | 5,270         | 439              | 1.54              |
| 112,430                 | FN POOL AL3180<br>3.000% Due 05-01-43    | 100.20       | 112,658            | 107.89 | 121,302      | 0.35        | 3,373         | 281              | 1.56              |
| 116,673                 | FG POOL G08722<br>3.500% Due 09-01-46    | 102.09       | 119,107            | 107.35 | 125,253      | 0.36        | 4,084         | 340              | 2.02              |
| 43,675                  | FN AS8483<br>3.000% Due 12-01-46         | 102.95       | 44,965             | 106.09 | 46,335       | 0.13        | 1,310         | 109              | 1.70              |
| 73,563                  | FN POOL BD2453<br>3.000% Due 01-01-47    | 99.89        | 73,483             | 107.23 | 78,879       | 0.23        | 2,207         | 184              | 1.70              |
| 201,871                 | FN POOL AS8810<br>3.500% Due 02-01-47    | 102.04       | 205,988            | 106.85 | 215,692      | 0.62        | 7,066         | 589              | 2.04              |
| 68,990                  | FN POOL MA2930<br>4.000% Due 03-01-47    | 103.56       | 71,448             | 108.23 | 74,667       | 0.21        | 2,760         | 230              | 2.21              |
| 62,246                  | FG G61893<br>3.000% Due 07-01-47         | 101.14       | 62,956             | 105.67 | 65,778       | 0.19        | 1,867         | 156              | 1.69              |
| 32,358                  | FN MA3276<br>3.500% Due 02-01-48         | 105.75       | 34,218             | 106.49 | 34,459       | 0.10        | 1,133         | 94               | 1.93              |
| 59,567                  | FN MA3305<br>3.500% Due 03-01-48         | 103.02       | 61,363             | 106.36 | 63,357       | 0.18        | 2,085         | 174              | 1.91              |
| 19,693                  | FN POOL MA3638<br>4.000% Due 04-01-49    | 103.09       | 20,303             | 107.12 | 21,096       | 0.06        | 788           | 66               | 2.30              |
| 53,050                  | FR RA1343<br>3.000% Due 09-01-49         | 104.69       | 55,537             | 105.66 | 56,051       | 0.16        | 1,592         | 133              | 1.83              |
| 33,289                  | FN MA3834<br>3.000% Due 11-01-49         | 101.90       | 33,921             | 104.62 | 34,826       | 0.10        | 999           | 83               | 1.83              |
| 35,362                  | FN MA3871<br>3.000% Due 12-01-49         | 101.91       | 36,036             | 104.72 | 37,030       | 0.11        | 1,061         | 88               | 1.83              |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF KENAI PERMANENT FUNDS**  
September 30, 2021

| Quantity               | Security  | Average Cost | Total Average Cost | Price  | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|------------------------|---|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| 42,440                 | FR QA5517<br>3.000% Due 12-01-49                          | 102.31       | 43,421             | 104.80 | 44,476       | 0.13        | 1,273         | 106              | 1.83              |
| 37,815                 | FN MA3960<br>3.000% Due 03-01-50                          | 102.31       | 38,689             | 104.68 | 39,586       | 0.11        | 1,134         | 95               | 2.01              |
| 66,170                 | FANNIE MAE POOL<br>2.500% Due 05-01-50                    | 104.98       | 69,469             | 103.20 | 68,285       | 0.20        | 1,654         | 138              | 1.88              |
| 131,713                | FANNIE MAE POOL<br>2.500% Due 08-01-50                    | 105.11       | 138,442            | 103.58 | 136,432      | 0.39        | 3,293         | 274              | 1.88              |
| 103,297                | FN CA7738 MTGE<br>2.500% Due 11-01-50                     | 105.64       | 109,123            | 103.20 | 106,598      | 0.31        | 2,582         | 215              | 1.88              |
| 107,590                | FN MA4237 MTGE<br>2.000% Due 01-01-51<br>Accrued Interest | 103.73       | 111,607            | 100.34 | 107,960      | 0.31        | 2,152         | 36               | 1.92              |
|                        |   |              |                    |        | 5,634        | 0.02        |               |                  |                   |
|                        |   |              | 2,412,202          |        | 2,503,225    | 7.17        |               | 5,634            |                   |
| <b>CORPORATE BONDS</b> |   |              |                    |        |              |             |               |                  |                   |
| 100,000                | ABBVIE INC<br>2.900% Due 11-06-22                         | 101.31       | 101,307            | 102.70 | 102,703      | 0.29        | 2,900         | 1,168            | 0.43              |
| 100,000                | GOLDMAN SACHS GROUP INC<br>3.625% Due 01-22-23            | 101.98       | 101,985            | 104.22 | 104,225      | 0.30        | 3,625         | 695              | 0.39              |
| 75,000                 | STARBUCKS CORP<br>3.100% Due 03-01-23                     | 98.54        | 73,902             | 103.60 | 77,698       | 0.22        | 2,325         | 194              | 0.55              |
| 100,000                | AVALONBAY COMMUNITIES<br>2.850% Due 03-15-23              | 100.82       | 100,816            | 102.72 | 102,724      | 0.29        | 2,850         | 127              | 0.96              |
| 200,000                | BANK OF NEW YORK MELLON<br>2.200% Due 08-16-23            | 97.83        | 195,666            | 103.24 | 206,488      | 0.59        | 4,400         | 550              | 0.46              |
| 200,000                | JPMORGAN CHASE & CO<br>3.875% Due 02-01-24                | 105.18       | 210,362            | 107.53 | 215,058      | 0.62        | 7,750         | 1,292            | 0.62              |
| 100,000                | MORGAN STANLEY IND FINANCIAL SRV<br>3.875% Due 04-29-24   | 103.71       | 103,711            | 107.90 | 107,896      | 0.31        | 3,875         | 1,636            | 0.78              |
| 100,000                | WELLS FARGO & COMPANY<br>3.300% Due 09-09-24              | 99.88        | 99,882             | 107.62 | 107,625      | 0.31        | 3,300         | 202              | 0.68              |
| 150,000                | KIMCO REALTY CORP<br>3.300% Due 02-01-25                  | 94.92        | 142,377            | 106.61 | 159,918      | 0.46        | 4,950         | 825              | 1.27              |
| 150,000                | REYNOLDS AMERICAN INC<br>4.450% Due 06-12-25              | 108.47       | 162,700            | 110.24 | 165,363      | 0.47        | 6,675         | 2,021            | 1.59              |
| 150,000                | CITIGROUP INC<br>3.700% Due 01-12-26                      | 101.65       | 152,470            | 109.84 | 164,767      | 0.47        | 5,550         | 1,218            | 1.33              |
| 100,000                | KROGER CO<br>2.650% Due 10-15-26                          | 99.82        | 99,820             | 106.06 | 106,058      | 0.30        | 2,650         | 1,222            | 1.40              |
| 100,000                | GENERAL DYNAMICS CORP<br>3.500% Due 04-01-27              | 106.12       | 106,120            | 110.52 | 110,521      | 0.32        | 3,500         | 1,750            | 1.50              |
| 35,000                 | DARDEN RESTAURANTS INC<br>3.850% Due 05-01-27             | 110.59       | 38,706             | 110.93 | 38,825       | 0.11        | 1,347         | 561              | 1.79              |
| 110,000                | BORGWARNER INC<br>2.650% Due 07-01-27                     | 107.34       | 118,072            | 105.40 | 115,936      | 0.33        | 2,915         | 729              | 1.66              |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF KENAI PERMANENT FUNDS**  
September 30, 2021

| Quantity                                   | Security  | Average Cost | Total Average Cost | Price  | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|--|---|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| 100,000                                    | ENBRIDGE INC<br>3.700% Due 07-15-27                   | 101.13       | 101,135            | 109.91 | 109,911      | 0.32        | 3,700         | 781              | 1.89              |
| 100,000                                    | ANHEUSER-BUSCH INBEV WORLDWIDE<br>4.000% Due 04-13-28 | 114.31       | 114,309            | 112.86 | 112,857      | 0.32        | 4,000         | 1,867            | 1.90              |
| 100,000                                    | INTEL CORP<br>2.450% Due 11-15-29                     | 105.62       | 105,622            | 104.30 | 104,297      | 0.30        | 2,450         | 926              | 1.88              |
| 50,000                                     | KOHL'S CORPORATION<br>3.375% Due 05-01-31             | 99.80        | 49,901             | 102.91 | 51,454       | 0.15        | 1,687         | 848              | 3.02              |
| 100,000                                    | AT&T INC<br>6.375% Due 03-01-41                       | 119.32       | 119,320            | 141.62 | 141,622      | 0.41        | 6,375         | 531              | 3.42              |
| 100,000                                    | HOME DEPOT INC<br>4.875% Due 02-15-44                 | 115.63       | 115,627            | 130.88 | 130,882      | 0.38        | 4,875         | 623              | 2.97              |
| 100,000                                    | CARDINAL HEALTH<br>4.900% Due 09-15-45                | 111.47       | 111,470            | 119.37 | 119,371      | 0.34        | 4,900         | 218              | 3.68              |
| 100,000                                    | BANK OF AMERICA CORP<br>4.443% Due 01-20-48           | 106.31       | 106,308            | 123.43 | 123,433      | 0.35        | 4,443         | 876              | 3.13              |
| 100,000                                    | Sysco Corporation<br>4.450% Due 03-15-48              | 120.54       | 120,536            | 118.82 | 118,825      | 0.34        | 4,450         | 198              | 3.37              |
| 50,000                                     | TELUS CORP<br>4.300% Due 06-15-49                     | 121.52       | 60,762             | 119.58 | 59,791       | 0.17        | 2,150         | 633              | 3.23              |
| 110,000                                    | MAGELLAN MIDSTREAM PARTN<br>3.950% Due 03-01-50       | 109.07       | 119,976            | 106.20 | 116,821      | 0.33        | 4,345         | 362              | 3.60              |
| 110,000                                    | KANSAS CITY SOUTHERN<br>3.500% Due 05-01-50           | 108.00       | 118,801            | 105.14 | 115,654      | 0.33        | 3,850         | 1,604            | 3.22              |
| 75,000                                     | NUTRIEN LTD<br>3.950% Due 05-13-50                    | 99.74        | 74,803             | 113.64 | 85,231       | 0.24        | 2,962         | 1,136            | 3.22              |
|  | Accrued Interest                                      |              |                    |        | 24,792       | 0.07        |               |                  |                   |
|  |   |              | 3,126,467          |        | 3,300,747    | 9.46        |               | 24,792           |                   |
| <b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b> |   |              |                    |        |              |             |               |                  |                   |
| 3,140                                      | FLEXSHARES QUAL DIV ETF                               | 40.53        | 127,261            | 55.65  | 174,741      | 0.50        | NA            |                  |                   |
| 3,246                                      | ISHARES MSCI USA MIN VOLATILITY ETF                   | 76.12        | 247,101            | 73.50  | 238,581      | 0.68        | NA            |                  |                   |
| 17,350                                     | SPDR S&P 500 ETF                                      | 209.90       | 3,641,693          | 429.14 | 7,445,579    | 21.34       | NA            |                  |                   |
|  |   |              | 4,016,055          |        | 7,858,901    | 22.52       |               |                  |                   |
| <b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>   |   |              |                    |        |              |             |               |                  |                   |
| 15,751                                     | ISHARES CORE S&P MIDCAP 400 ETF                       | 117.93       | 1,857,468          | 263.07 | 4,143,616    | 11.88       | NA            |                  |                   |
| <b>DOMESTIC SMALL CAP EQUITY FUNDS/ETF</b> |   |              |                    |        |              |             |               |                  |                   |
| 19,263                                     | ISHARES S&P SMALLCAP 600 INDEX ETF                    | 50.32        | 969,387            | 109.19 | 2,103,327    | 6.03        | NA            |                  |                   |
| <b>INTERNATIONAL EQUITY FUNDS/ETF</b>      |   |              |                    |        |              |             |               |                  |                   |
| 56,229                                     | ISHARES ETF CORE MSCI EAFE                            | 66.29        | 3,727,678          | 74.25  | 4,175,003    | 11.97       | NA            |                  |                   |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF KENAI PERMANENT FUNDS**  
 September 30, 2021

| Quantity                                | Security                                 | Average Cost | Total Average Cost | Price  | Market Value | Pct. Assets | Annual Income | Accrued Interest | Yield to Maturity |
|---|--|--------------|--------------------|--------|--------------|-------------|---------------|------------------|-------------------|
| <b>EMERGING MARKET FUNDS/ETF</b>        |  |              |                    |        |              |             |               |                  |                   |
| 44,798                                  | ISHARES ETF CORE MSCI EMERGING MKTS      | 52.88        | 2,369,026          | 61.76  | 2,766,724    | 7.93        | NA            |                  |                   |
| <b>REAL ESTATE &amp; INFRASTRUCTURE</b> |  |              |                    |        |              |             |               |                  |                   |
| 21,409                                  | FLEXSHAR STX GLOBAL BROAD INF ETF        | 50.57        | 1,082,581          | 55.78  | 1,194,194    | 3.42        | NA            |                  |                   |
| 7,041                                   | JPMORGAN BETABUILDERS MSCI US REIT ETF   | 81.50        | 573,820            | 96.16  | 677,098      | 1.94        | NA            |                  |                   |
|   |  |              | 1,656,401          |        | 1,871,292    | 5.36        |               |                  |                   |
| <b>U.S. TREASURY</b>                    |  |              |                    |        |              |             |               |                  |                   |
| 50,000                                  | US TREASURY NOTES<br>0.125% Due 07-31-22 | 100.02       | 50,010             | 100.02 | 50,011       | 0.14        | 62            | 11               | 0.10              |
| 110,000                                 | US TREASURY NOTES<br>0.125% Due 03-31-23 | 99.96        | 109,953            | 99.90  | 109,892      | 0.31        | 137           | 0                | 0.19              |
| 20,000                                  | US TREASURY NOTES<br>0.125% Due 07-15-23 | 100.00       | 19,999             | 99.79  | 19,959       | 0.06        | 25            | 5                | 0.24              |
| 190,000                                 | US TREASURY NOTE<br>0.125% Due 10-15-23  | 99.75        | 189,532            | 99.64  | 189,318      | 0.54        | 237           | 110              | 0.30              |
| 150,000                                 | US TREASURY NOTES<br>1.625% Due 10-31-23 | 99.41        | 149,109            | 102.72 | 154,078      | 0.44        | 2,437         | 1,020            | 0.32              |
| 180,000                                 | US TREASURY NOTES<br>0.250% Due 05-15-24 | 99.86        | 179,740            | 99.52  | 179,136      | 0.51        | 450           | 170              | 0.43              |
| 205,000                                 | US TREASURY NOTES<br>1.375% Due 01-31-25 | 104.70       | 214,633            | 102.52 | 210,166      | 0.60        | 2,819         | 475              | 0.61              |
| 75,000                                  | US TREASURY NOTES<br>2.750% Due 06-30-25 | 99.71        | 74,780             | 107.47 | 80,602       | 0.23        | 2,062         | 521              | 0.73              |
| 20,000                                  | US TREASURY NOTES<br>0.250% Due 07-31-25 | 100.16       | 20,032             | 98.09  | 19,617       | 0.06        | 50            | 8                | 0.76              |
| 75,000                                  | US TREASURY NOTES<br>1.625% Due 05-15-26 | 95.63        | 71,726             | 103.13 | 77,350       | 0.22        | 1,219         | 460              | 0.93              |
| 200,000                                 | US TREASURY NOTES<br>2.000% Due 11-15-26 | 95.26        | 190,516            | 104.92 | 209,844      | 0.60        | 4,000         | 1,511            | 1.01              |
| 15,000                                  | US TREASURY NOTES<br>0.375% Due 07-31-27 | 99.90        | 14,985             | 95.70  | 14,355       | 0.04        | 56            | 9                | 1.14              |
| 100,000                                 | US TREASURY NOTES<br>1.250% Due 03-31-28 | 99.59        | 99,590             | 100.00 | 100,004      | 0.29        | 1,250         | 3                | 1.25              |
| 160,000                                 | US TREASURY NOTES<br>3.125% Due 11-15-28 | 102.38       | 163,808            | 112.35 | 179,763      | 0.52        | 5,000         | 1,889            | 1.30              |
| 20,000                                  | US TREASURY NOTES<br>2.625% Due 02-15-29 | 101.74       | 20,348             | 109.03 | 21,806       | 0.06        | 525           | 67               | 1.33              |
| 225,000                                 | US TREASURY NOTES<br>1.500% Due 02-15-30 | 108.51       | 244,143            | 100.64 | 226,433      | 0.65        | 3,375         | 431              | 1.42              |
| 10,000                                  | US TREASURY NOTES<br>0.625% Due 05-15-30 | 100.79       | 10,079             | 93.34  | 9,334        | 0.03        | 62            | 24               | 1.45              |
| 20,000                                  | US TREASURY NOTE<br>0.625% Due 08-15-30  | 99.73        | 19,945             | 93.03  | 18,605       | 0.05        | 125           | 16               | 1.47              |



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF KENAI PERMANENT FUNDS**  
 September 30, 2021

| Quantity                    | Security                                      | Average Cost | Total Average Cost | Price  | Market Value      | Pct. Assets | Annual Income  | Accrued Interest | Yield to Maturity |
|-----------------------------|---|--------------|--------------------|--------|-------------------|-------------|----------------|------------------|-------------------|
| 125,000                     | US TREASURY NOTES<br>0.875% Due 11-15-30      | 97.64        | 122,046            | 94.90  | 118,622           | 0.34        | 1,094          | 413              | 1.47              |
| 860,000                     | US TREASURY NOTE<br>1.125% Due 02-15-31       | 99.32        | 854,116            | 96.86  | 832,987           | 2.39        | 9,675          | 1,236            | 1.49              |
| 125,000                     | US TREASURY NOTES<br>1.625% Due 05-15-31      | 100.89       | 126,113            | 101.17 | 126,465           | 0.36        | 2,031          | 767              | 1.49              |
| 125,000                     | US TREASURY NOTES<br>3.875% Due 08-15-40      | 127.11       | 158,890            | 131.12 | 163,906           | 0.47        | 4,844          | 619              | 1.90              |
| 115,000                     | US TREASURY NOTES<br>1.375% Due 11-15-40      | 95.68        | 110,031            | 89.83  | 103,302           | 0.30        | 1,581          | 597              | 2.02              |
| 55,000                      | US TREASURY NOTES<br>3.125% Due 02-15-43      | 117.36       | 64,546             | 119.16 | 65,538            | 0.19        | 1,719          | 220              | 2.02              |
| 95,000                      | US TREASURY NOTES<br>2.875% Due 05-15-49      | 102.98       | 97,832             | 116.98 | 111,135           | 0.32        | 2,731          | 1,032            | 2.07              |
| 15,000                      | US TREASURY NOTES<br>1.250% Due 05-15-50      | 100.74       | 15,111             | 81.81  | 12,271            | 0.04        | 187            | 71               | 2.10              |
| 115,000                     | US TREASURY NOTES<br>1.625% Due 11-15-50      | 96.64        | 111,133            | 89.84  | 103,316           | 0.30        | 1,869          | 706              | 2.09              |
|                             | Accrued Interest                              |              |                    |        | 12,391            | 0.04        |                |                  |                   |
|                             |   |              | 3,502,747          |        | 3,520,209         | 10.09       |                | 12,391           |                   |
| <b>AGENCIES</b>             |   |              |                    |        |                   |             |                |                  |                   |
| 125,000                     | FEDERAL HOME LOAN BANK<br>0.600% Due 08-27-25 | 99.90        | 124,875            | 99.11  | 123,892           | 0.36        | 750            | 71               | 0.83              |
| 125,000                     | FHLB<br>1.625% Due 03-12-27                   | 104.27       | 130,335            | 103.07 | 128,840           | 0.37        | 2,031          | 107              | 1.04              |
|                             | Accrued Interest                              |              |                    |        | 178               | 0.00        |                |                  |                   |
|                             |   |              | 255,210            |        | 252,911           | 0.72        |                | 178              |                   |
| <b>CASH AND EQUIVALENTS</b> |   |              |                    |        |                   |             |                |                  |                   |
|                             | DIVIDEND ACCRUAL                              |              | 24,778             |        | 24,778            | 0.07        |                |                  |                   |
|                             | WF ADV GOVT MM FD-INSTL #1751                 |              | 2,369,430          |        | 2,369,430         | 6.79        |                |                  |                   |
|                             |   |              | 2,394,208          |        | 2,394,208         | 6.86        |                |                  |                   |
| <b>TOTAL PORTFOLIO</b>      |   |              | <b>26,286,849</b>  |        | <b>34,890,162</b> | <b>100</b>  | <b>235,080</b> | <b>42,994</b>    |                   |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade<br>Date                       | Settle<br>Date | Security                                     | Quantity | Trade<br>Amount  |
|-------------------------------------|----------------|--|----------|------------------|
| <b>DEPOSITS AND EXPENSES</b>        |                |  |          |                  |
| MANAGEMENT FEES                     |                |  |          |                  |
| 09-30-21                            | 09-30-21       | MANAGEMENT FEES                              |          | 4,574.18         |
|                                     |                |  |          | <b>4,574.18</b>  |
| <b>DIVIDEND</b>                     |                |  |          |                  |
| DOMESTIC LARGE CAP EQUITY FUNDS/ETF |                |  |          |                  |
| 09-17-21                            | 10-29-21       | SPDR S&P 500 ETF                             |          | 24,777.83        |
| 09-23-21                            | 09-23-21       | FLEXSHARES QUAL DIV<br>ETF                   |          | 925.57           |
| 09-30-21                            | 09-30-21       | ISHARES MSCI USA MIN<br>VOLATILITY ETF       |          | 927.85           |
|                                     |                |  |          | <hr/> 26,631.25  |
| DOMESTIC MID CAP EQUITY FUNDS/ETF   |                |  |          |                  |
| 09-30-21                            | 09-30-21       | ISHARES CORE S&P<br>MIDCAP 400 ETF           |          | 15,415.87        |
| DOMESTIC SMALL CAP EQUITY FUNDS/ETF |                |  |          |                  |
| 09-30-21                            | 09-30-21       | ISHARES S&P SMALLCAP<br>600 INDEX ETF        |          | 9,647.62         |
| REAL ESTATE & INFRASTRUCTURE        |                |  |          |                  |
| 09-23-21                            | 09-23-21       | FLEXSHAR STX GLOBAL<br>BROAD INF ETF         |          | 8,779.51         |
| 09-24-21                            | 09-24-21       | JPMORGAN<br>BETABUILDERS MSCI US<br>REIT ETF |          | 4,644.95         |
|                                     |                |  |          | <hr/> 13,424.46  |
|                                     |                |  |          | <b>65,119.20</b> |
| <b>INTEREST</b>                     |                |  |          |                  |
| AGENCIES                            |                |  |          |                  |
| 09-13-21                            | 09-13-21       | FHLB<br>1.625% Due 03-12-27                  |          | 1,015.63         |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade<br>Date        | Settle<br>Date | Security   | Quantity | Trade<br>Amount |
|----------------------|----------------|--|----------|-----------------|
| CASH AND EQUIVALENTS |                |  |          |                 |
| 09-01-21             | 09-01-21       | WF ADV GOVT MM<br>FD-INSTL #1751                   |          | 18.54           |
| CORPORATE BONDS      |                |  |          |                 |
| 09-01-21             | 09-01-21       | AT&T INC<br>6.375% Due 03-01-41                    |          | 3,187.50        |
| 09-01-21             | 09-01-21       | MAGELLAN MIDSTREAM<br>PARTN<br>3.950% Due 03-01-50 |          | 2,172.50        |
| 09-01-21             | 09-01-21       | STARBUCKS CORP<br>3.100% Due 03-01-23              |          | 1,162.50        |
| 09-09-21             | 09-09-21       | WELLS FARGO &<br>COMPANY<br>3.300% Due 09-09-24    |          | 1,650.00        |
| 09-15-21             | 09-15-21       | AVALONBAY<br>COMMUNITIES<br>2.850% Due 03-15-23    |          | 1,425.00        |
| 09-15-21             | 09-15-21       | CARDINAL HEALTH<br>4.900% Due 09-15-45             |          | 2,450.00        |
| 09-15-21             | 09-15-21       | Sysco Corporation<br>4.450% Due 03-15-48           |          | 2,225.00        |
|                      |                |  |          | 14,272.50       |
| FNMA & FHLMC         |                |  |          |                 |
| 09-15-21             | 09-15-21       | FHLMC POOL G14203<br>4.000% Due 04-01-26           |          | 27.57           |
| 09-15-21             | 09-15-21       | FG POOL G16255<br>2.500% Due 07-01-32              |          | 176.43          |
| 09-15-21             | 09-15-21       | FG POOL G08722<br>3.500% Due 09-01-46              |          | 355.64          |
| 09-15-21             | 09-15-21       | FG POOL C91270<br>4.500% Due 10-01-29              |          | 308.74          |
| 09-15-21             | 09-15-21       | FG POOL J30401<br>3.000% Due 01-01-30              |          | 205.50          |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade Date | Settle Date | Security                                | Quantity | Trade Amount |
|------------|-------------|---|----------|--------------|
| 09-15-21   | 09-15-21    | FG POOL V80057<br>3.000% Due 05-01-43   |          | 444.36       |
| 09-15-21   | 09-15-21    | FG G61893<br>3.000% Due 07-01-47        |          | 161.99       |
| 09-27-21   | 09-27-21    | FR QA5517<br>3.000% Due 12-01-49        |          | 110.70       |
| 09-27-21   | 09-27-21    | FR RA1343<br>3.000% Due 09-01-49        |          | 137.96       |
| 09-27-21   | 09-27-21    | FR RB5095 MTGE<br>2.000% Due 01-01-41   |          | 180.23       |
| 09-27-21   | 09-27-21    | FN POOL AJ1405<br>4.000% Due 09-01-41   |          | 725.52       |
| 09-27-21   | 09-27-21    | FN POOL AT2324<br>3.000% Due 01-01-43   |          | 299.26       |
| 09-27-21   | 09-27-21    | FN AS8483<br>3.000% Due 12-01-46        |          | 113.45       |
| 09-27-21   | 09-27-21    | FN POOL AS8810<br>3.500% Due 02-01-47   |          | 606.16       |
| 09-27-21   | 09-27-21    | FN POOL AL3180<br>3.000% Due 05-01-43   |          | 286.82       |
| 09-27-21   | 09-27-21    | FN POOL BD2453<br>3.000% Due 01-01-47   |          | 186.78       |
| 09-27-21   | 09-27-21    | FANNIE MAE POOL<br>2.500% Due 05-01-50  |          | 149.76       |
| 09-27-21   | 09-27-21    | FANNIE MAE POOL<br>2.500% Due 08-01-50  |          | 285.61       |
| 09-27-21   | 09-27-21    | FN CA7738 MTGE<br>2.500% Due 11-01-50   |          | 220.57       |
| 09-27-21   | 09-27-21    | FNCL POOL 995373<br>4.500% Due 02-01-39 |          | 321.92       |
| 09-27-21   | 09-27-21    | FN POOL MA2930<br>4.000% Due 03-01-47   |          | 239.45       |
| 09-27-21   | 09-27-21    | FN MA3305<br>3.500% Due 03-01-48        |          | 181.47       |
| 09-27-21   | 09-27-21    | FN MA3276<br>3.500% Due 02-01-48        |          | 99.47        |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade Date    | Settle Date | Security                                 | Quantity | Trade Amount     |
|---------------|-------------|--|----------|------------------|
| 09-27-21      | 09-27-21    | FN POOL MA3638<br>4.000% Due 04-01-49    |          | 69.33            |
| 09-27-21      | 09-27-21    | FN MA3834<br>3.000% Due 11-01-49         |          | 88.38            |
| 09-27-21      | 09-27-21    | FN MA3871<br>3.000% Due 12-01-49         |          | 93.32            |
| 09-27-21      | 09-27-21    | FN MA3960<br>3.000% Due 03-01-50         |          | 99.95            |
| 09-27-21      | 09-27-21    | FN MA4237 MTGE<br>2.000% Due 01-01-51    |          | 182.16           |
|               |             |  |          | 6,358.50         |
| U.S. TREASURY |             |  |          |                  |
| 09-30-21      | 09-30-21    | US TREASURY NOTES<br>1.250% Due 03-31-28 |          | 625.00           |
| 09-30-21      | 09-30-21    | US TREASURY NOTES<br>0.125% Due 03-31-23 |          | 68.75            |
|               |             |  |          | 693.75           |
|               |             |  |          | <b>22,358.92</b> |

**PRINCIPAL PAYDOWNS**

FNMA & FHLMC

|          |          |  |          |          |
|----------|----------|--|----------|----------|
| 09-15-21 | 09-15-21 | FHLMC POOL G14203<br>4.000% Due 04-01-26 | 391.84   | 391.84   |
| 09-15-21 | 09-15-21 | FG POOL G16255<br>2.500% Due 07-01-32    | 1,602.95 | 1,602.95 |
| 09-15-21 | 09-15-21 | FG POOL G08722<br>3.500% Due 09-01-46    | 5,260.03 | 5,260.03 |
| 09-15-21 | 09-15-21 | FG POOL C91270<br>4.500% Due 10-01-29    | 1,817.08 | 1,817.08 |
| 09-15-21 | 09-15-21 | FG POOL J30401<br>3.000% Due 01-01-30    | 1,353.03 | 1,353.03 |
| 09-15-21 | 09-15-21 | FG POOL V80057<br>3.000% Due 05-01-43    | 2,070.54 | 2,070.54 |
| 09-15-21 | 09-15-21 | FG G61893<br>3.000% Due 07-01-47         | 2,549.87 | 2,549.87 |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade Date | Settle Date | Security                                | Quantity | Trade Amount |
|------------|-------------|---|----------|--------------|
| 09-25-21   | 09-27-21    | FR QA5517<br>3.000% Due 12-01-49        | 1,839.00 | 1,839.00     |
| 09-25-21   | 09-27-21    | FR RA1343<br>3.000% Due 09-01-49        | 2,134.86 | 2,134.86     |
| 09-25-21   | 09-27-21    | FR RB5095 MTGE<br>2.000% Due 01-01-41   | 2,262.42 | 2,262.42     |
| 09-25-21   | 09-27-21    | FN POOL AJ1405<br>4.000% Due 09-01-41   | 8,525.43 | 8,525.43     |
| 09-25-21   | 09-27-21    | FN POOL AT2324<br>3.000% Due 01-01-43   | 957.77   | 957.77       |
| 09-25-21   | 09-27-21    | FN AS8483<br>3.000% Due 12-01-46        | 1,706.25 | 1,706.25     |
| 09-25-21   | 09-27-21    | FN POOL AS8810<br>3.500% Due 02-01-47   | 5,955.40 | 5,955.40     |
| 09-25-21   | 09-27-21    | FN POOL AL3180<br>3.000% Due 05-01-43   | 2,299.69 | 2,299.69     |
| 09-25-21   | 09-27-21    | FN POOL BD2453<br>3.000% Due 01-01-47   | 1,147.65 | 1,147.65     |
| 09-25-21   | 09-27-21    | FANNIE MAE POOL<br>2.500% Due 05-01-50  | 5,714.68 | 5,714.68     |
| 09-25-21   | 09-27-21    | FANNIE MAE POOL<br>2.500% Due 08-01-50  | 5,380.45 | 5,380.45     |
| 09-25-21   | 09-27-21    | FN CA7738 MTGE<br>2.500% Due 11-01-50   | 2,578.13 | 2,578.13     |
| 09-25-21   | 09-27-21    | FNCL POOL 995373<br>4.500% Due 02-01-39 | 3,478.56 | 3,478.56     |
| 09-25-21   | 09-27-21    | FN POOL MA2930<br>4.000% Due 03-01-47   | 2,845.89 | 2,845.89     |
| 09-25-21   | 09-27-21    | FN MA3305<br>3.500% Due 03-01-48        | 2,650.32 | 2,650.32     |
| 09-25-21   | 09-27-21    | FN MA3276<br>3.500% Due 02-01-48        | 1,745.00 | 1,745.00     |
| 09-25-21   | 09-27-21    | FN POOL MA3638<br>4.000% Due 04-01-49   | 1,105.59 | 1,105.59     |
| 09-25-21   | 09-27-21    | FN MA3834<br>3.000% Due 11-01-49        | 2,063.98 | 2,063.98     |

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade Date | Settle Date | Security                              | Quantity | Trade Amount     |
|------------|-------------|---------------------------------------|----------|------------------|
| 09-25-21   | 09-27-21    | FN MA3871<br>3.000% Due 12-01-49      | 1,966.68 | 1,966.68         |
| 09-25-21   | 09-27-21    | FN MA3960<br>3.000% Due 03-01-50      | 2,164.65 | 2,164.65         |
| 09-25-21   | 09-27-21    | FN MA4237 MTGE<br>2.000% Due 01-01-51 | 1,706.17 | 1,706.17         |
|            |             |                                       |          | 75,273.91        |
|            |             |                                       |          | <b>75,273.91</b> |

**WITHDRAW**

CASH AND EQUIVALENTS

|          |          |                                  |  |               |
|----------|----------|----------------------------------|--|---------------|
| 09-20-21 | 09-20-21 | WF ADV GOVT MM<br>FD-INSTL #1751 |  | 510.58        |
|          |          |                                  |  | <b>510.58</b> |

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 Through 09-30-21*

| <u>Date</u> | <u>Quantity</u> | <u>Security</u>                          | <u>Avg. Cost Basis</u> | <u>Proceeds</u> | <u>Gain Or Loss</u> |
|-------------|-----------------|--|------------------------|-----------------|---------------------|
| 09-15-21    | 391.84          | FHLMC POOL G14203<br>4.000% Due 04-01-26 | 409.72                 | 391.84          | -17.88              |
| 09-15-21    | 1,602.95        | FG POOL G16255<br>2.500% Due 07-01-32    | 1,598.19               | 1,602.95        | 4.76                |
| 09-15-21    | 5,260.03        | FG POOL G08722<br>3.500% Due 09-01-46    | 5,369.75               | 5,260.03        | -109.72             |
| 09-15-21    | 1,817.08        | FG POOL C91270<br>4.500% Due 10-01-29    | 1,920.14               | 1,817.08        | -103.06             |
| 09-15-21    | 1,353.03        | FG POOL J30401<br>3.000% Due 01-01-30    | 1,370.58               | 1,353.03        | -17.55              |
| 09-15-21    | 2,070.54        | FG POOL V80057<br>3.000% Due 05-01-43    | 2,075.39               | 2,070.54        | -4.85               |
| 09-15-21    | 2,549.87        | FG G61893<br>3.000% Due 07-01-47         | 2,578.95               | 2,549.87        | -29.08              |
| 09-25-21    | 1,839.00        | FR QA5517<br>3.000% Due 12-01-49         | 1,881.53               | 1,839.00        | -42.53              |
| 09-25-21    | 2,134.86        | FR RA1343<br>3.000% Due 09-01-49         | 2,234.93               | 2,134.86        | -100.07             |
| 09-25-21    | 2,262.42        | FR RB5095 MTGE<br>2.000% Due 01-01-41    | 2,349.21               | 2,262.42        | -86.79              |
| 09-25-21    | 8,525.43        | FN POOL AJ1405<br>4.000% Due 09-01-41    | 8,907.74               | 8,525.43        | -382.31             |
| 09-25-21    | 957.77          | FN POOL AT2324<br>3.000% Due 01-01-43    | 959.72                 | 957.77          | -1.95               |
| 09-25-21    | 1,706.25        | FN AS8483<br>3.000% Due 12-01-46         | 1,756.64               | 1,706.25        | -50.39              |
| 09-25-21    | 5,955.40        | FN POOL AS8810<br>3.500% Due 02-01-47    | 6,076.83               | 5,955.40        | -121.43             |
| 09-25-21    | 2,299.69        | FN POOL AL3180<br>3.000% Due 05-01-43    | 2,304.36               | 2,299.69        | -4.67               |
| 09-25-21    | 1,147.65        | FN POOL BD2453<br>3.000% Due 01-01-47    | 1,146.39               | 1,147.65        | 1.26                |
| 09-25-21    | 5,714.68        | FANNIE MAE POOL<br>2.500% Due 05-01-50   | 5,999.52               | 5,714.68        | -284.84             |
| 09-25-21    | 5,380.45        | FANNIE MAE POOL<br>2.500% Due 08-01-50   | 5,655.36               | 5,380.45        | -274.91             |



Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 Through 09-30-21*

| <u>Date</u>  | <u>Quantity</u> | <u>Security</u>                         | <u>Avg. Cost Basis</u> | <u>Proceeds</u>  | <u>Gain Or Loss</u> |
|--------------|-----------------|---|------------------------|------------------|---------------------|
| 09-25-21     | 2,578.13        | FN CA7738 MTGE<br>2.500% Due 11-01-50   | 2,723.55               | 2,578.13         | -145.42             |
| 09-25-21     | 3,478.56        | FNCL POOL 995373<br>4.500% Due 02-01-39 | 3,712.28               | 3,478.56         | -233.72             |
| 09-25-21     | 2,845.89        | FN POOL MA2930<br>4.000% Due 03-01-47   | 2,947.27               | 2,845.89         | -101.38             |
| 09-25-21     | 2,650.32        | FN MA3305<br>3.500% Due 03-01-48        | 2,730.24               | 2,650.32         | -79.92              |
| 09-25-21     | 1,745.00        | FN MA3276<br>3.500% Due 02-01-48        | 1,845.34               | 1,745.00         | -100.34             |
| 09-25-21     | 1,105.59        | FN POOL MA3638<br>4.000% Due 04-01-49   | 1,139.79               | 1,105.59         | -34.20              |
| 09-25-21     | 2,063.98        | FN MA3834<br>3.000% Due 11-01-49        | 2,103.16               | 2,063.98         | -39.18              |
| 09-25-21     | 1,966.68        | FN MA3871<br>3.000% Due 12-01-49        | 2,004.17               | 1,966.68         | -37.49              |
| 09-25-21     | 2,164.65        | FN MA3960<br>3.000% Due 03-01-50        | 2,214.71               | 2,164.65         | -50.06              |
| 09-25-21     | 1,706.17        | FN MA4237 MTGE<br>2.000% Due 01-01-51   | 1,769.88               | 1,706.17         | -63.71              |
| TOTAL GAINS  |                 |   |                        |                  | 6.01                |
| TOTAL LOSSES |                 |   |                        |                  | -2,517.46           |
|              |                 |   | <b>77,785.36</b>       | <b>75,273.91</b> | <b>-2,511.45</b>    |

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| Trade<br>Date                        | Settle<br>Date | Tran<br>Code | Activity          | Security  | Amount       |
|--------------------------------------|----------------|--------------|-------------------|---|--------------|
| <b>WF ADV GOVT MM FD-INSTL #1751</b> |                |              |                   |   |              |
| 09-01-21                             |                |              | Beginning Balance |   | 2,231,966.84 |
| 09-01-21                             | 09-01-21       | dp           | Interest          | WF ADV GOVT MM FD-INSTL #1751                   | 18.54        |
| 09-01-21                             | 09-01-21       | dp           | Interest          | AT&T INC<br>6.375% Due 03-01-41                 | 3,187.50     |
| 09-01-21                             | 09-01-21       | dp           | Interest          | MAGELLAN MIDSTREAM PARTN<br>3.950% Due 03-01-50 | 2,172.50     |
| 09-01-21                             | 09-01-21       | dp           | Interest          | STARBUCKS CORP<br>3.100% Due 03-01-23           | 1,162.50     |
| 09-09-21                             | 09-09-21       | dp           | Interest          | WELLS FARGO & COMPANY<br>3.300% Due 09-09-24    | 1,650.00     |
| 09-13-21                             | 09-13-21       | dp           | Interest          | FHLB<br>1.625% Due 03-12-27                     | 1,015.63     |
| 09-15-21                             | 09-15-21       | dp           | Interest          | AVALONBAY COMMUNITIES<br>2.850% Due 03-15-23    | 1,425.00     |
| 09-15-21                             | 09-15-21       | dp           | Interest          | CARDINAL HEALTH<br>4.900% Due 09-15-45          | 2,450.00     |
| 09-15-21                             | 09-15-21       | dp           | Interest          | Sysco Corporation<br>4.450% Due 03-15-48        | 2,225.00     |
| 09-15-21                             | 09-15-21       | dp           | Interest          | FHLMC POOL G14203<br>4.000% Due 04-01-26        | 27.57        |
| 09-15-21                             | 09-15-21       | dp           | Paydown           | FHLMC POOL G14203<br>4.000% Due 04-01-26        | 391.84       |
| 09-15-21                             | 09-15-21       | dp           | Paydown           | FG POOL G16255<br>2.500% Due 07-01-32           | 1,602.95     |
| 09-15-21                             | 09-15-21       | dp           | Interest          | FG POOL G16255<br>2.500% Due 07-01-32           | 176.43       |

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| <b>Trade Date</b> | <b>Settle Date</b> | <b>Tran Code</b> | <b>Activity</b> | <b>Security</b>                           | <b>Amount</b> |
|-------------------|--------------------|------------------|-----------------|---|---------------|
| 09-15-21          | 09-15-21           | dp               | Interest        | FG POOL G08722<br>3.500% Due 09-01-46     | 355.64        |
| 09-15-21          | 09-15-21           | dp               | Paydown         | FG POOL G08722<br>3.500% Due 09-01-46     | 5,260.03      |
| 09-15-21          | 09-15-21           | dp               | Paydown         | FG POOL C91270<br>4.500% Due 10-01-29     | 1,817.08      |
| 09-15-21          | 09-15-21           | dp               | Interest        | FG POOL C91270<br>4.500% Due 10-01-29     | 308.74        |
| 09-15-21          | 09-15-21           | dp               | Interest        | FG POOL J30401<br>3.000% Due 01-01-30     | 205.50        |
| 09-15-21          | 09-15-21           | dp               | Paydown         | FG POOL J30401<br>3.000% Due 01-01-30     | 1,353.03      |
| 09-15-21          | 09-15-21           | dp               | Paydown         | FG POOL V80057<br>3.000% Due 05-01-43     | 2,070.54      |
| 09-15-21          | 09-15-21           | dp               | Interest        | FG POOL V80057<br>3.000% Due 05-01-43     | 444.36        |
| 09-15-21          | 09-15-21           | dp               | Interest        | FG G61893<br>3.000% Due 07-01-47          | 161.99        |
| 09-15-21          | 09-15-21           | dp               | Paydown         | FG G61893<br>3.000% Due 07-01-47          | 2,549.87      |
| 09-20-21          | 09-20-21           | wd               | Withdrawal      | from Portfolio                            | -510.58       |
| 09-23-21          | 09-23-21           | dp               | Dividend        | FLEXSHAR STX GLOBAL<br>BROAD INF ETF      | 8,779.51      |
| 09-23-21          | 09-23-21           | dp               | Dividend        | FLEXSHARES QUAL DIV ETF                   | 925.57        |
| 09-24-21          | 09-24-21           | dp               | Dividend        | JPMORGAN BETABUILDERS<br>MSCI US REIT ETF | 4,644.95      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FR QA5517<br>3.000% Due 12-01-49          | 1,839.00      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FR RA1343<br>3.000% Due 09-01-49          | 2,134.86      |

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY OF KENAI PERMANENT FUNDS**  
*From 09-01-21 To 09-30-21*

| <b>Trade Date</b> | <b>Settle Date</b> | <b>Tran Code</b> | <b>Activity</b> | <b>Security</b>                         | <b>Amount</b> |
|-------------------|--------------------|------------------|-----------------|---|---------------|
| 09-25-21          | 09-27-21           | dp               | Paydown         | FR RB5095 MTGE<br>2.000% Due 01-01-41   | 2,262.42      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL AJ1405<br>4.000% Due 09-01-41   | 8,525.43      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL AT2324<br>3.000% Due 01-01-43   | 957.77        |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN AS8483<br>3.000% Due 12-01-46        | 1,706.25      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL AS8810<br>3.500% Due 02-01-47   | 5,955.40      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL AL3180<br>3.000% Due 05-01-43   | 2,299.69      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL BD2453<br>3.000% Due 01-01-47   | 1,147.65      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FANNIE MAE POOL<br>2.500% Due 05-01-50  | 5,714.68      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FANNIE MAE POOL<br>2.500% Due 08-01-50  | 5,380.45      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN CA7738 MTGE<br>2.500% Due 11-01-50   | 2,578.13      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FNCL POOL 995373<br>4.500% Due 02-01-39 | 3,478.56      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL MA2930<br>4.000% Due 03-01-47   | 2,845.89      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN MA3305<br>3.500% Due 03-01-48        | 2,650.32      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN MA3276<br>3.500% Due 02-01-48        | 1,745.00      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN POOL MA3638<br>4.000% Due 04-01-49   | 1,105.59      |

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
***CITY OF KENAI PERMANENT FUNDS***  
*From 09-01-21 To 09-30-21*

| <b>Trade Date</b> | <b>Settle Date</b> | <b>Tran Code</b> | <b>Activity</b> | <b>Security</b>                        | <b>Amount</b> |
|-------------------|--------------------|------------------|-----------------|--|---------------|
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN MA3834<br>3.000% Due 11-01-49       | 2,063.98      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN MA3871<br>3.000% Due 12-01-49       | 1,966.68      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN MA3960<br>3.000% Due 03-01-50       | 2,164.65      |
| 09-25-21          | 09-27-21           | dp               | Paydown         | FN MA4237 MTGE<br>2.000% Due 01-01-51  | 1,706.17      |
| 09-27-21          | 09-27-21           | dp               | Interest        | FR QA5517<br>3.000% Due 12-01-49       | 110.70        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FR RA1343<br>3.000% Due 09-01-49       | 137.96        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FR RB5095 MTGE<br>2.000% Due 01-01-41  | 180.23        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL AJ1405<br>4.000% Due 09-01-41  | 725.52        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL AT2324<br>3.000% Due 01-01-43  | 299.26        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN AS8483<br>3.000% Due 12-01-46       | 113.45        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL AS8810<br>3.500% Due 02-01-47  | 606.16        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL AL3180<br>3.000% Due 05-01-43  | 286.82        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL BD2453<br>3.000% Due 01-01-47  | 186.78        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FANNIE MAE POOL<br>2.500% Due 05-01-50 | 149.76        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FANNIE MAE POOL<br>2.500% Due 08-01-50 | 285.61        |

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
***CITY OF KENAI PERMANENT FUNDS***  
*From 09-01-21 To 09-30-21*

| <b>Trade Date</b> | <b>Settle Date</b> | <b>Tran Code</b> | <b>Activity</b> | <b>Security</b>                          | <b>Amount</b> |
|-------------------|--------------------|------------------|-----------------|--|---------------|
| 09-27-21          | 09-27-21           | dp               | Interest        | FN CA7738 MTGE<br>2.500% Due 11-01-50    | 220.57        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FNCL POOL 995373<br>4.500% Due 02-01-39  | 321.92        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL MA2930<br>4.000% Due 03-01-47    | 239.45        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN MA3305<br>3.500% Due 03-01-48         | 181.47        |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN MA3276<br>3.500% Due 02-01-48         | 99.47         |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN POOL MA3638<br>4.000% Due 04-01-49    | 69.33         |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN MA3834<br>3.000% Due 11-01-49         | 88.38         |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN MA3871<br>3.000% Due 12-01-49         | 93.32         |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN MA3960<br>3.000% Due 03-01-50         | 99.95         |
| 09-27-21          | 09-27-21           | dp               | Interest        | FN MA4237 MTGE<br>2.000% Due 01-01-51    | 182.16        |
| 09-30-21          | 09-30-21           | dp               | Dividend        | ISHARES CORE S&P MIDCAP<br>400 ETF       | 15,415.87     |
| 09-30-21          | 09-30-21           | dp               | Dividend        | ISHARES S&P SMALLCAP 600<br>INDEX ETF    | 9,647.62      |
| 09-30-21          | 09-30-21           | dp               | Dividend        | ISHARES MSCI USA MIN<br>VOLATILITY ETF   | 927.85        |
| 09-30-21          | 09-30-21           | dp               | Interest        | US TREASURY NOTES<br>1.250% Due 03-31-28 | 625.00        |

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
***CITY OF KENAI PERMANENT FUNDS***  
*From 09-01-21 To 09-30-21*

| Trade<br>Date           | Settle<br>Date | Tran<br>Code | Activity              | Security                                 | Amount              |
|-------------------------|----------------|--------------|-----------------------|--|---------------------|
| 09-30-21                | 09-30-21       | dp           | Interest              | US TREASURY NOTES<br>0.125% Due 03-31-23 | 68.75               |
| <b>09-30-21</b>         |                |              | <b>Ending Balance</b> |  | <b>2,369,430.46</b> |
| <b>DIVIDEND ACCRUAL</b> |                |              |                       |  |                     |
| 09-01-21                |                |              | Beginning Balance     |  | 0.00                |
| 09-17-21                | 10-29-21       | dp           | Dividend              | SPDR S&P 500 ETF                         | 24,777.83           |
| <b>09-30-21</b>         |                |              | <b>Ending Balance</b> |  | <b>24,777.83</b>    |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL sort by CUSIP**  
**CITY OF KENAI PERMANENT FUNDS**  
 September 30, 2021

| Cusip9                  | Original Face  | Quantity     | Security                       | Unit Cost  | Total Cost   | Price     | Market Value | Accrued Interest | Annual Income |
|-------------------------|----------------|--------------|--------------------------------|------------|--------------|-----------|--------------|------------------|---------------|
| <b>FNMA &amp; FHLMC</b> |                |              |                                |            |              |           |              |                  |               |
| 3128MC3L7               | 256,397.0000   | 7,878.5800   | FHLMC POOL G14203              | 104.562501 | 8,238.04     | 106.25800 | 8,371.62     | 26.26            | 315.14        |
| 3128MFE46               | 190,000.0000   | 83,083.8500  | FG POOL G16255                 | 99.703123  | 82,837.19    | 105.62400 | 87,756.49    | 173.09           | 2,077.10      |
| 3128MJYU8               | 477,000.0000   | 116,673.1800 | FG POOL G08722                 | 102.085937 | 119,106.91   | 107.35400 | 125,253.33   | 340.30           | 4,083.56      |
| 3128P7MT7               | 2,000,000.0000 | 80,512.7600  | FG POOL C91270                 | 105.671877 | 85,079.34    | 109.13700 | 87,869.21    | 301.92           | 3,623.07      |
| 31307LNS3               | 301,000.0000   | 80,845.5600  | FG POOL J30401                 | 101.296875 | 81,894.03    | 106.45300 | 86,062.52    | 202.11           | 2,425.37      |
| 3132L5B28               | 450,000.0000   | 175,671.5900 | FG POOL V80057                 | 100.234376 | 176,083.32   | 108.78100 | 191,097.31   | 439.18           | 5,270.15      |
| 31335CC69               | 150,000.0000   | 62,246.4600  | FG G61893                      | 101.140626 | 62,956.46    | 105.67400 | 65,778.32    | 155.62           | 1,867.39      |
| 3133A0DW1               | 100,000.0000   | 42,439.7300  | FR QA5517                      | 102.312497 | 43,421.15    | 104.79900 | 44,476.41    | 106.10           | 1,273.19      |
| 3133KGP44               | 100,000.0000   | 53,050.4300  | FR RA1343                      | 104.687501 | 55,537.17    | 105.65700 | 56,051.49    | 132.63           | 1,591.51      |
| 3133KYUU1               | 115,000.0000   | 105,876.6100 | FR RB5095 MTGE                 | 103.835939 | 109,937.97   | 101.08400 | 107,024.31   | 35.29            | 2,117.53      |
| 3138ASR38               | 1,500,000.0000 | 209,131.5400 | FN POOL AJ1405                 | 104.484375 | 218,509.78   | 110.43900 | 230,962.78   | 697.11           | 8,365.26      |
| 3138EKRA5               | 374,582.0000   | 118,745.8000 | FN POOL AT2324                 | 100.203126 | 118,987.00   | 107.90200 | 128,129.09   | 59.37            | 3,562.37      |
| 3138WJM96               | 125,000.0000   | 43,674.7400  | FN AS8483                      | 102.953126 | 44,964.51    | 106.09100 | 46,334.97    | 109.19           | 1,310.24      |
| 3138WJYG7               | 783,285.0000   | 201,871.4300 | FN POOL AS8810                 | 102.039062 | 205,987.71   | 106.84600 | 215,691.55   | 588.79           | 7,065.50      |
| 3138WPSN5               | 335,507.0000   | 112,429.7000 | FN POOL AL3180                 | 100.203125 | 112,658.07   | 107.89100 | 121,301.53   | 281.07           | 3,372.89      |
| 3140F9WP6               | 139,000.0000   | 73,563.0600  | FN POOL BD2453                 | 99.890625  | 73,482.60    | 107.22600 | 78,878.73    | 183.91           | 2,206.89      |
| 3140KESQ2               | 100,000.0000   | 66,170.4800  | FANNIE MAE POOL                | 104.984378 | 69,468.67    | 103.19600 | 68,285.29    | 137.86           | 1,654.26      |
| 3140KLRM6               | 175,000.0000   | 131,712.6300 | FANNIE MAE POOL                | 105.109373 | 138,442.32   | 103.58300 | 136,431.89   | 274.40           | 3,292.82      |
| 3140QFS42               | 115,000.0000   | 103,296.6100 | FN CA7738 MTGE                 | 105.640623 | 109,123.18   | 103.19600 | 106,597.97   | 215.20           | 2,582.42      |
| 31416BXA1               | 4,000,000.0000 | 82,366.8800  | FNCL POOL 995373               | 106.718781 | 87,900.93    | 112.00400 | 92,254.20    | 308.88           | 3,706.51      |
| 31418CHG2               | 148,000.0000   | 68,990.0100  | FN POOL MA2930                 | 103.562500 | 71,447.78    | 108.22900 | 74,667.20    | 229.97           | 2,759.60      |
| 31418CU77               | 225,000.0000   | 59,567.0200  | FN MA3305                      | 103.015627 | 61,363.34    | 106.36200 | 63,356.67    | 173.74           | 2,084.85      |
| 31418CUA0               | 125,000.0000   | 32,357.7800  | FN MA3276                      | 105.750001 | 34,218.35    | 106.49500 | 34,459.42    | 94.38            | 1,132.52      |
| 31418DBG6               | 101,000.0000   | 19,693.4700  | FN POOL MA3638                 | 103.093756 | 20,302.74    | 107.12400 | 21,096.43    | 65.64            | 787.74        |
| 31418DHL9               | 100,000.0000   | 33,288.8800  | FN MA3834                      | 101.898438 | 33,920.85    | 104.61800 | 34,826.16    | 83.22            | 998.67        |
| 31418DJR4               | 100,000.0000   | 35,361.6000  | FN MA3871                      | 101.906254 | 36,035.68    | 104.71900 | 37,030.31    | 88.40            | 1,060.85      |
| 31418DMJ8               | 100,000.0000   | 37,814.8900  | FN MA3960                      | 102.312502 | 38,689.36    | 104.68400 | 39,586.14    | 94.54            | 1,134.45      |
| 31418DV74               | 115,000.0000   | 107,589.5100 | FN MA4237 MTGE                 | 103.734374 | 111,607.30   | 100.34400 | 107,959.62   | 35.86            | 2,151.79      |
| Accrued I               |                |              |                                |            |              |           | 5,634.02     |                  |               |
|                         |                |              |                                |            | 2,412,201.77 |           | 2,503,225.00 | 5,634.02         | 73,873.64     |
| <b>CORPORATE BONDS</b>  |                |              |                                |            |              |           |              |                  |               |
| 00206RDG4               | 100,000.0000   | 100,000.0000 | AT&T INC                       | 119.320000 | 119,320.00   | 141.62200 | 141,622.00   | 531.25           | 6,375.00      |
| 00287YAL3               | 100,000.0000   | 100,000.0000 | ABBVIE INC                     | 101.307000 | 101,307.00   | 102.70300 | 102,703.00   | 1,168.06         | 2,900.00      |
| 035240AL4               | 100,000.0000   | 100,000.0000 | ANHEUSER-BUSCH INBEV WORLDWIDE | 114.300000 | 114,309.00   | 112.85700 | 112,857.00   | 1,866.67         | 4,000.00      |
| 05348EAR0               | 100,000.0000   | 100,000.0000 | AVALONBAY COMMUNITIES          | 100.816000 | 100,816.00   | 102.72400 | 102,724.00   | 126.67           | 2,850.00      |
| 06051GGG8               | 100,000.0000   | 100,000.0000 | BANK OF AMERICA CORP           | 106.308000 | 106,308.00   | 123.43300 | 123,433.00   | 876.26           | 4,443.00      |
| 06406FAD5               | 200,000.0000   | 200,000.0000 | BANK OF NEW YORK MELLON        | 97.833000  | 195,666.00   | 103.24400 | 206,488.00   | 550.00           | 4,400.00      |
| 099724AL0               | 110,000.0000   | 110,000.0000 | BORGWARNER INC                 | 107.338000 | 118,071.80   | 105.39600 | 115,935.60   | 728.75           | 2,915.00      |
| 14149YBD9               | 100,000.0000   | 100,000.0000 | CARDINAL HEALTH                | 111.470000 | 111,470.00   | 119.37100 | 119,371.00   | 217.78           | 4,900.00      |
| 172967KG5               | 150,000.0000   | 150,000.0000 | CITIGROUP INC                  | 101.647000 | 152,470.50   | 109.84500 | 164,767.50   | 1,217.92         | 5,550.00      |
| 237194AL9               | 35,000.0000    | 35,000.0000  | DARDEN RESTAURANTS INC         | 110.588000 | 38,705.80    | 110.92900 | 38,825.15    | 561.46           | 1,347.50      |
| 29250NAR6               | 100,000.0000   | 100,000.0000 | ENBRIDGE INC                   | 101.135000 | 101,135.00   | 109.91100 | 109,911.00   | 781.11           | 3,700.00      |
| 369550BL1               | 100,000.0000   | 100,000.0000 | GENERAL DYNAMICS CORP          | 106.120000 | 106,120.00   | 110.52100 | 110,521.00   | 1,750.00         | 3,500.00      |
| 38141GRD8               | 100,000.0000   | 100,000.0000 | GOLDMAN SACHS GROUP INC        | 101.985000 | 101,985.00   | 104.22500 | 104,225.00   | 694.79           | 3,625.00      |
| 437076BD3               | 100,000.0000   | 100,000.0000 | HOME DEPOT INC                 | 115.627000 | 115,627.00   | 130.88200 | 130,882.00   | 622.92           | 4,875.00      |



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL sort by CUSIP**  
**CITY OF KENAI PERMANENT FUNDS**  
September 30, 2021

| Cusip9                                     | Original Face | Quantity     | Security                     | Unit Cost  | Total Cost   | Price     | Market Value | Accrued Interest | Annual Income |
|--|---------------|--------------|------------------------------|------------|--------------|-----------|--------------|------------------|---------------|
| 458140BH2                                  | 100,000.0000  | 100,000.0000 | INTEL CORP                   | 105.622000 | 105,622.00   | 104.29700 | 104,297.00   | 925.56           | 2,450.00      |
| 46625HJT8                                  | 200,000.0000  | 200,000.0000 | JPMORGAN CHASE & CO          | 105.181000 | 210,362.00   | 107.52900 | 215,058.00   | 1,291.67         | 7,750.00      |
| 485170BE3                                  | 110,000.0000  | 110,000.0000 | KANSAS CITY SOUTHERN         | 108.001000 | 118,801.10   | 105.14000 | 115,654.00   | 1,604.17         | 3,850.00      |
| 49446RAU3                                  | 150,000.0000  | 150,000.0000 | KIMCO REALTY CORP            | 94.918000  | 142,377.00   | 106.61200 | 159,918.00   | 825.00           | 4,950.00      |
| 500255AX2                                  | 50,000.0000   | 50,000.0000  | KOHL'S CORPORATION           | 99.802000  | 49,901.00    | 102.90800 | 51,454.00    | 848.44           | 1,687.50      |
| 501044DE8                                  | 100,000.0000  | 100,000.0000 | KROGER CO                    | 99.820000  | 99,820.00    | 106.05800 | 106,058.00   | 1,221.94         | 2,650.00      |
| 559080AP1                                  | 110,000.0000  | 110,000.0000 | MAGELLAN MIDSTREAM PARTN     | 109.069000 | 119,975.90   | 106.20100 | 116,821.10   | 362.08           | 4,345.00      |
| 61746BDQ6                                  | 100,000.0000  | 100,000.0000 | MORGAN STANLEY IND FINANC    | 107.811000 | 103,711.00   | 107.89600 | 107,896.00   | 1,636.11         | 3,875.00      |
| 67077MAX6                                  | 75,000.0000   | 75,000.0000  | NUTRIEN LTD                  | 99.738000  | 74,803.50    | 113.64200 | 85,231.50    | 1,135.62         | 2,962.50      |
| 761713BG0                                  | 150,000.0000  | 150,000.0000 | REYNOLDS AMERICAN INC        | 108.467000 | 162,700.50   | 110.24200 | 165,363.00   | 2,021.04         | 6,675.00      |
| 855244AN9                                  | 75,000.0000   | 75,000.0000  | STARBUCKS CORP               | 98.536000  | 73,902.00    | 103.59800 | 77,698.50    | 193.75           | 2,325.00      |
| 871829BH9                                  | 100,000.0000  | 100,000.0000 | Sysco Corporation            | 120.536000 | 120,536.00   | 118.82500 | 118,825.00   | 197.78           | 4,450.00      |
| 87971MBK8                                  | 50,000.0000   | 50,000.0000  | TELUS CORP                   | 121.524200 | 60,762.10    | 119.58200 | 59,791.00    | 633.06           | 2,150.00      |
| 94974BGA2                                  | 100,000.0000  | 100,000.0000 | WELLS FARGO & COMPANY        | 99.882000  | 99,882.00    | 107.62500 | 107,625.00   | 201.67           | 3,300.00      |
| Accrued I                                  |               |              |                              |            |              |           | 24,791.50    |                  |               |
|  |               |              |                              |            | 3,126,467.20 |           | 3,300,746.85 | 24,791.50        | 108,800.50    |
| <b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b> |               |              |                              |            |              |           |              |                  |               |
| 33939L860                                  | 3,140.0000    | 3,140.0000   | FLEXSHARES QUAL DIV ETF      | 40.528831  | 127,260.53   | 55.65000  | 174,741.00   |                  | 0.00          |
| 46429B697                                  | 3,246.0000    | 3,246.0000   | ISHARES MSCI USA MIN VOLATIL | 76.124701  | 247,100.78   | 73.50000  | 238,581.00   |                  | 0.00          |
| 78462F103                                  | 17,350.0000   | 17,350.0000  | SPDR S&P 500 ETF             | 209.895866 | 3,641,693.27 | 429.14000 | 7,445,579.00 |                  | 0.00          |
|  |               |              |                              |            | 4,016,054.58 |           | 7,858,901.00 |                  | 0.00          |
| <b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>   |               |              |                              |            |              |           |              |                  |               |
| 464287507                                  | 15,751.0000   | 15,751.0000  | ISHARES CORE S&P MIDCAP 400  | 92.926983  | 1,857,467.92 | 263.07000 | 4,143,615.57 |                  | 0.00          |
| <b>DOMESTIC SMALL CAP EQUITY FUNDS/ETF</b> |               |              |                              |            |              |           |              |                  |               |
| 464287804                                  | 19,263.0000   | 19,263.0000  | ISHARES S&P SMALLCAP 600     | 92.323765  | 969,386.68   | 109.19000 | 2,103,326.97 |                  | 0.00          |
| <b>INTERNATIONAL EQUITY FUNDS/ETF</b>      |               |              |                              |            |              |           |              |                  |               |
| 46432F842                                  | 56,229.0000   | 56,229.0000  | ISHARES ETF CORE MSCI EAFE   | 66.294585  | 3,727,678.21 | 74.25000  | 4,175,003.25 |                  | 0.00          |
| <b>EMERGING MARKET FUNDS/ETF</b>           |               |              |                              |            |              |           |              |                  |               |
| 46434G103                                  | 44,798.0000   | 44,798.0000  | ISHARES ETF CORE MSCI EMERGI | 52.882399  | 2,369,025.71 | 61.76000  | 2,766,724.48 |                  | 0.00          |
| <b>REAL ESTATE &amp; INFRASTRUCTURE</b>    |               |              |                              |            |              |           |              |                  |               |
| 33939L795                                  | 21,409.0000   | 21,409.0000  | FLEXSHAR STX GLOBAL BROAD    | 50.566646  | 1,082,581.32 | 55.78000  | 1,194,194.02 |                  | 0.00          |
| 46641Q738                                  | 7,041.0000    | 7,041.0000   | JPMORGAN BETABUILDERS MSCI   | 81.996971  | 573,820.17   | 96.16500  | 677,097.76   |                  | 0.00          |
|  |               |              |                              |            | 1,656,401.50 |           | 1,871,291.78 |                  | 0.00          |
| <b>U.S. TREASURY</b>                       |               |              |                              |            |              |           |              |                  |               |
| 912810QK7                                  | 125,000.0000  | 125,000.0000 | US TREASURY NOTES            | 127.111805 | 158,889.76   | 131.12500 | 163,906.25   | 618.63           | 4,843.75      |
| 912810QZ4                                  | 55,000.0000   | 55,000.0000  | US TREASURY NOTES            | 117.355473 | 64,545.51    | 119.16000 | 65,538.00    | 219.51           | 1,718.75      |
| 912810SH2                                  | 95,000.0000   | 95,000.0000  | US TREASURY NOTES            | 102.981445 | 97,832.37    | 116.98400 | 111,134.80   | 1,031.64         | 2,731.25      |
| 912810SN9                                  | 15,000.0000   | 15,000.0000  | US TREASURY NOTES            | 100.738267 | 15,110.74    | 81.80900  | 12,271.35    | 70.82            | 187.50        |
| 912810SS8                                  | 115,000.0000  | 115,000.0000 | US TREASURY NOTES            | 96.637565  | 111,133.20   | 89.84000  | 103,316.00   | 705.86           | 1,868.75      |
| 912810ST6                                  | 115,000.0000  | 115,000.0000 | US TREASURY NOTES            | 95.679174  | 110,031.05   | 89.82800  | 103,302.20   | 597.27           | 1,581.25      |

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL** sort by CUSIP  
**CITY OF KENAI PERMANENT FUNDS**  
 September 30, 2021

| Cusip9                      | Original Face | Quantity     | Security                      | Unit Cost  | Total Cost           | Price     | Market Value         | Accrued Interest | Annual Income     |
|-----------------------------|---------------|--------------|-------------------------------|------------|----------------------|-----------|----------------------|------------------|-------------------|
| 9128285M8                   | 160,000.0000  | 160,000.0000 | US TREASURY NOTES             | 102.380210 | 163,808.34           | 112.35200 | 179,763.20           | 1,888.59         | 5,000.00          |
| 9128286B1                   | 20,000.0000   | 20,000.0000  | US TREASURY NOTES             | 101.741271 | 20,348.25            | 109.03100 | 21,806.20            | 67.05            | 525.00            |
| 912828R36                   | 75,000.0000   | 75,000.0000  | US TREASURY NOTES             | 95.634709  | 71,726.03            | 103.13300 | 77,349.75            | 460.34           | 1,218.75          |
| 912828T91                   | 150,000.0000  | 150,000.0000 | US TREASURY NOTES             | 99.406253  | 149,109.38           | 102.71900 | 154,078.50           | 1,020.04         | 2,437.50          |
| 912828U24                   | 200,000.0000  | 200,000.0000 | US TREASURY NOTES             | 95.257812  | 190,515.62           | 104.92200 | 209,844.00           | 1,510.87         | 4,000.00          |
| 912828XZ8                   | 75,000.0000   | 75,000.0000  | US TREASURY NOTES             | 99.707033  | 74,780.27            | 107.46900 | 80,601.75            | 521.23           | 2,062.50          |
| 912828Z52                   | 205,000.0000  | 205,000.0000 | US TREASURY NOTES             | 104.699220 | 214,633.40           | 102.52000 | 210,166.00           | 474.90           | 2,818.75          |
| 912828Z94                   | 225,000.0000  | 225,000.0000 | US TREASURY NOTES             | 108.507813 | 244,142.58           | 100.63700 | 226,433.25           | 431.05           | 3,375.00          |
| 912828ZQ6                   | 10,000.0000   | 10,000.0000  | US TREASURY NOTES             | 100.793000 | 10,079.30            | 93.33600  | 9,333.60             | 23.61            | 62.50             |
| 912828ZY9                   | 20,000.0000   | 20,000.0000  | US TREASURY NOTES             | 99.996100  | 19,999.22            | 99.79300  | 19,958.60            | 5.30             | 25.00             |
| 91282CAB7                   | 20,000.0000   | 20,000.0000  | US TREASURY NOTES             | 100.160150 | 20,032.03            | 98.08600  | 19,617.20            | 8.42             | 50.00             |
| 91282CAC5                   | 50,000.0000   | 50,000.0000  | US TREASURY NOTES             | 100.019540 | 50,009.77            | 100.02300 | 50,011.50            | 10.53            | 62.50             |
| 91282CAD3                   | 15,000.0000   | 15,000.0000  | US TREASURY NOTES             | 99.898467  | 14,984.77            | 95.70300  | 14,355.45            | 9.48             | 56.25             |
| 91282CAE1                   | 20,000.0000   | 20,000.0000  | US TREASURY NOTE              | 99.726562  | 19,945.31            | 93.02700  | 18,605.40            | 15.96            | 125.00            |
| 91282CAP6                   | 190,000.0000  | 190,000.0000 | US TREASURY NOTE              | 99.753905  | 189,532.42           | 99.64100  | 189,317.90           | 109.67           | 237.50            |
| 91282CAV3                   | 125,000.0000  | 125,000.0000 | US TREASURY NOTES             | 97.636720  | 122,045.90           | 94.89800  | 118,622.50           | 413.13           | 1,093.75          |
| 91282CBL4                   | 860,000.0000  | 860,000.0000 | US TREASURY NOTE              | 99.315862  | 854,116.41           | 96.85900  | 832,987.40           | 1,235.67         | 9,675.00          |
| 91282CBS9                   | 100,000.0000  | 100,000.0000 | US TREASURY NOTES             | 99.589840  | 99,589.84            | 100.00400 | 100,004.00           | 3.45             | 1,250.00          |
| 91282CBU4                   | 110,000.0000  | 110,000.0000 | US TREASURY NOTES             | 99.957027  | 109,952.73           | 99.90200  | 109,892.20           | 0.38             | 137.50            |
| 91282CCB5                   | 125,000.0000  | 125,000.0000 | US TREASURY NOTES             | 100.890624 | 126,113.28           | 101.17200 | 126,465.00           | 767.24           | 2,031.25          |
| 91282CCC3                   | 180,000.0000  | 180,000.0000 | US TREASURY NOTES             | 99.855467  | 179,739.84           | 99.52000  | 179,136.00           | 169.97           | 450.00            |
| Accrued I                   |               |              |                               |            |                      |           | 12,390.60            |                  |                   |
|                             |               |              |                               |            | 3,502,747.33         |           | 3,520,208.60         | 12,390.60        | 49,625.00         |
| <b>AGENCIES</b>             |               |              |                               |            |                      |           |                      |                  |                   |
| 3130AJ4B2                   | 125,000.0000  | 125,000.0000 | FHLB                          | 104.268000 | 130,335.00           | 103.07200 | 128,840.00           | 107.20           | 2,031.25          |
| 3130AJZ36                   | 125,000.0000  | 125,000.0000 | FEDERAL HOME LOAN BANK        | 99.900000  | 124,875.00           | 99.11400  | 123,892.50           | 70.83            | 750.00            |
| Accrued I                   |               |              |                               |            |                      |           | 178.04               |                  |                   |
|                             |               |              |                               |            | 255,210.00           |           | 252,910.54           | 178.04           | 2,781.25          |
| <b>CASH AND EQUIVALENTS</b> |               |              |                               |            |                      |           |                      |                  |                   |
|                             |               |              | DIVIDEND ACCRUAL              |            | 24,777.83            |           | 24,777.83            |                  | 0.00              |
| VP4560000                   |               |              | WF ADV GOVT MM FD-INSTL #1751 |            | 2,369,430.46         |           | 2,369,430.46         |                  | 0.00              |
|                             |               |              |                               |            | 2,394,208.29         |           | 2,394,208.29         |                  | 0.00              |
| <b>TOTAL PORTFOLIO</b>      |               |              |                               |            | <b>26,286,849.19</b> |           | <b>34,890,162.33</b> | <b>42,994.17</b> | <b>235,080.39</b> |

**PURCHASE ORDERS BETWEEN \$2,500.00 AND \$15,000.00 FOR COUNCIL REVIEW**  
**COUNCIL MEETING OF: DECEMBER 1, 2021**

| <b>VENDOR</b>             | <b>DESCRIPTION</b>     | <b>DEPT.</b>      | <b>ACCOUNT</b>        | <b>AMOUNT</b> |
|---------------------------|------------------------|-------------------|-----------------------|---------------|
| KENAI CHAMBER OF COMMERCE | CCK FIREWORKS SPONSOR  | LEGISLATIVE       | GRANTS TO AGENCIES    | 3,500.00      |
| SIEMENS INDUSTRY          | SERVICE AGREEMENT      | BUILDINGS         | PROFESSIONAL SERVICES | 4,452.00      |
| KONICA MINOLTA            | FY22 COPIER CHARGES    | NON-DEPARTMENTAL  | PRINTING & BINDING    | 5,500.00      |
| LN CURTIS                 | ARCTIC GRIP BOOTS (6)  | FIRE              | SMALL TOOLS           | 3,037.50      |
| TRANE US                  | ARFF SERVICE AGREEMENT | BUILDINGS         | PROFESSIONAL SERVICES | 2,575.64      |
| U.S.A. BLUE BOOK          | LAB OVEN               | WWTP              | SMALL TOOLS           | 2,653.00      |
| ALASKA MAP COMPANY        | FY22 GIS SERVICES      | PLANNING & ZONING | PROFESSIONAL SERVICES | 6,000.00      |

**From:** [Pat](#)  
**To:** [City Clerk](#)  
**Subject:** Fwd: Kenai Dog Park  
**Date:** Tuesday, November 9, 2021 11:02:13 AM

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CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Sent from my iPad

Begin forwarded message:

**From:** Pat <justpat44@hotmail.com>  
**Date:** November 6, 2021 at 11:32:19 PM CDT  
**To:** city\_council@kenai.city  
**Cc:** Paul Ostrander <postrander@kenai.city>  
**Subject:** Kenai Dog Park

Mayor Gabriel and Council,

Thank you so much, for listening to the many concerns of our Kenai Dog Park committee.

We are still actively seeking financial support from our community to reach our goal. We hope to have a more accurate budget available shortly. The infrastructure item needed are beyond the expertise of our committee.

We are requesting the city administration provide an estimate of what the lighting, access to water, security and pathways would cost. It is our understanding the City is preparing their Capital Project list during November. Is it possible to have these estimates completed in time for us to include them in the list?

Pat Porter  
Kenai Dog Park

Sent from my iPad



December 2021 Newsletter

## Kenai Historical Society

P.O. Box 1348  
Kenai, Alaska 99611

### Officers:

President—June Harris  
Vice President—Virginia Walters  
Secretary—Sharon Fisher  
Treasurer—Ron Fullinck

### Board of Directors:

|                  |                |
|------------------|----------------|
| Jim Glendenning  | Joe Harris     |
| Henry Knackstedt | Bill Nelson    |
| Marion Nickelson | Frosty Walters |

## Preserving History

As I've mentioned previously, we've been invited to view the historic materials that belong now to Peggy Arness, which include photos and clippings and other documents from her parents, Jettie and Allen Petersen, and other family members.

Several of us spent the better part of a Saturday visiting with her, partaking in a wonderful lunch, and going through the albums she has carefully assembled over the years (a talent she apparently inherited from her mother). Since that time, I've been making copies and scanning items we identified as valuable to the collection of the Kenai Historical Society. These add to the files we already had from other generous local historians.

This is a project that I've been interested in since I joined the Kenai society. Getting the copies is really just the start but without them there is no Kenai Historical Society collection. Thankfully, much work was preserved by her mother and my constant inspiration—Jettie Petersen. She was the guiding light for the best filing cabinet ever assembled in Kenai: Once Upon the Kenai. Jettie and another wonderful woman, Mary Ford, saved much of the history of Kenai, and we all can be very grateful to them both.

### INSIDE THIS ISSUE:

- PRESERVING HISTORY
- ASSORTED PHOTOS
- ANNOUNCEMENTS

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KENAI HISTORICAL SOCIETY NEWSLETTER

Written by Sharon Fisher

If you would like to contribute ideas and information to the newsletter, please contact me at 776-8254. I welcome and would entertain any ideas you may have for articles, and would appreciate being contacted if you see errors in the information contained in the newsletter.



*Kenai Airport circa 1947*

When I find old photos of Kenai, I study them repeatedly to try to determine where buildings were located in relation to others.

The top picture shows the Kenai Airport runway as it existed in 1947. In that photo, lower left you can see a good view of the Kenai Territorial School, the subject of many school pictures posed on the steps. The lower photo is a picture of that school in 1930. It sat where the Fine Arts building currently sits.



Old Kenai School 1930

*1930 - Kenai School*



Going through some more of the photos we're copying from Peggy Arness, I ran across this one. I've never heard of this establishment and wonder if anyone knows where it was located, about when it operated, and anything about George Hershey. I think the only mention I've ever heard of him was that he may have been in business with Joe Consiel. This building does not look like any of the Kenai Joe buildings I've ever seen, so this is a new puzzle to be solved, if any of you have any information. From the attire, I'd guess it might be about 1920s-30s.

Thoughts, anyone?



Kenai's Representative-Allen L. Petersen (D) (bottom row, 4th column); Helen Fisher (D) and Jim Fisher (D) representing Anchorage—before they moved to Kenai (Column's 8 and 9, top photo). And a very young Jay Hammond (I) (column 6, 2nd from top).







P.O. Box 1348  
Kenai, AK 99611

[kenaihistory@gmail.com](mailto:kenaihistory@gmail.com)

MINUTES \*\*\*

Our next meeting is

Respectfully submitted by Sharon Fisher, Secretary.

KENAI HISTORIC SOCIETY

Our Organization

There has been a Historic Society since the days before Kenai becoming a city. The Society was formed a few years before Statehood in 1959, and then went inactive in the early 60's. It restarted in the latter part of the 60's and has met regularly since. The Society had a museum in Fort Kenay for some years, and then continued to meet after that closed. The non-profit Society implemented and operates the Kenai Historic Cabins Park, open for tours in the summer months. We have office space at the Moosemeat John cabin, but are not open to the public in that building. Our member meetings are Sept., Nov., Dec., Jan., Feb., Mar., and April at the Kenai Visitor Center. For Oct. and May, we meet with the Kenai Peninsula Historical Association. Please check the Meetings and Announcements section on this page for date information.

MEETINGS AND ANNOUNCEMENTS

**Kenai Historical Society Monthly Meeting**

**December 5, 2021 —1:30 p.m.**

**Kenai Visitor Center**

**HOLIDAY SOCIAL**

**Please bring a plate of holiday treats to share and join us for an afternoon of socializing and entertainment**

Kenai Historic Society  
P.O. Box 1348  
Kenai, AK 99611

Phone: 283-1946  
Phone: 776-8254  
E-mail: ak.kyaker@yahoo.com

[www.facebook.com/Kenai-Historical-Society](http://www.facebook.com/Kenai-Historical-Society)

PLEASE  
PLACE  
STAMP  
HERE





## United Cook Inlet Drift Association

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43961 K-Beach Road, Suite E • Soldotna, Alaska 99669 • (907) 260-9436 • fax (907) 260-9438  
• [info@ucida.org](mailto:info@ucida.org) •

**November 2021**

### **UCIDA statement on the pending Cook Inlet fishery closure.**

The headline news last week was “NOAA closes Cook Inlet federal waters to salmon fishing.” And once again the commercial fishing industry is forced to file another lawsuit against NOAA/NMFS. Their pending action, that closes a major salmon fishery, involves backroom deals with the State of Alaska, violations of a court order and violations of federal laws including the Magnuson – Stevens Act (MSA), the Administrative Procedures Act (APA) and the National Environmental Policy Act (NEPA). If their illegal backroom deals and violations of law are allowed to stand then the commercial fishing industry in Cook Inlet, that creates thousands of jobs, adds tens of millions of dollars every year to the regional economy and keeps the coastal communities of Cook Inlet alive, will be finished. Here is the backstory.

The Cook Inlet commercial salmon fishery has existed for over a hundred years. The first salmon cannery in Cook Inlet was built at the mouth of the Kasilof River in 1882. Since then, the salmon fishery has been the backbone of the regional economy.

Cook Inlet has been one of the best commercial salmon fisheries in the state. At times, when the fishery was properly managed, Cook Inlet has been the second most valuable salmon fishery in the state, second only to Bristol Bay. About half of the area open to commercial salmon fishing in the Upper Cook Inlet management area is in federal waters, in the Exclusive Economic Zone (EEZ), the area intended for closure. National Marine Fisheries Service (NMFS) is an office of the National Oceanic and Atmospheric Administration (NOAA). This is the agency responsible for closing the EEZ in Cook Inlet.

Salmon are an anadromous fish, spending most of their lives at sea and returning to freshwater to spawn and rear. Due to their unique lifestyle that crosses many jurisdictional lines, Congress has declared that all anadromous fish, including salmon, are a national resource, and therefore must be managed by federal rules in the national interest. A federal law, the Magnuson-Stevens Act (MSA), named in part for Alaska Senator Ted Stevens who helped create the law, was enacted in 1976 to provide management and conservation to the nation’s fishery resources. The MSA has now been in existence for over 40 years and is considered the gold standard for fishery management.

The State of Alaska has been managing many of the salmon fisheries around the state since statehood. One of the requirements for Alaska becoming a state was the agreement that the state would manage the fishery resources in the “broad national interest”.

In 2010, after more than twenty years of ongoing and increasing management failures by the State of Alaska in Cook Inlet, commercial fishermen and processors asked the National Marine Fisheries Service (NMFS), and its regional administrative body, the North Pacific Fisheries Management Council (Council), to comply with the federal law, the MSA, write an amendment to the Alaska Salmon Fishery Management Plan (FMP) that included the entire Cook Inlet salmon fishery and then properly delegate the authority for managing the fishery to the State. This should have been done back in 1976 when the MSA was first enacted, but it wasn't. For over 40 years the state has been managing the fishery without any guidelines or oversight and that has led to numerous management failures, loss of essential fish habitat and tremendous waste of the salmon resources.

In 2012, instead of complying with the request of the stakeholders and federal law, the Council and NMFS responded by creating Amendment 12 to the Alaska Salmon FMP which *removed* the Cook Inlet salmon fishery from the FMP and deferred all salmon management to the State of Alaska. The fishermen and the processors then filed a lawsuit in federal court.

In 2016 the Ninth Circuit Court agreed with the fishermen and ordered NMFS and the Council to create an amendment to the Alaska Salmon Fishery Management Plan for the entire Cook Inlet salmon fishery that would comply with the MSA. The Ninth Circuit Court then remanded the case back to the Federal District Court in Anchorage to carry out the judgement.

What followed, after the fishermen and processors won the case, can only be described as a farce. The Council, an eleven-member body with six members appointed by the State of Alaska, dragged their feet every step of the way. Over a year into the process, they reluctantly convened a stakeholder Salmon Committee with industry representatives who actually understood how the Cook Inlet fishery works, then refused to even consider the one alternative suggested by the Salmon Committee, then adjourned the committee altogether. The Council spent four years discussing three alternatives: Alternative 1 - no action; Alternative 2 – a fishery management program that delegated implementation to the State; and Alternative 3 - a federally managed fishery in the exclusive economic zone (“EEZ”) and a separately managed State fishery.

Stakeholders spent hundreds of hours preparing for and attending Council meetings and Salmon Committee meetings focused entirely on modifications to Alternative 2. Then, in October 2020, just two months before the Court-ordered deadline for developing an FMP, the State representative on the Council proposed a new alternative (Alternative 4) to *close the fishery in federal waters altogether*. Without any public input, the Council agreed to include this new alternative for further consideration. At the next meeting in December 2020, the Council

received 225 written comments and 35 oral testimonies, and all (except one) were in opposition to the new Alternative 4. The opposition included commercial fishers as well as State legislators, local city governments, the Kenai Peninsula Borough, fishing organizations, economic development associations, trade associations, and many members of the public.

In response to this overwhelming opposition, and *after the close of public comment*, the State of Alaska representative on the Council (ADFG Deputy Commissioner) played bait and switch. After four years of pushing support for Alternative 2, the State announced *to the public for the very first time* that it *refused to accept any delegated federal management* for salmon in Cook Inlet. This made Alternative 2, the primary alternative discussed for the last four years, infeasible. This possibility was never once mentioned in the previous years while the State representatives worked to develop Alternative 2. Nor was this new-found objection to delegated management credible given that Alaska accepts a delegated management program for salmon in other areas of Alaska, and for many other fisheries in Alaska (e.g., groundfish, crab, and others, including the scallop and cod fishery that also occur in Cook Inlet). Following the State's announcement, the rest of the Council members bowed to the State's political pressure and adopted the State's proposed Alternative 4, now called Amendment 14 to the Alaska Salmon FMP. Through public records we have learned that NMFS was well aware of, and coordinating with the State on, their bait and switch scheme but hid that information from the public.

It's sad to think that NMFS, the federal agency entrusted with the management and conservation of the nation's fishery resources, will resort to backroom deals and outright lying to stakeholders, and the public, to avoid doing their job.

Amendment 14 is not sound fishery management based on the scientific principles of the Magnuson Act. It is backroom Alaska politics at its worst. It is a duplicitous and a punitive action against the commercial fishing industry for our efforts to ensure a sustainable fishery for the future.

It is also another example of the Dunleavy administration's "wrecking ball" approach to government. Just as the Dunleavy administration has attempted to wreck the economy of the state, wreck the University system, wreck public education, and wreck the State Ferry system, they are also intending to wreck the Cook Inlet commercial fishery.

Closing the federal waters in Upper Cook Inlet will effectively shut down the commercial salmon industry here. The Cook Inlet salmon fishery is unlike many of the other salmon fisheries around Alaska in that a large part of the fishery occurs in federal waters. This fishery traditionally started in mid-June and was mostly finished by late August or early September. The salmon harvested up to mid-to-late July are harvested primarily by the drift gillnet fleet and are harvested almost entirely in federal waters, in the EEZ. This early harvest is critical for the seafood processing companies as it allows them time to train employees before the peak of the

run and it supplies a premium product for a very valuable fresh market in the lower 48 states. The timing of the salmon harvest is of extreme importance as premium quality fish supplied to a fresh market are worth two to three times more than a lesser quality frozen product. The lower half of Cook Inlet, the EEZ, can also be the most productive area for the drift fleet to fish later in July and into August. Without access to this area the drift fleet cannot harvest enough salmon to meet expenses and cannot afford to operate. Without the drift fleet harvest, the seafood processing companies cannot afford to operate and will close their businesses. When the processing plants shut down there will no market for any remaining fishermen.

Amendment 14, if allowed to stand, will eliminate the Cook Inlet commercial fishery and the thousands of jobs it creates directly and indirectly. It will eliminate the tens of millions of dollars of new money the industry generates in the regional economy every year. It will eliminate the livelihoods and lifestyles of thousands of families and severely damage the economies of the coastal communities in the Cook Inlet region. The Cities of Kenai, Homer and Seward will be particularly hard hit, the Kenai Peninsula Borough will lose millions in tax revenues.

The commercial fishermen and processors are now back in federal court, still seeking the relief that was granted to them in 2016. In the meantime, the state management of the Cook Inlet salmon fishery has gone from bad to worse, with back-to-back fishery disasters in 2018, 2019 and 2020. In 2021 the state managers once again restricted and closed much of the Cook Inlet fishery which allowed far more salmon to enter the rivers than was needed for spawning. The *excess* escapement into the rivers last summer was more than the entire commercial harvest. This same pattern has been repeating for over a decade.

In Cook Inlet, under current state management of the fishery, more salmon go unharvested and are wasted every year than many other areas of the state produce. This has to stop.

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

UNITED COOK INLET DRIFT  
ASSOCIATION and COOK INLET  
FISHERMEN’S FUND,

Plaintiffs,

v.

NATIONAL MARINE FISHERIES  
SERVICE; NATIONAL OCEANIC AND  
ATMOSPHERIC ADMINISTRATION;  
GINA RAIMONDO, in her official capacity  
as the United States Secretary of Commerce;  
JANET COIT, in her official capacity as  
Assistant Administrator, National Oceanic  
and Atmospheric Administration; and JAMES  
W. BALSIGER, in his official capacity as  
NMFS Alaska Region Administrator,

Defendants.

Civil Action No.: \_\_\_\_\_

**COMPLAINT FOR DECLARATORY  
JUDGMENT AND INJUNCTIVE  
RELIEF, AND PETITION FOR  
REVIEW (42 U.S.C. § 4332; 16 U.S.C.  
§§ 1801-1891d; 5 U.S.C. §§ 553, 701-  
706)**

*United Cook Inlet Drift Association, et al. v. NMFS, et al*

## SUMMARY OF ACTION

1. Plaintiffs have a related action pending in *United Cook Inlet Drift Association, et al., v. National Marine Fisheries Service, et. al.* 3:13-cv-00104-TMB. Plaintiffs have sought relief in that related action to include the allegations below pursuant to Federal Rule of Civil Procedure 15(a)(2) and 15(d). Plaintiffs hereby file this complaint protectively in response to arguments by Federal Defendants in the related action that relief under Civil Rule 15 is not proper or warranted, or otherwise insufficient to satisfy the applicable statute of limitations.

2. Commercial salmon fishing in Alaska is an important part of the state's cultural heritage and history. Salmon fishing has supported generations of Alaska fishers and their families and has been the life blood of many rural Alaskan communities and businesses since long before statehood.

3. The Cook Inlet salmon fishery has historically been one of the nation's most productive salmon fisheries. But during the last two decades, the commercial harvest in Cook Inlet has steadily—and more recently, precipitously—declined. In the 1980s and 1990s, the sockeye salmon harvest alone ranged consistently from four to nine million sockeye per year. The 10-year average annual commercial catch from 2008 to 2017 is now down to just 2.7 million sockeye. The commercial sockeye harvest was about 1.8 million in 2017 and 2019, and the commercial sockeye harvest in 2018 was only 814,516—the worst harvest in over 40 years. In 2020, the commercial salmon

*United Cook Inlet Drift Association, et al. v. NMFS, et al*



harvest in Cook Inlet reached *a new low*, below 2018, with 669,751 sockeye harvested and 1.2 million total commercial harvest of all five salmon species. These precipitous declines have all occurred under the exclusive management, control and direction of the State of Alaska.

4. In 2010, Plaintiffs sought to turn the tide of state mismanagement of the fishery by appealing to the National Marine Fisheries Service (“NMFS”) and the North Pacific Fishery Management Council (the “Council”), and asking for the development of a fishery management plan (“FMP”) to manage the Cook Inlet salmon fishery in a manner consistent with the National Standards of the Magnuson-Stevens Fishery Conservation and Management Act (the “MSA” or Magnuson-Stevens Act”). NMFS and the Council flatly refused, cynically claiming that they (as the entities entrusted by Congress to manage this nation’s fishery resources) lacked the expertise to manage salmon in Alaska (even though they manage salmon in other areas of Alaska). Instead, in 2012, NMFS and the Council issued Amendment 12 to the *Fishery Management Plan for Salmon Fisheries in the EEZ off the Coast of Alaska* (the “Salmon FMP”). See 77 Fed. Reg. 75,570 (Dec. 21, 2012). Amendment 12 cut the Cook Inlet salmon fishery out of the Salmon FMP altogether and deferred all management authority to the State of Alaska.

5. Plaintiffs initiated this lawsuit eight years ago against Federal Defendants (collectively NMFS) to challenge Amendment 12. The Ninth Circuit Court of Appeals agreed with Plaintiffs that NMFS’s decision to defer management to the State of Alaska in Amendment 12 was illegal. *United Cook Inlet Drift Ass’n v. Nat’l Marine Fisheries*

*United Cook Inlet Drift Association, et al. v. NMFS, et al*

*Serv.*, 837 F.3d 1055, 1063 (9th Cir. 2016). The Ninth Circuit instructed that NMFS could not “wriggle out of” its duties or “shirk” the statutory command to produce an FMP for the Cook Inlet salmon fishery. *Id.* at 1063, 1064. Moreover, the Ninth Circuit rejected NMFS’s argument that the Magnuson-Stevens Act “does not expressly require an FMP to cover an entire fishery.” *Id.* at 1064. Furthermore, the “Act makes plain that federal fisheries are to be governed by federal rules in the national interest, not managed by a state based on parochial concerns.” *Id.* at 1063. As this Court explained, the Ninth Circuit “held that Magnuson-Stevens Act requires” the Council “to create an FMP for each entire fishery under its authority that requires conservation and management.” Dkt. 168 at 2-3.

6. The Ninth Circuit decision in September of 2016 initiated a five-year administrative process that NMFS, the Council, and the State of Alaska turned into a complete farce. At the last minute, the Council completely abandoned its efforts to create a federally delegated or a federally managed FMP program for the Cook Inlet salmon fishery. Instead, at the urging of the State of Alaska (and with help from NMFS), the Council proposed an amendment (“Amendment 14”) that closes commercial salmon fishing in federal waters altogether, relinquishes and defers all management decision for the Cook Inlet salmon fishery to the State of Alaska. This is precisely the opposite of what the Ninth Circuit instructed. NMFS proceeded to draft language for Amendment 14 for the Council, reviewed and approved Amendment 14, and issued final regulations

implementing Amendment 14 on November 3, 2021. *See* 86 Fed. Reg. 60,568 (Nov. 3, 2021).

7. The NMFS decision to close the commercial salmon fishing in federal waters will have immediate and disastrous consequences on commercial processors and fishers, their families, and the communities and business that depend on salmon fishing in Cook Inlet. The closed area in Cook Inlet has been an essential part of commercial fishing in Cook Inlet for over 100 years. As one Alaska legislator explained, Amendment 14 “will likely put an end to commercial fishing in Cook Inlet, and therefore, and Alaskan way of life.”

8. As discussed more fully below, Amendment 14 and its implementing regulations, like its predecessor Amendment 12, are arbitrary, capricious, and contrary to the Magnuson-Stevens Act, 16 U.S.C. §§ 1801-1891d; the National Environmental Policy Act (“NEPA”), 42 U.S.C. § 4321, *et seq.*; and the Administrative Procedure Act (“APA”), 5 U.S.C. §§ 551-559, 701-706.

9. Even worse, the process associated with Amendment 14 demonstrates that the Council and NMFS were not acting in good faith during the remand of Amendment 12. Public records show that members of the Council were actively trying to avoid the application of federal standards to the Cook Inlet salmon fishery. The Commissioner for the Alaska Department of Fish and Game, Doug Vincent Lang, a member of the Council, expressed concern that the Council would “take actions to bring state management in federal waters in line with federal standards” under the Magnuson-Stevens Act. Behind

the scenes, and outside the public process, Commissioner Lang developed a political strategy based on the supposed “State Right to Manage” the fishery, and in opposition to “federal or outsider influence.” Without informing the public or stakeholders, Commissioner Lang determined that the state was “unwilling” to accept a delegated management authority in Cook Inlet (even though it accepts delegated management authority for other fisheries) and left stakeholders and Council staff to continue on a fool’s errand trying to develop a delegated program that the state had predetermined it was never going to accept. This fact was not disclosed by the state until after the close of public comment in December 2020, and immediately before the state called for a vote to close the fishery. NMFS is complicit in this scheme, as staff were aware of the state’s plan, and not only stayed silent on the issue, but actively advised State of Alaska representatives to omit the rationale related to the “State’s sovereign rights over management of the salmon fisheries” from the record before the Council, and replace it with a pretextual explanation ostensibly related to salmon conservation. This is not fair dealing.

10. For all these reasons, and those discussed below, Plaintiffs respectfully request this Court to vacate the decision approving Amendment 14 and its implementing regulations, and seek an order requiring NMFS to comply with the MSA and develop an appropriate FMP that covers Cook Inlet. Plaintiffs request the Court to declare that Amendment 14, its underlying implementing regulations, and NMFS’s NEPA Finding of No Significant Impact (“FONSI”) are arbitrary, capricious, and an abuse of discretion;

not in accordance with law; and in excess of statutory jurisdiction, authority, or limitations. Plaintiffs further seek an order vacating Amendment 14 and its underlying implementing regulations, and the FONSI, and remanding to Defendants under the prescriptive supervision of this Court as set forth in the Request for Relief below.

## **PARTIES**

### **Plaintiffs**

11. Plaintiff United Cook Inlet Drift Association (“UCIDA”) is a corporation in good standing registered under the laws of the State of Alaska. UCIDA represents the economic, social, and political interests of drift gillnet fishermen and their families in Cook Inlet, Alaska. UCIDA currently has approximately 200 members who hold limited-access salmon driftnet fishing permits, issued by the State of Alaska, in Cook Inlet. UCIDA membership ranges across 27 different states and one foreign country.

12. UCIDA’s members make their living by commercial fishing. UCIDA’s members hold State of Alaska limited-entry permits (meaning additional permits can no longer be issued and are fully allocated), which authorize them to catch all five species of salmon: sockeye, coho, chinook, chum, and pink. The majority of drift gillnet fishing by UCIDA’s members in Cook Inlet occurs within federal waters in the exclusive economic zone (“EEZ”).

13. Drift gillnet boats are small-scale fishing operations, typically crewed by one to three persons. Each fishing operation represents a substantial investment in the boat, gear, and the permit itself. Each boat is generally allowed to deploy a single 900-

foot-long gillnet. The gillnet is suspended in the water column by floats (called “corks”) as the boat drifts with the current—hence the name “drift gillnet.” After the gillnet is allowed to “soak” in the water for a length of time (as the boat and net drift with the current), the gear is hauled in, and the fish are removed and placed on ice in the boat’s hold. Those fish are then transported to, and offloaded at, one of Cook Inlet’s local seafood processors in fishing communities such as Kenai, Kasilof, Ninilchik, or Homer. After processing, these salmon are delivered throughout the United States and around the world.

14. In addition to permit holders, UCIDA has approximately 30 Associate members including fish processors, gear suppliers, crew members, and other interested members of the community.

15. UCIDA’s mission is to promote public policy that facilitates the science-based and orderly harvest of Cook Inlet salmon in a manner that is economically and ecologically sustainable and that protects commercial salmon fishing in Cook Inlet as a viable way of life. UCIDA and its members are committed to the protection of the environment of Cook Inlet, and to ensuring that its marine resources are both managed and conserved to enhance the health and productivity of the ecosystem. To that end, UCIDA has advocated in state and federal forums for management of these stocks in a manner consistent with the goals and objectives of the MSA, including management consistent with the MSA’s Maximum Sustainable Yield (“MSY”) principles (MSY is defined at 50 C.F.R. § 600.310(e)(1)(i)(A) as the largest long-term average catch or yield

that can be taken from a stock or stock complex under prevailing ecological, environmental conditions). The relief UCIDA seeks in this lawsuit is germane to its organizational purpose.

16. Plaintiff Cook Inlet Fishermen’s Fund (“CIFI”) is a non-profit corporation registered under the laws of the State of Alaska. CIFI has 446 members, including commercial fishermen of all gear types, seafood processors, and community members. The majority of CIFI’s members are from Alaska, but CIFI also has members from 21 other states.

17. CIFI’s mission is to advocate on behalf of all commercial fishermen of Cook Inlet and for the coastal community more generally. CIFI’s members and volunteers are fueled by the desire to save the commercial fishing industry in Cook Inlet as well as all of Alaska. The relief CIFI seeks in this case is germane to its organizational purpose.

18. Plaintiffs, directly or through their members, fully participated, to the limited extent allowed by NMFS and the Council, in the proceedings predating the decisions challenged in this lawsuit. Plaintiffs submitted detailed written comments and testimony on Amendment 14 and its implementing regulations and the accompanying draft environmental assessment (“EA”).

19. Plaintiffs have standing to bring this action because their members are directly and adversely impacted by Amendment 14 and its implementing regulations, which close fishing in federal waters in Cook Inlet and improperly defers and

relinquishes all management decisions for the Cook Inlet salmon fishery to the State of Alaska. Plaintiffs and their members are also adversely impacted by Defendants' failure to comply with the procedural requirements of NEPA and the MSA. The challenged agency decisions are final and ripe for review by this Court.

### **Defendants**

20. NMFS is an agency of the National Oceanographic and Atmospheric Administration ("NOAA"), U.S. Department of Commerce. NMFS is sometimes referred to as NOAA Fisheries. Among its duties, NMFS is responsible for managing commercial marine fisheries to ensure sustainable harvests that provide the greatest overall benefit to the nation pursuant to the MSA.

21. Defendant Gina Raimondo is the Secretary of the U.S. Department of Commerce and is sued in her official capacity. Secretary Raimondo directs all business of the Department of Commerce, including NOAA and its agency, NMFS. Through these agencies, Secretary Raimondo is ultimately responsible for the approval of Amendment 14, its implementing regulations, and the EA and corresponding FONSI, and is further responsible for the Department of Commerce's compliance with federal law, including NEPA, the MSA, and the APA.

22. Defendant Janet Coit is the Assistant Administrator for NMFS and is sued in her official capacity. The Secretary of Commerce has delegated responsibility to the NOAA Administrator to ensure compliance with NEPA, the MSA, and the APA, and to promote effective management and stewardship of the nation's fisheries resources and



assets to ensure sustainable economic opportunities. The NOAA Administrator, in turn, has subdelegated this responsibility to NMFS.

23. Defendant James Balsiger is the Administrator of the NMFS Alaska Region and is sued in his official capacity. Dr. Balsiger also is a voting member of the Council and participated in the remand process leading to the development of Amendment 14. Dr. Balsiger drafted Amendment 14, and then reviewed and approved Amendment 14 on behalf of NMFS.

### **JURISDICTION AND VENUE**

24. This Court has jurisdiction over this action pursuant to 5 U.S.C. §§ 701-706 (APA), 28 U.S.C. § 1331 (federal question), 28 U.S.C. § 2201 (declaratory judgments), 28 U.S.C. § 2202 (injunctive relief), and 16 U.S.C. §§ 1855(f) and 1861(d) (MSA).

25. Defendants have waived sovereign immunity in this action pursuant to 5 U.S.C. § 702 and 16 U.S.C. § 1855(f).

26. Plaintiffs have exhausted all administrative remedies.

27. Venue is properly vested in this Court under 28 U.S.C. § 1391 because Plaintiffs' principal place of business is in this district, and a substantial part of the acts or omissions giving rise to this controversy occurred in this district.

### **STATUTORY FRAMEWORK**

#### **The Magnuson-Stevens Fishery Conservation and Management Act**

28. The MSA is the primary domestic legislation governing management of federal fisheries. 16 U.S.C. §§ 1801-1891d.

29. The MSA created eight regional fishery management councils that are primarily charged with preparing FMPs and plan amendments for each managed federal fishery. *Id.* § 1852(a)(1).

30. The MSA requires an FMP for each fishery under the regional council's jurisdiction "that requires conservation and management." *Id.* § 1852(h)(1). The FMP is the foundational document for management of each fishery and provides the framework for ensuring that fisheries are managed in a manner consistent with the requirements of the MSA and its National Standards.

31. The MSA's purpose is to put these national fishery resources under "sound management" and "to realize the full potential of the Nation's fishery resources." *Id.* § 1801(a)(5)-(6). This includes both conservation measures to prevent overfishing, as well as a "national program for the development of fisheries which are underutilized or not utilized by the United States fishing industry." *Id.* § 1801(a)(7).

32. The MSA gives special attention to anadromous species such as salmon. Indeed, the MSA's stated purpose is "to take immediate action to conserve and manage the fishery resources found off the coasts of the United States, and the *anadromous species . . . of the United States.*" *Id.* § 1801(b)(1) (emphasis added).

33. The Council manages fisheries in the EEZ off Alaska's coast. Prior FMPs developed by the Council govern the management of salmon fisheries, including but not limited to the salmon fisheries, in which Plaintiffs' members participate.

34. The authority of a state to manage fisheries in the EEZ, beyond the state's territorial waters (three miles for purposes of MSA), is constrained by the MSA. The state may regulate all fishing activities in the adjacent portions of the EEZ only to the extent that the applicable FMP delegates such authority. *Id.* § 1856(a)(3). Absent such delegation through an FMP, the state may only regulate vessels registered under the laws of that state in the EEZ.

35. Fishery management councils submit proposed FMPs and FMP amendments to the Secretary of Commerce for review and approval. *Id.* §§ 1853, 1854. All FMPs, and FMP amendments, must be consistent with the requirements of the MSA, including the 10 National Standards set forth in the MSA.

36. The MSA's National Standards guide all FMPs and MSA regulations. For example, National Standard 1 requires FMPs to prevent overfishing while achieving the optimum yield from each fishery for the U.S. fishing industry. *Id.* § 1851(a)(1). National Standard 2 requires that all conservation measures be based on the best scientific information available. *Id.* § 1851(a)(2). National Standard 3 provides that fisheries should be managed as a unit throughout their range, where practicable. *Id.* § 1851(a)(3). National Standard 4 requires that any allocation of fishing rights be "fair and equitable" to fishermen and "shall not discriminate between residents of different States." *Id.* § 1851(a)(4). National Standard 7 requires conservation measures to, where practicable, minimize costs and unnecessary duplication. *Id.* § 1851(a)(7). National Standard 8 requires conservation measures to take into account the importance of the fishery

resources to fishing communities, to provide for the sustained participation of, and to minimize impacts on, such communities. *Id.* § 1851(a)(8). National Standard 10 requires conservation measures to promote the safety of human life at sea. *Id.* § 1851(a)(10).

37. The Secretary of Commerce, acting through NMFS, must disapprove an FMP amendment to the extent it is inconsistent with provisions of the MSA or any other applicable law.

38. The Secretary of Commerce must also approve all regulations that implement an FMP. *Id.* § 1854(b). The Secretary must give notice of proposed rulemaking and provide an opportunity for public comment on proposed regulations. *Id.*

39. Any fishery management regulation implementing an FMP must be consistent with the MSA, including the 10 National Standards for fishery management and conservation. *Id.* §§ 1854(b), 1851(a).

### **The National Environmental Policy Act**

40. Approvals of FMPs, FMP amendments, and implementing regulations are subject to NEPA requirements, 42 U.S.C. § 4321, *et seq.*; 16 U.S.C. § 1854(i).

41. Congress established NEPA as “our basic national charter for protection of the environment.” 40 C.F.R. § 1500.1(a) (1978) (amended July 16, 2020). NEPA and its implementing regulations require that federal agencies, including NMFS, must prepare an environmental impact statement (“EIS”) for all “major Federal actions significantly affecting the quality of the human environment.” 42 U.S.C. § 4332(2)(C); *see* 40 C.F.R. § 1501.3–6 (2020). The purpose of NEPA is to ensure that federal decision-making is

fully and publicly informed through a reasonably thorough and thoughtful analysis of the probable environmental impacts resulting from a proposed federal action, and through identification and analysis of a reasonable range of alternative actions, including the no-action alternative. In enacting NEPA, Congress sought to ensure that federal agencies take a hard look at the environmental consequences of any proposed action and required agencies to comply with NEPA “to the fullest extent possible.” 42 U.S.C. § 4332.

42. NEPA requires that a federal agency proposing a major federal action with significant environmental effects prepare a detailed statement, which must include the environmental impacts of and alternatives to the proposed action. *Id.* § 4332(2)(C)(i)-(iii). This detailed written statement is an EIS. *See* 40 C.F.R. § 1508.1(j) (2020).

43. To determine whether an EIS is necessary, an agency may first prepare an EA. *See id.* §§ 1501.5(a)–(c), 1508.1(h) (2020). An EA is a “concise public document prepared by a Federal agency to aid an agency’s compliance with the Act and support its determination of whether to prepare an [EIS] or a [FONSI].” *Id.* § 1508.1(h) (2020). An EA must contain sufficient information and analysis to determine whether the proposed action is likely to have significant impacts, thus requiring preparation of an EIS. *See id.* §§ 1501.5(a)–(c), 1508.1(h) (2020). An EA must consider a reasonable range of alternatives, and must include a reasonably thorough discussion of the direct, indirect, and cumulative impacts of the proposed alternative. *See* § 1501.5(c)(2) (2020).

44. If an agency concludes, based on the EA, that an EIS is not required, it must prepare a FONSI, which explains the agency's reasons for its decision. *Id.* §§ 1501.6(a)–(c), 1508.1(l) (2020).

45. The analysis of alternatives should present the environmental impacts of the proposed action and the alternatives based on the information and analysis presented. *Id.* § 1502.14 (2020). The analysis must evaluate reasonable alternatives to the proposed action, identify a “no action” alternative, discuss in detail each alternative considered, and discuss the reasons alternatives were eliminated from detailed study. *Id.* § 1502.14(a)–(f) (2020). These alternative analysis requirements also apply to EAs. *See* 42 U.S.C. § 4332(2)(E); 40 C.F.R. § 1501.5(c)(2) (2020).

### **The Administrative Procedure Act**

46. The APA provides for judicial review of final agency action by persons “aggrieved” by such action. 5 U.S.C. § 702. The actions reviewable under the APA include any “preliminary, procedural, or intermediate agency action or ruling . . . on the review of the final agency action.” *Id.* § 704.

47. The APA also provides standards applicable when a federal agency proposes and adopts final rules and regulations. *Id.* §§ 553, 551(4). Specifically, agencies must provide “[g]eneral notice” of any “proposed rule making” to the public through publication in the Federal Register. That notice must include: “(1) a statement of the time, place, and nature of public rule making proceedings; (2) reference to the legal authority under which the rule is proposed; and (3) either the terms or substance of the

proposed rule or a description of the subjects and issues involved.” *Id.* § 553(b). An agency’s responsibility to consider public comments on a proposed rulemaking is required by 5 U.S.C. § 553(c).

48. Under the APA, a reviewing court shall “hold unlawful and set aside agency action, findings, and conclusions found to be . . . arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” *Id.* § 706(2)(A). A reviewing court shall also “hold unlawful and set aside agency action, findings, and conclusions found to be . . . without observance of procedure required by law.” *Id.* § 706(2)(D).

### **STATEMENT OF FACTS**

#### **The Cook Inlet Salmon Fishery**

49. Upper Cook Inlet is home to five species of anadromous salmon—chinook, sockeye, coho, pink, and chum—as well as steelhead trout. These are some of the largest natural, wild returns of salmon in the nation. And unlike many of our nation’s fisheries that are fully utilized (or even overutilized), Cook Inlet salmon stocks are largely underutilized. For example, in 2014 an estimated 20 million pink salmon returned to Cook Inlet, but state restrictions limited harvest to 642,754 fish, with *15 million pink salmon not utilized* and not needed for biological purposes. This happened again in 2020.

50. The Kenai River sockeye runs in Cook Inlet, in particular, are world-class, with the potential to produce millions of adult sockeye returns annually. These sockeye are also genetically unique, with an unusual variety in the age and large size of adult returning stocks.

51. The commercial fishery on these Cook Inlet anadromous stocks dates back to at least 1882, utilizing all manner of gear types, from fishwheels to driftnets. The federal government expressly recognized the national importance of maintaining this commercial fishery in 1952 when it negotiated by treaty to exclude Cook Inlet from an international treaty banning most net fishing activities outside of state waters.

52. Commercial fishing in Upper Cook Inlet is currently limited to two gear types (set and drift gillnets) and occurs on all five Cook Inlet anadromous salmon stocks. East side set net operations deploy gillnets from fixed locations near shore, anchored to the bottom, and commonly extending in sections as far as one and half miles offshore. West side set net operations are commonly extended up to 5 miles off shore. Northern District set net operations commonly extend up to 10 miles off of the northern inlet shores. Drift gillnets, by contrast, are deployed from small vessels. Each drift gillnet is approximately 900 feet long.

53. The majority of commercial fishing harvest in Upper Cook Inlet is on sockeye. The vast majority of the commercially caught Cook Inlet salmon find their way to grocery stores and restaurants in the United States. Cook Inlet salmon are an important and healthy part of the nation's food supply.

54. The Cook Inlet salmon fishery is highly competitive and requires conservation and management.

### **The 1990 Salmon FMP**



55. The last major revision to the Salmon FMP was in 1990. The 1990 Salmon FMP has two management areas: the East Area and the West Area. The border between the two areas is the longitude of Cape Suckling.

56. The 1990 Salmon FMP addressed commercial salmon fishing in the East and West Areas differently. In the East Area (which consists primarily of coastal waters off southeast Alaska), the 1990 FMP set forth the Council's management goals and objectives. The 1990 FMP delegated management of East Area fisheries, consistent with the Council's management goals and objectives, to the State of Alaska.

57. In the West Area, by contrast, the 1990 Salmon FMP provided little guidance on how to manage salmon. Instead, the 1990 Salmon FMP closed the vast majority of the West Area to commercial fishing, consistent with prohibitions in the International Convention for the High Seas Fishery of the North Pacific Ocean ("High Seas Convention"). Also consistent with the High Seas Convention, the 1990 FMP exempted from this closure three historic net fisheries: Cook Inlet, Prince William Sound, and the Alaska Peninsula area. The EEZ portion of Cook Inlet open to fishing is a contiguous area of approximately 1,100 square miles. The 1990 Salmon FMP did not expressly delegate management to the State of Alaska or set clear management goals or objectives for the West Area.

58. The High Seas Convention was repealed and replaced in 1992 by the North Pacific Anadromous Stock Act of 1992, which contained no provisions for management of the three historic net fisheries areas. Despite the change in the law, the Council took

no action to make changes to the FMP to clarify for the West Area how it was to be managed for nearly 20 years.

### **The State of Alaska’s Management of the Cook Inlet Salmon Fishery**

59. The State of Alaska has managed the salmon fisheries in Alaska since 1960. As a condition of statehood, Alaska was allowed to manage the Cook Inlet salmon fishery provided that “the Alaska State Legislature has made adequate provision for the administration, management, and conservation of said resources in the broad *national interest*.” Alaska Statehood Act, Pub. L. No. 85-508 § 6(e), 72 Stat. 339, 341 (1958) (emphasis added). The State of Alaska sets its fishery management policies through the Alaska State Board of Fish, and implements those management policies through the Alaska Department of Fish and Game.

60. The State of Alaska manages salmon in Cook Inlet based on a series of state management plans without Federal oversight. Generally speaking, these management plans set escapement goals for salmon. An escapement goal, in this context, is the number of salmon that the state has determined is necessary or desirable to “escape” past a fishery and, thereby, provides spawning stock for successive generations or meets other needs.

61. The state management plans also include allocation decisions. Allocation decisions are generally made by setting the number of fishing days, including time and area, allowed for a particular gear type during the season.

62. In season, the state manages these fisheries based on assessments of run strength, as measured against desired escapement goals. In theory, if the run strength is estimated to be larger than normal, then more fishing days are authorized to avoid exceeding maximum escapement targets. If run strengths are estimated to be smaller than normal, then fewer fishing days are authorized to avoid dropping below minimum escapement targets. These run strength assessments are based on preseason forecasts, test boat data, and other factors. Fishing in the EEZ, including test boat fishing in the EEZ, is essential to proper management of the commercial harvest in Cook Inlet.

63. Setting science-based escapement goals for salmon is essential to a well-managed fishery. If an escapement goal is set too low, then the fishery gets overfished and run strengths diminish over time. If an escapement goal is set too high, then the harvestable surplus is lost. Where too many salmon escape and spawn, the fitness of that run may also be diminished in future years due to density-dependent effects and other biological and ecological factors. That is especially the case for sockeye, where rearing space and food supply in the lakes and rivers are a limiting factor. Over-escapement events can reduce run strengths for two or three successive years.

64. The state has two basic kinds of escapement goals: biological and sustainable. Biological escapement goals are intended to achieve the MSY (human consumption for that fishery as a food resource). Sustainable escapement goals, by contrast, are based on historical data showing that a certain harvest level can be sustained.

In Upper Cook Inlet, only one salmon stock has a biological escapement goal. This goal has not been peer reviewed or set for MSY as required by MSA and National Standard 1.

65. Beginning in 2000, the state imposed a “Sustainable Salmon Fisheries Policy” (“SSFP”) intended to ensure the long-term viability of salmon runs in Alaska.

66. The state has affirmatively stated that it is under no obligation to comply with the MSA in making its fishery management decisions. Indeed, the state’s record has shown that it has not managed the fisheries, especially the fisheries in Cook Inlet, in a manner consistent with the MSA.

67. In 1990, when the last Salmon FMP was created, the state typically managed the salmon fisheries in accordance with the MSA. Beginning in 1996, the state began departing from MSA management. And, when the state subsequently adopted the SSFP, it no longer made any attempt to manage fisheries in Cook Inlet under MSA standards.

68. During the last two decades, the commercial harvest in Cook Inlet has steadily—and more recently, precipitously—declined. In the 1980s and 1990s, the *sockeye* salmon harvest alone ranged consistently from four to nine million sockeye per year. The Secretary declared a fishery disaster in Cook Inlet in 2012 due to the commercial salmon fishery failure. The commercial sockeye harvest was about 1.8 million in 2017 and 2019, and commercial sockeye harvest in 2018 was only 814,516—the worst harvest in over 40 years. The 2018 total commercial harvest of *all five* salmon species was approximately 1.3 million salmon: 61% less than the most

recent 10-year average (already reduced) annual harvest of 3.4 million fish. In 2020, the commercial salmon harvest in Cook Inlet reached a new low below 2018 with 669,751 sockeye harvested and 1.2 million total commercial harvest of all five salmon species. Petitions for disaster declarations for the 2018 and 2020 commercial seasons are currently pending with the Secretary.

69. The decline in harvest and disaster requests are a direct result of mismanagement by the State of Alaska because of unnecessary restrictions on the commercial fisheries, preventing the harvest of millions of surplus salmon annually. State management in 2021 provides an example. In 2021, the State of Alaska missed the high end of already overinflated escapement goals for sockeye on the Kenai and Kasilof Rivers and Fish Creek by allowing a *surplus* of 1,447,618 sockeye to escape. This wasted surplus *was larger than the entire commercial sockeye harvest* for Upper Cook Inlet in 2021 of 1,403,017 sockeye. The state wasted more sockeye than it allowed to be harvested.

70. Accompanying this period of historically low salmon harvest is the state's decision to gradually restrict the commercial fishery year after year, with most openings now being severely geographically limited to only a narrow band, preventing the fishery from targeting areas where salmon congregate. Commercial drift fishing historically occurred predominately in the EEZ, but state restrictions have progressively pushed fishing efforts out of this essential fishing area. At the same time, the state has continued to increase "escapement" levels to record high (and likely unsustainable) levels in order

to guarantee more than enough fish for the sport fishers to catch and to stock the state resident-only personal use fishery with hundreds of thousands of fish.<sup>1</sup> Even with inflated escapement targets, the restrictions on commercial fishing are so significant that the state still regularly exceeds those escapement goals by a wide margin (e.g., the Kenai in-river sockeye goal has been exceeded nine out of the last 10 years).

71. The state restrictions have resulted in severe financial hardship to the U.S. citizens participating in the Cook Inlet commercial salmon fishery, as well as the businesses that rely on the commercial harvest. Twenty years ago, Cook Inlet had 23 major salmon processors willing to purchase and prep salmon for the wholesale and retail markets, including both international markets and local food stores throughout America. Presently, there are only two major salmon processors left in Cook Inlet.

72. Importantly, these state restrictions are based not on science or sound principles of species conservation and fishery management, but rather on other “allocative purposes,” like “mak[ing] sport fisheries more enjoyable.” In fact, as a result of the state’s over-escapement approach, the increasing *sport* fishery (and the resident-only personal use fishery) has harmed Cook Inlet salmon by causing “serious in-river habitat degradation problems such as hydrocarbon pollution and turbidity levels that exceed clean water standards, and miles of trampled riverbanks.” Millions of salmon go

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<sup>1</sup> For example, the in-river escapement goal for sockeye in the 1980s and early 1990s (when the fishery was doing very well) was 400,000 to 700,000. ER 384. By 2011, the state ratcheted that goal to 1.1 million to 1.35 million, with no underlying biological basis for the change. *Id.*

unharvested every year while the commercial fleet is sidelined, to the detriment of Plaintiffs' members, local fishing communities, and the national interest in this important food source as expressed by the Magnuson-Stevens Act.

73. As noted above, only one salmon stock in Cook Inlet is claimed to have a biologically-based escapement goals. Many runs in Cook Inlet have no escapement goal of any kind. There are no escapement goals for pink salmon, only one tributary with escapement goals for chum, and two tributaries with escapement goals for coho. Of the 35 chinook tributaries, only seven have any escapement goals or monitoring data, and most of those seven are listed under the state designation of "stock of concern."

74. State management in Cook Inlet has destabilized the fishery. As a result, many seafood processors have simply quit doing business in Cook Inlet, citing a hostile business environment created by state mismanagement as the reason. In recent decades, the commercial catch of salmon in Cook Inlet has declined as a result of state management decisions. Harvests of some stocks have declined as much as 50% due to state management. Every year, millions of salmon (worth tens of millions of dollars to local and national communities and businesses), above and beyond those necessary to meet biological needs, go unharvested due to state mismanagement.

### **Amendment 12 to the Salmon FMP**

75. In 2007, Congress amended the MSA to require all fishery management councils to amend their FMPs to "establish a mechanism for specifying annual catch limits in the plan (including a multiyear plan), implementing regulations, or annual

specifications, at a level such that overfishing does not occur in the fishery, including measures to ensure accountability.” 16 U.S.C. § 1853(a)(15). Congress gave the fishery management councils a deadline of “fishing year” 2011 to accomplish this goal for any fishery that was not being overfished. *Id.* § 1853 note.

76. In 2010, the Council began the process of amending the Salmon FMP to comply with this statutory deadline. Plaintiffs, and their members, fish processors, and community leaders from Cook Inlet enthusiastically participated in the Council’s process. Plaintiffs explained in public testimony and written comments that the salmon fisheries in Cook Inlet were experiencing significant management concerns that have resulted in reduced run strengths, wasted harvests, and reduced salmon quality. Plaintiffs further explained that the state was not managing this fishery in a manner consistent with the MSA, as conceded by the state who affirmatively represented that it was not obligated to do so. Accordingly, Plaintiffs asked the Council to update the FMP for the West Area, provide management goals and objectives for Cook Inlet and annual catch limits (or an appropriate proxy for annual catch limits) as required by the MSA, and then delegate management to the state consistent with these goals and objectives. This is precisely what the Council proposed to do (and did) for the federal salmon fisheries in the East Area, and Plaintiffs explained that similar measures were necessary to address ongoing management concerns in Cook Inlet.

77. Plaintiffs also offered to work with the Council, and with Defendants, to secure funding to carry out those tasks.



78. Instead of granting Plaintiffs' request or working with the commercial salmon fishing groups to address their concerns, Council members told Plaintiffs that their belief that the Council could provide them any help was "naive and misguided" or "ill-founded, at best." The Council emphasized that the "National Marine Fisheries Service does not have the expertise . . . to effectively manage salmon fisheries," and that it was naive to expect that the federal agencies could help the state achieve the optimum yield required by the MSA or help stabilize unpredictability in the management of the fishery.

79. Instead of complying with Congress's annual catch limit requirement, the Council, with the support of Defendants, adopted Amendment 12 to the FMP, which provided no annual catch limits for Cook Inlet. Instead of including annual catch limits in the Salmon FMP for Cook Inlet, the Council redrew the map of the West Area to withdraw Cook Inlet from inclusion in the West Area and the Salmon FMP altogether. In so doing, the Council effectively abdicated all federal responsibility for managing salmon in Cook Inlet, contrary to the MSA.

### **NMFS Approves Amendment 12 and Issues a FONSI**

80. The Council submitted Amendment 12 and its implementing regulations to NMFS for approval in December 2011. On April 2, 2012, NMFS published a notice of Amendment 12 in the Federal Register and solicited public comment. 77 Fed. Reg. 19,605 (Apr. 2, 2012). On April 11, 2012, NMFS published a notice of the draft rules

implementing Amendment 12 and solicited public comment. 77 Fed. Reg. 21,716 (Apr. 11, 2012).

81. Plaintiffs submitted comprehensive comments on Amendment 12, the proposed implementing regulations, and the draft EA on May 29, 2012.

82. Plaintiffs explained that the Council's decision to remove Cook Inlet from the Salmon FMP was arbitrary, capricious, and contrary to law and asked the Defendants to reject Amendment 12 and its implementing regulations as inconsistent with the requirements of the MSA.

83. Plaintiffs also submitted detailed comments on the errors in the EA, the failure of the EA to comply with NEPA and its implementing regulations, and the need for a full EIS.

84. On June 25, 2012, NMFS issued its final EA and FONSI, concluding that Amendment 12 would have no significant impact on the environment.

85. The final EA and FONSI concluded that no EIS was necessary.

86. The final EA and FONSI did not consider the alternative of treating Cook Inlet differently from the other federal fisheries in the West Area.

87. On June 29, 2012, NMFS approved Amendment 12 to the FMP in a one-paragraph letter. The letter explained that regulations to implement Amendment 12 would follow at a later date. Under the MSA, such regulations must be issued within 30 days after the end of the public comment period. 16 U.S.C. § 1854(b)(3).

88. On December 21, 2012, nearly four months after the statutory deadline to issue final regulations expired, NMFS published its notice of approval of the regulations implementing Amendment 12. The decision relies primarily on National Standards 3 and 7 as its justification for removing Cook Inlet from the Salmon FMP.

### **Ninth Circuit Finds Amendment 12 Contrary to MSA**

89. In 2013, UCIDA filed its initial complaint in this action with the district court, challenging NMFS's decision to remove the Cook Inlet salmon fishery from the Salmon FMP. UCIDA alleged that the decision violated NMFS's statutory obligation to prepare an FMP "for each fishery under its authority that requires conservation and management." *Id.* § 1852(h)(1). NMFS argued, *inter alia*, that the Magnuson-Stevens Act allows NMFS to "cede regulatory authority to a state over federal waters that require conservation and management simply by declining to issue an FMP" and "does not expressly require an FMP to cover an entire fishery." *United Cook*, 837 F.3d at 1062, 1064. In September 2016, the Ninth Circuit issued an opinion rejecting NMFS's argument and siding with UCIDA.

90. The Ninth Circuit disagreed with NMFS's argument that it could simply "defer" management to the state. The Ninth Circuit explained that "the federal government cannot delegate management of the fishery to a State without a plan, because a Council is required to develop FMPs for fisheries within its jurisdiction . . . and then to manage those fisheries 'through' those plans." *Id.* at 1063 (emphasis added). The court also made clear that a purpose of the FMP requirement was to ensure "that federal

fisheries are to be governed by federal rules in the national interest, not managed by a state based on parochial concerns.” *Id.*

91. Next, the Ninth Circuit rejected NMFS’s argument that an FMP need not cover an entire fishery. The court explained that “fishery[] [is] a defined term” and that NMFS’s view, if accepted, would allow it to “fulfill its statutory obligation by issuing an FMP applying to only a single ounce of water in that fishery.” *Id.* at 1064. The court stated that Congress “did not suggest that [the] Council could wriggle out of this requirement by creating FMPs only for selected parts of those fisheries, excluding other areas that required conservation and management.” *Id.* In short, the Ninth Circuit instructed that (1) NMFS must prepare an FMP consistent with the federal standards set forth in the Magnuson-Stevens Act that reflect the national interest and (2) the FMP must address the entire Cook Inlet salmon fishery.

#### **The Remand Process and Amendment 14**

92. Amendment 14 is the Council and NMFS’s response to the Ninth Circuit’s mandate. Throughout the remand process, NMFS and the Council repeatedly attempted to find new ways to wriggle out of their statutory duty. Throughout most of the process, NMFS and the Council were considering three proposed alternatives on remand—*none* of which would comply with the Ninth Circuit’s holding or the MSA.

93. Alternative 1 is to produce no FMP amendment. This is not a viable alternative given the Ninth Circuit’s decision.

94. Alternative 2 would parse the fishery into separate “state” and “federal” components, and then manage the fish only when they are in federal waters. But the court already rejected the argument “that § 1851(h)(1) does not expressly require an FMP to cover an entire fishery,” explaining that “fishery” is a “defined term” and that NMFS could not provide “FMPs only for selected parts of those fisheries.” *Id.* Alternative 2 also proposed to defer to the state as to what management is needed in federal waters, allowing the state to decide how many fish are caught, who gets to fish, and where, when, and how fishing will occur. This violates both the Magnuson-Stevens Act, which requires these elements to be decided by NMFS, and the court’s instruction that NMFS and the Council must develop an FMP according to “federal rules in the national interest” so that the fishery is “not managed by a state based on parochial concerns.” *Id.* at 1063.

95. Alternative 3 would also parse the fishery into separate “state” and “federal” components, and manage the fish only when in federal waters. This alternative would set its own federal standards for fish while in federal waters but makes that federal management plan entirely subservient to the state segment of the fishery. Fishing would occur in federal waters *if, and only if*, the state allows it. If the state decides to “allocate” the entire harvestable surplus to state needs (like having more than enough fish for sport fishers or for state resident-only personal use fishers), then Alternative 3 simply could close the separate federal fishery. This subservient approach plainly elevates parochial concerns over national interests and defies this Court’s instruction that the FMP must cover the entire “fishery” as defined in the MSA.

96. NMFS and the Council never meaningfully engaged with their core obligations, as set forth by the Ninth Circuit. Instead, they repeatedly mischaracterized what commercial fishers were asking for as preemption. But commercial fishers simply want a management plan that covers salmon stocks throughout their range to ensure management of those stocks of fish consistent with the National Standards. This is not a request for “preemption” as NMFS erroneously states; it is precisely what NMFS’s own regulations require: “[t]he geographic scope of the fishery, for planning purposes, should cover the entire range of the stocks(s) of fish, and not be overly constrained by political boundaries.” 50 C.F.R. § 600.320(b).

97. Throughout the remand, the Council and NMFS disregarded the stakeholder process. The Council took an inordinate amount of time (nearly a year) just to create a stakeholder Salmon Committee. The members of the Salmon Committee worked diligently for many months to develop a functional and workable alternative (Alternative 2) that would create an FMP amendment to delegate management of the fishery to the State of Alaska under a federal plan. The Salmon Committee made one primary recommendation to the Council, that the Council consider an FMP amendment that covers the *entire* fishery as required by the Ninth Circuit’s decision. The Council refused to even analyze that alternative and instead dissolved that Committee altogether. As one Council member conceded, the commercial fishers “put their faith in the Council process, participated like professionals [in] the salmon FMP committee,” but “this process failed to serve them.”

98. The Council process failed because the State of Alaska and Commissioner Lang, sitting as the state's representative on the Council, had a different agenda. While stakeholders worked in good faith to find a way to make a delegated program under Alternative 2 work, the state had decided (without telling the public) that it was unwilling to accept a delegated program at all. The state did not disclose that it was unwilling to accept a delegated program until after the close of public comment at the Council hearing on December 7, 2020, four years into the remand process. Even worse, the state's failure to disclose its position on Alternative 2 distracted and diverted stakeholders from making efforts to develop Alternative 3, the only potentially viable option for the fishery in light of the state's (undisclosed) refusal to accept delegation.

99. Public records reveal that Commissioner Lang intended to use his role on the Council to avoid compliance with the Magnuson-Stevens Act and the results of the Ninth Circuit decision. In an internal email, Commissioner Lang notes that UCIDA had "convinced a federal court to order the Council to take action." But Commissioner Lang did not want the Ninth Circuit decision to open the state's management to "federal and outsider influence" that comes with an FMP. Instead, he developed a policy rationale based on the "State Right to Manage." He explained that "we cannot support the establishment of a process that requires annual federal and Council review and oversight of our fisheries and their management." He further explained that closure of the fishery in federal waters is "the only option" for "preserving state management" and preventing "federal incursion into this and other state-managed fisheries." Under any other option,

he explains, the Council would “take actions to bring state management in federal waters in line with federal standards.” In Commissioner Lang’s view, the “side effects” of compliance with federal fishery management standards “could kill us.”

100. In furtherance of the “State Right to Manage” agenda, Commissioner Lang (acting through Deputy Commissioner Rachel Baker), in October 2020, asked the Council to consider a new alternative (Alternative 4) that would result in closure of the Cook Inlet salmon fishery in federal waters. The motion to add Alternative 4 (made by Deputy Commissioner Baker) was made after the close of public comment and just two months before the Court-ordered deadline. Deputy Commissioner Baker proposed Alternative 4 as a potential policy choice that would help with a “transparent analysis” of the alternatives. But Deputy Commissioner Baker failed to disclose the state’s unwillingness to accept a delegated program or the underlying “State Right to Manage” rationale.

101. Meanwhile, between the October Council meeting and the December 7, 2020, Council meeting, NMFS helped the state carry out its anti-Magnuson-Stevens Act rationale for Alternative 4. NMFS was given advance drafts of the state’s motion to select Alternative 4, including express statements that Alternative 4 “maintains the States sovereign rights over management of the salmon fisheries.” NMFS staff suggested removing that language because “this statement could receive some pushback.” That offending language was scrubbed and replaced with conservation pretexts created at the last minute on the advice of NMFS. As Deputy Commissioner Baker explained in an



email to Commissioner Lang on December 3, 2020, written *four* days before the Council voted, “NOAA General Counsel provided some suggestions for building the record, the main outstanding issue is the need to identify conservation benefits that outweigh costs of closing the EEZ to commercial fishery participants.” Although aware of this issue, and the state’s plans to refuse to accept any federally delegated program, NMFS never informed the public of the state’s rationale. Neither did other Council members who were actively coordinating support for Alternative 4 outside the public process.

102. Alternative 4 was uniformly opposed by the public. NMFS received 225 written comments and 35 oral testimonies; all (except one) were in opposition to the new Alternative 4. The opposition included all commercial fishers as well as state legislators, local city governments, community development associations, economic development associations, and environmental protection groups. After the close of public comments at the December 7, 2020, Council meeting, the state announced to the public for the very first time that it refused to accept any delegated federal management for salmon in Cook Inlet. The state’s newly articulated objection to delegated management was not credible given that the state is currently subject to a delegated management program for salmon in the East Area under the Salmon FMP and has willingly accepted a delegated program for many other fisheries in Alaska (e.g., cod, scallop, and crab). With Alternative 1 (no action) precluded by the Ninth Circuit’s holding, Alternative 2 rendered infeasible by the state’s announcement, and Alternative 3 not fully developed, the Council voted for

Alternative 4. Notably, NMFS's representative to the Council, Dr. Balsiger, abstained, citing "litigation" concerns.

103. During the Council meeting in December 2020, the Council neither reviewed nor adopted an FMP amendment. Instead, the Council adopted Alternative 4 as "the preferred alternative."

104. It was not until sometime after the Court-ordered deadline of December 31, 2020 that NMFS even began drafting an FMP amendment to implement Alternative 4. In a letter dated March 2021, the NMFS Regional Director, Dr. Balsiger, provided the first draft FMP framework. Dkt. 180-1 at 1-2. The letter indicates that the Council had yet to make any decisions on what the FMP amendment would look like and had not yet made important decisions on the essential Magnuson-Stevens Act requirements of any FMP, including annual catch limits, maximum sustained yield, or optimum yield. *Id.* Without any public process, stakeholder input, or Council discussion, NMFS drafted Amendment 14 for the Council. *Id.*

105. NMFS then engaged in a sham "review" process of an Amendment that NMFS itself wrote. NMFS described the FMP Amendment 14 drafted by *NMFS* as the *Council's* amendment and misleadingly asserted that the Council "submitted" that amendment to NMFS for review on May 14. Dkt. 181-1 at 2. NMFS Regional Director Balsiger then reviewed and approved what he referred to as the "Council's" Amendment 14, with the Regional Director approving his own work on August 12, 2021.

106. NMFS proposed regulations implementing Amendment 14 on June 14, 2021. 86 Fed. Reg. 29,977 (June 4, 2021). The public comment period closed on July 6, 2021. By statute, NMFS was required to issue a final rule within 30 days, by August 5, 2021. 16 U.S.C. § 1854(b)(3). NMFS did not issue its final rule on Amendment 14 until November 3, 2021.

### **FIRST CLAIM FOR RELIEF**

#### **(Failure to Comply with Ninth Circuit’s Decision on Amendment 12)**

107. Plaintiffs incorporate by reference all preceding paragraphs of this Complaint.

108. Plaintiffs have not yet received the relief they are entitled to under their original complaint and the holding of the Ninth Circuit in *United Cook*.

109. MSA Section 304(a) and (b), 16 U.S.C. § 1854(a)-(b), requires Defendants to ensure FMPs and implementing regulations are consistent with the requirements of the MSA.

110. Plaintiffs’ original complaint alleged that NMFS violated Section 304(a) and (b) because NMFS’s decision to remove the Cook Inlet salmon fisheries from the Salmon FMP is contrary to the express purpose of the MSA regarding anadromous stocks, and express requirements that an FMP is necessary “for each fishery under its authority that requires conservation and management,” because the Cook Inlet salmon fishery clearly requires conservation and management. *Id.* § 1852(h)(1). The Ninth Circuit agreed.

111. On remand, Defendants try to achieve the same result under a different guise. Amendment 14 closes the fishery in federal waters and relinquishes complete management control for the Cook Inlet salmon fishery to the State of Alaska. But this is just a different way to shirk the same duty.

112. Moreover, under Amendment 14, NMFS continues to defer management decision for sport fishing within federal waters in Cook Inlet to the State of Alaska without delegation through an FMP. This is directly contrary to the Ninth Circuit's instruction.

113. The Ninth Circuit instructed that the Magnuson-Stevens Act "makes plain that federal fisheries are to be governed by federal rules in the national interest, not managed by a state based on parochial concerns" and further explained the FMP must cover the entire fishery. *United Cook*, 837 F.3d 1063. Amendment 14 violates these basic instructions. It improperly segregates the fishery into multiple parts, provides no management for most of the fishery, and turns all harvest decision for the entire fishery over to the State of Alaska. This alone is reason to reject Amendment 14.

114. Furthermore, Defendants' remand process involved numerous procedural irregularities and failures to comply with the Council's Statement of Organization, Practices, and Procedures by failing to disclose key information such as the state's refusal to accept a delegated program in a manner that allowed for meaningful public comment and participation, failing to identify a preferred alternative or preliminary preferred alternative before taking final action, drafting Amendment 14 for the Council and

deciding key elements of Amendment 14 for the Council without going through the public process, and proceeding to engage in a sham review process by and approving Amendment 14 (written by NMFS) as if it were written by the Council.

115. By continuing to refuse to comply with the MSA as held by the Ninth Circuit, NMFS has both prejudiced and injured Plaintiffs' rights and interests, and Plaintiffs have no other adequate remedy at law. For these reasons, Plaintiffs are entitled to the relief requested below.

### **SECOND CLAIM FOR RELIEF**

#### **(Violation of the MSA and the APA—Amendment 14)**

116. Plaintiffs incorporate by reference all preceding paragraphs of this Complaint.

117. The MSA allows judicial review pursuant to the APA, 5 U.S.C. § 706(2)(A), (B), (C), or (D). 16 U.S.C. § 1855(f)(1)(B). Those provisions of the APA authorize reviewing courts to set aside federal agency action that is arbitrary, capricious, and an abuse of discretion, in excess of statutory limitations, or without observance of the procedures required by law.

118. MSA Section 304(a) and (b), 16 U.S.C. § 1854(a)-(b), requires Defendants to ensure FMPs and implementing regulations are consistent with the requirements of the MSA.

119. In addition to and including all of the reasons set forth above, Amendment 14 violates the MSA, and should be set aside under the APA for at least the following reasons:<sup>2</sup>

a. NMFS and the Council failed to follow the established procedures for developing Amendment 14. These include (1) violation of the Council's Statement of Organization, Practices, and Procedures by failing to disclose key information such as the state's refusal to accept a delegated program and failing to identify a preferred alternative or preliminary preferred alternative before taking final action; (2) the Council's failure to present Amendment 14 to the scientific and statistical committee, and the Council's failure to set required measures prior to final action; (3) NMFS's decision to write Amendment 14 for the Council and set the annual catch limits, maximum sustained yield, and optimum yield for the Council without going through the public Council process or without Council approval; and (4) Dr. Balsiger's review and approval of the Amendment that he wrote, as if he were reviewing the work of the Council.

b. Amendment 14 fails to comply with the MSA's statutory requirement to provide an FMP for each entire fishery under its jurisdiction that requires conservation and management. Amendment 14 improperly bifurcates the Cook Inlet salmon fishery into artificial state and federal components and then fails to

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<sup>2</sup> Plaintiffs filed detailed comments on Amendment 14 detailing the legal flaws. Those comments are attached to this Complaint and incorporated herein.

provide management for the state component, or for all fishing activities in the federal component.

c. Amendment 14 is a capricious and punitive closure that was motivated and adopted for political reasons instead of for compliance with National Standards of the Magnuson-Stevens Act, and is the product of bad-faith decision-making by NMFS and the Council. Amendment 14 was proposed by the State of Alaska to support a hidden state's rights agenda and avoid "outsider influence" from NMFS, and NMFS was aware of and complicit in that anti-Magnuson-Stevens Act agenda.

d. Amendment 14 arbitrarily fails to account for the negative impact that the fishery closure will have on the state's ability to manage the fishery. It is well established that the State of Alaska cannot properly manage the commercial salmon fishery in Cook Inlet if the EEZ portion of the fishery is closed. In order to assess in-season run strength, the State of Alaska relies on test boat fishing (operated under a state-issued commercial license) in the Cook Inlet EEZ near the southern line of the commercial fishery management area, as well as early catch data from the drift fleet in the EEZ to calibrate the test boat data and assess the in-season run strength. Without these tools (both of which are foreclosed by Amendment 14), the state will have no way of assessing the in-season run strength. By the time fish reach state waters near natal streams, it is too late to assess the run and harvest the salmon that are excess to spawning needs. The test fishery harvest numbers in addition to the drift fishery harvest numbers are used to

calibrate run size so that over-fishing will not occur on early or small returns. Without the EEZ fishery, over-escapement of salmon will increase, the predictability of the salmon harvest will decrease, processors will not have a reliable source of product, and both the industry and the resource will suffer. The Council was presented with unanimous testimony from stakeholders, legislators, and cities confirming that closing the EEZ portion of the fishery will completely ruin the commercial fishery in Cook Inlet. It was arbitrary and capricious for NMFS to approve the closure under these circumstances.

e. Amendment 14 also fails to comply with the Magnuson-Stevens Act's statutory requirements for closing a fishery. Under 16 U.S.C. § 1853(b)(2)(C), an FMP may designate areas where fishing is closed, but the FMP must "ensure" that a closure "(i) is based on the best scientific information available; (ii) includes criteria to assess the conservation benefit of the closed area; (iii) establishes a timetable for review of the closed area's performance that is consistent with the purposes of the closed area; and (iv) is based on an assessment of the benefits and impacts of the closure, including its size, in relation to other management measures (either alone or in combination with such measures), including the benefits and impacts of limiting access to: users of the area, overall fishing activity, fishery science, and fishery and marine conservation." Amendment 14 does not meet any of these requirements. The best scientific information available shows that closure will have an enormous negative impact on the fishery and its



participants, and will have either no appreciable conservation benefits or actually harm conservation of the resource. Moreover, the Council's proposed Amendment to the FMP lacks "criteria to assess the conservation benefit of the closed area" and a timetable to review performance of the closed area.

f. Amendment 14 also runs afoul of National Standard 1. National Standard 1 requires that an FMP achieve optimum yield, which is defined both in terms of the "greatest overall benefit to the Nation" as well as achieving the MSY. Amendment 14 does not ensure either requirement is met. It turns complete control for all harvest levels over to the State of Alaska to do as it pleases with the fishery, while precluding the state from using essential management tools (harvest in the EEZ) to properly manage that fishery. The Council and NMFS never conducted a stock assessment for the nearly 1,300 stocks of salmon in Cook Inlet, and the FMP purports to conduct *no annual stock* assessments of the stocks moving forward. Simply put, the Council and NMFS do not know what the "maximum sustained yield" is for Cook Inlet salmon stocks and do not plan to find out.

g. NMFS decision to allow the state to set escapement goals also violates the Magnuson-Stevens Act's required use of the Scientific and Statistical Committee ("SSC"). 16 U.S.C. § 1852(g)(1)(B). Magnuson-Stevens Act establishes the SSC to "provide its Council ongoing scientific advice for fishery management decisions, including recommendations for

acceptable biological catch, preventing overfishing, maximum sustainable yield, . . . and reports on stock status and health, bycatch, habitat status, social and economic impacts of management measures, and sustainability of fishing practices.” Amendment 14 bypasses the SSC and puts those ongoing decisions in the hands of the State of Alaska. This is not what Congress intended in passing the Magnuson-Stevens Act.

h. Amendment 14 is also not supported by the “best scientific information” available as required by National Standard 2. This fishery closure is not based on science at all, but based on politics. Moreover, the draft EA/RIR abruptly cuts off its analysis of the fishery impacts in 2018, thereby omitting the dismal harvest in 2019 and the disastrous harvests in 2020. This information was available to NMFS and the Council but not used. This missing information was critical to the decision to close the fishery in the EEZ because much of the reduced harvest in 2019 and 2020 was the result of needless state closures of fishing opportunities in the EEZ. Restrictions on fishing in the EEZ in 2020, despite relatively high abundance of salmon returns, resulted in a fishery disaster with the average drift permit holder grossing only about \$4,400 for the entire season. Complete closure of the EEZ will be far worse. Likewise, NMFS and the Council failed to utilize the best available science in other respects in evaluating the efficacy of the State of Alaska’s escapement-based

management program (Appendix 13) by using a data set that ended in 2010, cutting off the last 10 years of available information on salmon returns.<sup>3</sup>

i. Amendment 14 also violates National Standard 3, which requires that “[t]o the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.” Closure of the EEZ fishery does not “coordinate” management of stocks or manage them as a unit. It simply abdicates all federal responsibility to the state to manage the fishery in state waters however it deems fit.

j. Amendment 14 also violates National Standard 4, which requires that all allocations “not discriminate between residents of different states.” Here Amendment 14 effectively allocates the entire fishery to the State of Alaska. The State of Alaska does, in fact, discriminate against out-of-state fishers, including by establishing an Alaska resident-only dipnet fishery that harvests hundreds of thousands of salmon per year to the detriment of other users of the resource.

k. Amendment 14 also violates National Standard 8, which requires that conservation measures “take into account the importance of fishery resources to fishing communities” using the best scientific data available, and to “(A) provide for the sustained participation of such communities,

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<sup>3</sup> Appendix 13 was also not peer reviewed.

and (B) to the extent practicable, minimize adverse economic impacts on such communities.” As noted above, NMFS and the Council have not relied on the best available information related to impacts of the fishery closure, including omission of data related to the last two years of harvest. The closure required by Amendment 14 will not provide for sustained participation of fishing communities; it will wreak economic hardship on those communities and have severe consequences on the viability of commercial salmon fishing in Cook Inlet as expressed in public comment (but ignored by the Council) by the City of Kenai, the City of Homer, State Senator Peter Micciche, State Representative Sarah Vance, the United Fisherman of Alaska, the Cook Inlet Aquaculture Association, Cook Inletkeeper, the Homer Marine Trades Association, the North Pacific Fisheries Association, the Kenai Peninsula Fishermen’s Association, Pacific Star Seafoods, Salmon State, and hundreds of commercial fishers.

l. Amendment 14 is also contrary to National Standard 10, requiring consideration of safety of life at sea, as it would concentrate more vessels and gear in smaller nearshore areas where there is a greater risk of collision and increased risk of vessels and gear hitting “erratic” boulders (large submerged boulders in the nearshore area).

m. The Council’s decision to adopt Amendment 14 is also contrary to the MSA because it was driven by a Council stated policy “to facilitate

State of Alaska salmon management in accordance with the Magnuson-Stevens Act, Pacific Salmon Treaty, and applicable Federal law.” There are two fatal problems with this policy. First, the facilitation of State of Alaska management is not a “policy” goal of the Magnuson-Stevens Act. The state’s role is to participate through the Council process, not as a substitute for the Council, and the Council’s policy is contrary to the intent of the Magnuson-Stevens Act by elevating state interests over national interests. The Ninth Circuit has already explained that this is improper. Second, the State of Alaska is assuredly not managing salmon in Alaska “in accordance with the Magnuson-Stevens Act.” UCIDA submitted detailed comments showing precisely why the state’s process for setting escapement goals does not comply with the Magnuson-Stevens Act. The Magnuson-Stevens Act requires the Council to set annual catch limits for each fishery based on peer-reviewed SSC recommendations. State of Alaska management plans that affect harvest levels or ACLs are based on flawed escapement goals set by politically appointed Alaska Board of Fisheries members.

120. Amendment 14 is arbitrary, capricious, and contrary to the MSA, and NMFS’s approval of Amendment 14 has both prejudiced and injured Plaintiffs’ rights and interests, and Plaintiffs have no other adequate remedy at law. For these reasons, Plaintiffs are entitled to the relief requested below.

*United Cook Inlet Drift Association, et al. v. NMFS, et al*

### **THIRD CLAIM FOR RELIEF**

#### **(Violation of NEPA and the APA)**

121. Plaintiffs incorporate by reference all preceding paragraphs of this Complaint.

122. NEPA requires that federal agencies prepare a “detailed statement” regarding all “major Federal actions significantly affecting the quality of the human environment.” 42 U.S.C. § 4332(2)(C). NEPA requires an agency to take a hard look at the environmental consequences of a proposed action, including by disclosing and analyzing the significance of all direct, indirect, and cumulative environmental impacts of each alternative. 40 C.F.R. §§ 1502.14, 1502.16 (2020). The agency’s analysis must include accurate scientific analysis, expert agency comments, and public scrutiny. *Id.* §§ 1502.23, 1501.5 (2020); 40 C.F.R. § 1500.1(b) (1978) (amended July 16, 2020).

123. If there exist substantial questions whether the action may have a significant effect on the environment, the agency must prepare an EIS.

124. If an agency decides not to prepare an EIS for a major federal action, it must supply a convincing statement of reasons to justify its conclusion that a project will not have significant impacts on the environment. *Id.* §§ 1508.1(1), 1501.6 (2020).

125. NMFS failed to produce a convincing statement of reasons demonstrating that Amendment 14 will not have significant impacts on the environment. NMFS has not taken a hard look at the environmental and conservation impacts that will occur to Cook Inlet salmon stocks as a result of closing the EEZ, including the resulting removal of the

ability of the State of Alaska to utilize the test boat fishery or early harvest returns in the EEZ, important management tools necessary to evaluate in-season run status and timing. The effects of such a closure are unknown, untested, and highly controversial, and raise serious questions as to whether the approval of Amendment 14 will significantly damage the long-term conservation of the fishery. NMFS and the Council rushed Alternative 4 from proposal to approval in less than two months, and never bothered to pause and look at the environmental consequences of that action. Likewise, NMFS failed to take a hard look at the socioeconomic consequences of closing the EEZ portion of the fishery. The state has a demonstrated pattern of commercial fishery disasters in Cook Inlet over the last decade, and Amendment 14 ensures a permanent disaster situation.

126. NMFS's failure to prepare an EIS in the face of substantial questions regarding significant environmental impacts was arbitrary, capricious, and not in accordance with law, in violation of NEPA, 42 U.S.C. § 4332(2)(C), and the APA, 5 U.S.C. § 706(2).

127. Alternatively, Defendants' decision to issue a FONSI without providing a convincing statement of reasons to justify its conclusion that the project's impacts to the fishery and fishing communities will be insignificant was arbitrary, capricious, and not in accordance with law, in violation of NEPA, 42 U.S.C. § 4332(2)(C), and the APA, 5 U.S.C. § 706(2).

128. NEPA requires an agency to develop and assess appropriate alternatives in any proposal involving unresolved conflicts concerning uses of available resources. 42 U.S.C. § 4332(2)(E); 40 C.F.R. §§ 1507.2(d), 1501.5(c)(2) (2020).

129. The EA fails to consider a reasonable range of alternatives. Alternative 1 (no action) was foreclosed by the Ninth Circuit. Alternative 2 (delegation to the state) was secretly a sham, as the state would not accept delegation. Alternative 3 (separate federal management) was crafted by the Council in a manner designed to make it look impracticable and result in closure. These are not real alternatives, conveniently leaving only Alternative 4, the last-minute proposal by the state designed to prevent outsiders (e.g., NMFS) from interfering with the state's desire to manage the fishery. While there is no set number of alternatives that must be considered, it should be plain that an agency cannot structure its alternatives so there is only one available alternative, especially when as here that one alternative is the product of improper political motivation. NMFS was required to, at the very least, consider a version of Alternative 3 that was feasible (as suggested by UCIDA and CIFF in public comments).

130. NMFS's decision to approve Amendment 14 without considering appropriate alternatives and comparing the environmental impacts of those alternatives was arbitrary, capricious, and not in accordance with law and violated NEPA, 42 U.S.C. § 4332(2)(C), its implementing regulations, 40 C.F.R. §§ 1502.14(a), 1507.2(d), 1501.5(c)(2) (2020), and the APA, 5 U.S.C. §§ 702, 706.



## REQUEST FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court:

- A. Declare that the Defendants violated the MSA, APA, and NEPA;
- B. Declare that the Defendants' actions, as set forth above, were arbitrary and capricious, an abuse of discretion, not in accordance with law, and without observance of procedure required by law;
- C. Declare that Amendment 14 is not consistent with the Ninth Circuit's decision in this matter;
- D. Declare that Defendants acted in bad faith in adopting and approving Amendment 14;
- E. Vacate Amendment 14 and its implementing regulations, and remand with an order instructing the Defendants to develop an FMP for the *entire* Cook Inlet salmon fishery that complies with the requirements of the MSA, APA, and NEPA and the Ninth Circuit's holding;
- F. Vacate the FONSI, and remand with an order instructing, as appropriate, the Defendants to prepare an EA or EIS that complies with NEPA and the APA;
- G. Appoint a special master to supervise the development of an FMP amendment for the entire Cook Inlet salmon fishery, to set deadlines for the development of that FMP, and to impose interim fishery management measures for the Cook Inlet salmon fishery until the FMP amendment is both issued and fully implemented;

H. Award Plaintiffs their reasonable attorney fees, costs, expenses, and disbursements, including attorney fees associated with this litigation pursuant to the Equal Access to Justice Act or other law; and

I. Award Plaintiffs other and further relief as this Court may deem just and equitable.

DATED this 16<sup>th</sup> day of November, 2021.

STOEL RIVES, LLP

/s/ Jason T. Morgan

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