



Kenai City Council - Regular Meeting

June 17, 2026 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

www.kenai.city

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

Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Approval of the Agenda and Consent Agenda (*Public comments on Consent Agenda Items 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 ADMINISTRATIVE REPORTS

C. SCHEDULED PUBLIC COMMENTS (*Public comments limited to ten (10) minutes per speaker; twenty (20) minutes aggregated*)

1. Alaska Wastewater Monitoring for Infectious Disease Program, Clayton Weingartner, MPA HAI/AR Program Manager for the Alaska Department of Health, Division of Public Health / Section of Epidemiology.
2. 2026 March for Meals Event, Jerry Nassen, Vice President for Kenai Senior Connection, Inc.

D. UNSCHEDULED PUBLIC COMMENTS (*Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

E. PUBLIC HEARINGS

1. **Ordinance No. 3528-2026** - Accepting and Appropriating \$42,867.04 in asset Forfeiture Sharing Funds for the Purchase of Law Enforcement Equipment into the General Fund, Police Department. (Administration)
2. **Ordinance No. 3529-2026** - Increasing Estimated Revenues and Appropriations in the General Fund - City Manager for Leave Cash-Out, Finance Information Technology Salaries and Benefits, and Public Works Administration Salaries and Benefits in Excess of Budgeted Amounts. (Administration)
3. **Ordinance No. 3530-2026** - Accepting and Appropriating a Grant Awarded to the Kenai Senior Center from the Kenai Peninsula Foundation, Inc. and the Alaska Community Foundation, Inc., Through the Elmer and Ruth Schwantes Fund for the Purchase of Meals on Wheels Delivery Bags. (Administration)

4. **Resolution No. 2026-47** - Authorizing Binding of the City's Property, Liability, Workers' Compensation, Airport and Other Ancillary Insurance Policies with the Alaska Public Risk Alliance for July 1, 2026 Through June 30, 2027. (Administration)
5. **Resolution No. 2026-48** - Authorizing an Agreement with the Boys and Girls Club of the Kenai Peninsula for the Operation of the Teen Center Located in the Kenai Recreation Center. (Administration)
6. **Resolution No. 2026-49** - Amending the City of Kenai Land Management Plan to Change the Land Management Designation of Tract E, Boat Ramp Subdivision From "Retain" to "Mixed – Retain/Dispose. (Administration)
7. **Resolution No. 2026-50** - Authorizing a Contract Award and Corresponding Purchase Order to Vector Airports Systems for Aircraft Operating Fee Billing and Collection Services. (Administration)

F. MINUTES

1. *Regular Meeting of June 3, 2026. (City Clerk)

G. UNFINISHED BUSINESS

H. NEW BUSINESS

1. ***Action/Approval** - Bills to be Ratified. (Administration)
2. ***Action/Approval** - Special Use Permit to Empire Airlines, Inc. for Use of Apron Space at Kenai Municipal Airport for Aircraft Parking (Administration)
3. ***Action/Approval** - Special Use Permit to Everts Air Fuel, Inc. for Use of Apron Space at Kenai Municipal Airport for Aircraft Parking and Loading (Administration)
4. ***Action/Approval** - Special Use Permit to State of Alaska, Department of Natural Resources, Division of Forestry and Fire Protection for Use of Apron Space at Kenai Municipal Airport for Aircraft Parking and Loading. (Administration)
5. ***Action/Approval** - Special Use Permit to United Parcel Service Co., Inc. for Apron Space at Kenai Municipal Airport for Aircraft Parking and Loading. (Administration)
6. ***Action/Approval** - Second Amendment to the Agreement with Tyler Distributing Company, Inc. for ATM Services at the Kenai Municipal Airport Terminal. (Administration)
7. ***Action/Approval** - Memorandum of Agreement with the Alaska Department of Health for Participation in the Wastewater Monitoring Program. (Administration)
8. ***Ordinance No. 3531-2026** - Increasing Estimated Revenues and Appropriations in the Kenai Recreation Center Improvements Capital Project Fund and Accepting a Grant from the Energy Efficiency and Conservation Block Grant Program to Replace Lighting in the Kenai Recreation Center. (Administration)
9. ***Ordinance No. 3532-2026** - Determining that the Proposed Subdivision of Dena'ina Point Estates Serves Other City Purposes, Authorizing the City to Share in Subdivision Costs, and Increasing Estimated Revenues and Appropriations in the General Fund - Lands Administration in the Amount of \$54,219. (Administration)

I. COMMISSION REPORTS

1. Council on Aging Commission

2. Airport Commission
3. Parks and Recreation Commission
4. Planning and Zoning Commission
5. Beautification Commission

J. REPORT OF THE MAYOR

K. ADMINISTRATION REPORTS

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

Marijuana License Renewal Annual Report

L. ADDITIONAL PUBLIC COMMENTS

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

M. EXECUTIVE SESSION

N. PENDING ITEMS

O. ADJOURNMENT

P. INFORMATION ITEMS

The agenda and supporting documents are posted on the City's website at 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 at 907-283-8231.

Registration is required to join the meeting remotely through Zoom. Please use the following link to register:

<https://us02web.zoom.us/meeting/register/ikqCvDm8QqmrXbzPojhXfA>



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3528-2026**

AN ORDINANCE ACCEPTING AND APPROPRIATING \$42,867.04 IN ASSET FORFEITURE SHARING FUNDS FOR THE PURCHASE OF LAW ENFORCEMENT EQUIPMENT INTO THE GENERAL FUND, POLICE DEPARTMENT.

WHEREAS, in May of 2026 the Kenai Police Department received asset forfeiture sharing funds in the amount of \$42,867.04 from the United States Drug Enforcement Administration; and,

WHEREAS, the Police Department, pursuant to conditions of acceptance, will utilize the forfeiture funds to purchase law enforcement equipment for use by the Police Department

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 these Equitable Sharing forfeiture funds in the amount of \$42,867.04 and to expend those funds to fulfill the purpose and intent of this ordinance.

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

General Fund:

Increase Estimated Revenues –	
Forfeitures	<u>\$42,867.04</u>

Increase Appropriations –	
Police- Small Tools	<u>\$42,867.04</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 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Ordinance No. 3528-2026

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Approved by Finance: DS

Introduced:	June 3, 2026
Enacted:	June 17, 2026
Effective:	June 17, 2026



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: David Ross, Police Chief

DATE: May 26, 2026

SUBJECT: **Ordinance No. 3528-2026** - Accepting and Appropriating \$42,867.04 in asset Forfeiture Sharing Funds for the Purchase of Law Enforcement Equipment into the General Fund, Police Department.

The Kenai Police Department received \$42,867.04 in asset forfeiture sharing funds from the United States Drug Enforcement Administration (DEA). Those funds were shared with the Kenai Police Department after being forfeited to the DEA and are subject to federal “Equitable Sharing” requirements to be used for Law Enforcement. The funds were forfeited in connection with drug investigation cases, for which the regional drug task force (including the Kenai Police Department) was involved.

I am respectfully requesting consideration of the ordinance appropriating \$42,867.04 into the General Fund, Police Small Tools account to pay for law enforcement equipment. These funds are anticipated to be spent in FY27.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3529-2026**

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL FUND - CITY MANAGER FOR LEAVE CASH-OUT, FINANCE INFORMATION TECHNOLOGY SALARIES AND BENEFITS, AND PUBLIC WORKS ADMINISTRATION SALARIES AND BENEFITS IN EXCESS OF BUDGETED AMOUNTS.

WHEREAS, the FY2026 adopted budget for City Manager included appropriations for personnel services and projected leave cash-out expenditures ; and,

WHEREAS, actual leave cash-out have exceeded the amount originally budgeted; and,

WHEREAS, the FY2026 adopted budget for Finance included appropriations for personnel services for the Information Technology positions; and,

WHEREAS, during review of the year-to-date expenditures, it was identified that certain salary and benefit costs for Information Technology positions were not adequately appropriated due to an error in the allocation calculation of those costs when creating the FY2026 Budget; and,

WHEREAS, the FY2026 adopted budget for Public Works Administration included personnel cost allocations based on projected support provided to capital improvement projects; and,

WHEREAS, actual capital project activity and related staff time allocations during FY2026 have been lower than originally projected, resulting in a smaller percentage of personnel cost being charged to capital projects; and,

WHEREAS, the reduction in capital project cost allocations has increased the amount of personnel expenditures remaining within the Public Works Administration operating budget; and,

WHEREAS, sufficient funds are available in the General Fund to support supplemental appropriation.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. That estimated revenues and appropriations be increased as follows:

General Fund:

Increase Estimated Revenues	
General Fund, Appropriation of Fund Balance	<u>\$53,218</u>
Increase expenditures –	
City Manager - Leave	\$15,525
Finance – Salaries	18,979
Finance – PERS	4,178
Finance – Medicare	270
Finance – Unemployment	96
Finance – Workers Comp	48
Public Works Admin – Salaries	13,000

Public Works Admin – PERS	860
Public Works Admin – Medicare	186
Public Works Admin – Unemployment	65
Public Works Admin – Workers Comp	11
	<u>\$53,218</u>

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

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

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Public Works Admin: DS

Introduced: June 3, 2026
Enacted: June 17, 2026
Effective: June 17, 2026



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Dave Swarner, Finance Director

DATE: April 14, 2026

SUBJECT: **Ordinance No. 3529-2026** - Increasing Estimated Revenues and Appropriations in the General Fund - City Manager for Leave Cash-Out, Finance Information Technology Salaries and Benefits, and Public Works Administration Salaries and Benefits in Excess of Budgeted Amounts.

The FY2026 City Manager Budget included appropriations for personnel services and projected leave cash-out expenditures for positions. Actual leave cash-out in the City Manager department exceeded the amount originally budgeted.

The FY2026 Finance Budget did not fully appropriate personnel costs associated with Information Technology positions due to an error in the allocation calculation of the personnel costs. As a result, expenditures are expected to exceed budget in the Finance Department.

The FY2026 Public Works Administration Budget included personnel costs allocations based on projected support provided to capital improvement projects. Actual capital project activity was lower than originally projected, resulting in a smaller percentage of personnel costs being charged to capital projects. The reduced capital project cost allocations resulted in an increased amount of personnel expenditures remaining within the Public Works Administration operating budgets.

I am respectfully requesting supplemental funding for these balances in excess of budgeted amounts.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3530-2026**

AN ORDINANCE ACCEPTING AND APPROPRIATING A GRANT AWARDED TO THE KENAI SENIOR CENTER FROM THE KENAI PENINSULA FOUNDATION, INC. AND THE ALASKA COMMUNITY FOUNDATION, INC., THROUGH THE ELMER AND RUTH SCHWANTES FUND FOR THE PURCHASE OF MEALS ON WHEELS DELIVERY BAGS.

WHEREAS, the Kenai Senior Center submitted a grant application to the Kenai Peninsula Foundation, Inc. for funding to purchase replacement meal delivery bags for the Meals on Wheels Program; and,

WHEREAS, the Kenai Peninsula Foundation, Inc. awarded a grant in the amount of \$692 for this purpose; and,

WHEREAS, the Kenai Senior Center also received a matching grant in the amount of \$1,383 through the Nourished Communities Affiliate Match Grant, funded by the Elmer and Ruth Schwantes Fund with the Alaska Community Foundation, Inc.; and,

WHEREAS, using these grant funds to purchase meal delivery bags for the Kenai Senior Center’s Meals on Wheels Program, will support safe and efficient meal transportation to seniors throughout the community; and,

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

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 totaling the amount of \$2,075.

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

Senior Citizen Fund:

Increase Estimated Revenues –
Miscellaneous Grant Funds \$2,075

Increase Appropriations –
Home Meals – Operating Supplies \$2,075

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 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: DS

Introduced:	June 3, 2026
Enacted:	June 17, 2026
Effective:	June 17, 2026



KENAI

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

MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Kathy Romain, Senior Center Director

DATE: May 26, 2026

SUBJECT: **Ordinance No. 3530-2026** - Accepting and Appropriating a Grant Awarded to the Kenai Senior Center from the Kenai Peninsula Foundation, Inc. and the Alaska Community Foundation, Inc., Through the Elmer and Ruth Schwantes Fund for the Purchase of Meals on Wheels Delivery Bags.

The Kenai Senior Center applied for a grant from the Kenai Peninsula Foundation, Inc., to purchase replacement meal delivery bags for the Meals on Wheels Program. We received \$692 from the Foundation. In addition, the Senior Center received a matching grant through the Nourished Communities Affiliate Match Grant, funded by the Elmer and Ruth Schwantes Fund with the Alaska Community Foundation, in the amount of \$1,383.

Insulated meal delivery bags are an important component of the Meals on Wheels Program, helping ensure meals are transported safely and remain at proper temperatures while being delivered to homebound seniors throughout the community. Replacing worn bags supports continued food safety, delivery efficiency, and quality service for program participants.

The total grant amount of \$2,075 will be appropriated and used exclusively for the purchase of Meals on Wheels delivery bags.

Your approval of these funds is respectfully requested.



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2026-47**

A RESOLUTION AUTHORIZING BINDING OF THE CITY'S PROPERTY, LIABILITY, WORKERS' COMPENSATION, AIRPORT AND OTHER ANCILLARY INSURANCE POLICIES WITH THE ALASKA PUBLIC RISK ALLIANCE FOR JULY 1, 2026 THROUGH JUNE 30, 2027.

WHEREAS, with the assistance of its broker, the City solicited a quote for General Liability & Automobile, Property & Mobile Equipment, Airport Liability, and Workers' Compensation from the single public entity risk pool operating in Alaska; and,

WHEREAS, Alaska Public Risk Alliance (APRA) provided the quote of \$1,056,558 for General Liability & Automobile, Property & Mobile Equipment, Airport Liability, and Workers' Compensation; and,

WHEREAS, ancillary policies will include marine and surety bonds; and,

WHEREAS, the FY2027 plan premium represents a 4.99% increase from prior year; and,

WHEREAS, employee salary and wages have increased from the prior fiscal year as a result of approved compensation adjustments; and,

WHEREAS, the increase in payroll has resulted in higher general liability and workers' compensation insurance premiums; and,

WHEREAS, the increase in premium was forecasted and FY2027 Budgeted amounts are sufficient to bind coverage; and,

WHEREAS, the recommendation of the City's broker is to bind coverage with APRA based on the completeness and availability of the coverage and the value to the City of participation in a public entity risk pool; and,

WHEREAS, maintaining quality and sufficient amounts of insurance coverage is in the best interest of the City and its residents.

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

Section 1. That the City Council authorizes the City Manager to bind the City's insurance coverage for FY2027 with the Alaska Public Risk Alliance for an estimated annual premium of \$1,056,558.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



KENAI

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

MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Dave Swarner, Finance Director

DATE: May 29, 2026

SUBJECT: **Resolution 2026-47** - Authorizing Binding of the City's Property, Liability, Workers' Compensation, Airport and Other Ancillary Insurance Policies with the Alaska Public Risk Alliance for July 1, 2026 Through June 30, 2027.

Each year the City goes through a process of procuring its property, liability, workers' compensation, airport, and other ancillary insurance coverages.

Alaska Public Risk Alliance (APRA) is the single public entity risk pool for municipalities and school districts in the State of Alaska, since Alaska Municipal League Joint Insurance Association (AMLJIA) and Alaska Public Entity Insurance (APEI) merged effective July 1, 2025.

The plan premium represents a 4.99% increase from prior year. Employee salary and wages have increased from the prior fiscal year as a result of approved compensation adjustments and staffing costs. The increase in payroll has resulted in higher general liability and workers' compensation insurance premiums. This increase in cost was budgeted for in the adopted FY2027 Budget.

Ancillary policies include marine and surety bond coverage.

The quote from APRA was for a total of \$1,056,558. The Finance Department, with the assistance of the City's broker, determined that the rates and the insurance offered by APRA for FY2027 are in the best interest of the City and recommend binding coverage with APRA.

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2026-48**

A RESOLUTION AUTHORIZING AN AGREEMENT WITH THE BOYS AND GIRLS CLUB OF THE KENAI PENINSULA FOR THE OPERATION OF THE TEEN CENTER LOCATED IN THE KENAI RECREATION CENTER.

WHEREAS, since 2021, the Boys & Girls Club of the Kenai Peninsula has successfully operated the Teen Center within the Kenai Recreation Center pursuant to agreements authorized by the City Council; and,

WHEREAS, the City and the Boys & Girls Club of the Kenai Peninsula desire to continue their partnership to provide youth programming and services for teens and other youth in the Kenai community; and,

WHEREAS, the proposed Agreement provides for the Boys & Girls Club of the Kenai Peninsula to manage and operate the Teen Center located in the upstairs portion of the Kenai Recreation Center; and,

WHEREAS, the proposed Agreement establishes an annual City management fee of \$10,000, subject to annual approval of the budget by the City Council, to assist in maintaining affordable Teen Center memberships and programming opportunities for youth; and,

WHEREAS, the proposed Agreement clarifies the responsibilities of the City and the Boys & Girls Club of the Kenai Peninsula regarding facility maintenance, utilities, reporting, equipment ownership, insurance, and operational oversight; and,

WHEREAS, in recognition of the benefit the Teen Center provides to the local community, the City is not charging a fee for the use of the space in the Kenai Recreation Center; and,

WHEREAS, the Council finds that entering into the Agreement serves a valid public purpose and is in the best interests of the City of Kenai and its residents.

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

Section 1. The City Manager is authorized to execute the Agreement and, upon determining that the Agreement remains in the best interest of the City and subject to the availability of appropriated funds, execute the one additional two-year extension authorized by the Agreement without further Council action.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Tyler Best, Parks and Recreation Director

DATE: May 11, 2026

SUBJECT: **Resolution 2026-48** - Authorizing an Agreement with the Boys and Girls Club of the Kenai Peninsula for the Operation of the Teen Center Located in the Kenai Recreation Center.

In 2021, the City Council approved Resolution No. 2021-45, authorizing an agreement with the Boys & Girls Club of the Kenai Peninsula (BGCKP) to operate the Teen Center located within the Kenai Recreation Center. Since that time, BGCKP has provided recreational, educational, and social opportunities for youth while maintaining a safe and supervised environment for teens in the Kenai community.

The current agreement is nearing expiration, and the proposed agreement continues the partnership between the City and BGCKP. The agreement provides for BGCKP to continue operating the Teen Center and delivering youth programming while maintaining public access to the facility. The agreement also includes reporting requirements, operational plans, maintenance responsibilities, and insurance provisions.

The agreement provides an annual City management fee of \$10,000, subject to annual appropriation, to help support affordable Teen Center memberships and youth programming.

Your support is respectfully requested.

**AGREEMENT FOR USE OF A DESIGNATED AREA OF THE KENAI
RECREATIONAL CENTER TO OPERATE A TEEN CENTER**

THIS AGREEMENT is made this ____ day of _____ 20__, by and between the CITY OF KENAI (Owner), whose address is 210 Fidalgo Avenue, Kenai, AK 99611-7794, and _____ (USER), whose address is _____.

RECITALS:

The objective of the Kenai Recreational Center is to promote the health, wellness, and enrichment of the Kenai community by providing accessible recreational, educational, and cultural programs and facilities that serve residents of all ages, with a particular emphasis on supporting the development and well-being of youth. Owner and User mutually desire to provide a space and services for a Teen Center to serve Teens in the upstairs area of the Kenai Recreational Center located at 227 Caviar Street in the City of Kenai for the benefit of the general public.

Owner, a home rule first class city owns and operates the Kenai Recreational Facility designed to provide services for youth and others.

User is a nonprofit organization that provides services to youth in the Kenai area.

The Owner desires to provide the space for a Teen Center without cost to the User to meet the mutual goal of the two parties to serve Teens in the community.

The User desires to provide the professional services/ management to operate the Teen Center at its cost including any available funding from the Owner.

Owner and User therefore agree as follows:

1. **Definitions.** For this Agreement, the following definitions apply:
 - A. "Council" means the Kenai City Council.
 - B. "Teen Center" means the upstairs portion of the Kenai Recreation Center located at 227 Caviar Street in Kenai, Alaska operated to serve Teens and other youth in the community. The Teen Center will be open to all users of appropriate age.
 - C. "Management" or "management services" means performing all work to operate and provide the services and reports required by this Agreement and all work necessary to support the provision of the Teen Center, including but not limited to, supervision of staff, supervision and control of participants using the Teen Center and accessing any programs, providing appropriate recreational, education, and cultural programs for the users.

- D. "Owner" or "City" means the City of Kenai.
- E. "User" means the Boys and Girls Club of the Kenai Peninsula.

2. Term.

The term of this Agreement shall begin on July 1, 2026, and end on June 30, 2029. This Agreement may be extended for one additional two-year term upon mutual written consent of Owner and User. User shall notify Owner in writing no less than 180 days before the end of the remaining term of this Agreement if User desires to extend the Agreement for any additional term. Neither party has any obligation to agree to extend the initial term of this Agreement.

3. Compensation.

A. Owner shall provide User an annual management fee of \$10,000 per contract year (July 1 to June 30) subject to appropriation and availability of funds for management of the Teen Center, including the provision of recreational, educational, cultural, and leisure services and activities at the Teen Center. Owner will provide the contribution in one lump sum. The intent of this contribution is to provide for reduced cost of annual memberships to members of the Kenai Teen Center.

B. Except as may otherwise be stated in this Agreement, Owner will not provide any additional compensation, payment, service, or other thing of value to User in connection with performance of its obligations under this Agreement. User's overhead and other indirect or direct costs User may incur in the performing its obligations under this Agreement have already been included in computation of User's fee and may not be separately charged to the Owner.

C. Subject to Appropriation. User recognizes that the City of Kenai's management fee for its management services of the Teen Center requires the Council to annually appropriate funds. The obligation of Owner to provide the management fee under this Agreement is subject to the availability of funds lawfully appropriated for that purpose by the Council. The termination of this Agreement due to fiscal necessity and/or non-appropriation of funds by Owner shall not constitute a breach or default of Owner. In the event of a non-appropriation of funds, Owner may terminate this Agreement under Section #16(B), below, however termination shall not be subject to 60 days' notice. Instead, Owner shall give reasonable advance notice of non-appropriation as soon as practicable but in no case shall notice be less than ten days in advance of the effective termination date.

4. Independent User; No Agency. User's relationship with Owner shall be that of an independent User with the authority to control and direct the performance of the details of the management services that are the subject of this Agreement. Nothing contained in this Agreement shall be construed to create an agency, partnership, joint

venture, or employee-employer relationship between Owner and User. User is not the agent of Owner and User is not authorized to make any representation, contract, or commitment on behalf of Owner.

5. Scope of Services—General Obligations of User.

A. Yearly Operation. Teen Center Management services shall be a year-round function of User to carry out its Operations Plan. User shall perform the management work and all services on an as needed/scheduled basis as determined by User (except where specifically identified below).

B. Services. User shall provide recreational, educational, cultural, and leisure programs and services at the Teen Center.

C. Concessions. User will provide, at its own expense, other recreational, educational, cultural, or leisure services to the general public that are not inconsistent with this Agreement. User shall have the exclusive right to operate concessions in the Teen Center. User is responsible for defining said services and coordinating all aspects of service offerings, whether required under this Agreement or offered as an additional concession of User.

D. Fees. User may charge a fee approved by the City for use of the Teen Center. Fees charged for participation in any programs and/or services it provides unless otherwise specified in this Agreement are to be consistent with fees charged within the User's programming in other programs, and must offer scholarship opportunities for disadvantaged youth. Any fees charged by User for any purpose must not discourage age appropriate public use of the Teen Center and should be consistent with fees charged for similar services at other municipal teen centers.

E. Public Teen Center. The programs provided in the Teen Center must be generally available to the public. User may not restrict appropriate age group public participation at the Teen Center and may not restrict public access for appropriate use of the Teen Center. Where enrollment paperwork is required for participation in specific programs, User shall make every reasonable effort to ensure such requirements do not serve as a barrier to public access. User shall use its best efforts to keep the Teen Center open and accessible to the public within the means available to User.

F. Employees. It is User's duty to train User's employees in order to provide the management services at the Teen Center. The management services shall be performed by qualified, careful, and efficient employees in strict conformity with the best practices and highest applicable standards. The manner in which these services are performed shall be determined by User. User shall pay all salaries and expenses of, and pay all federal social security taxes, federal and state unemployment taxes, and any similar payroll taxes relating to, User's employees.

G. Permits, Licenses, and Certificates. User shall obtain and maintain all

necessary licenses and permits; comply with the requirements of all permits; pay all taxes lawfully imposed on User's business; and pay any other fee or charge assessed under any applicable public statute, regulation, or ordinance. Said licensing includes, but is not limited to, obtaining state and borough business licenses and tax certificates, and, where applicable to User, paying all taxes and filing all documents necessary to maintain User's status as a corporate entity in good standing in the State of Alaska.

H. Taxes and Assessments. User shall pay all taxes lawfully imposed on its business, and pay any other fee or charge assessed under any applicable public statute, regulation, or ordinance. User shall collect and pay any and all gross receipts, compensation, transaction, sales, use, payroll, or other taxes and assessments of whatever nature and kind levied or assessed as a consequence of the work performed or on the compensation paid to User or to User's employees or Users under or arising out of this Agreement.

6. Scope of Services—Specific Performance Requirements.

A. Specific Activities Required. Unless Owner (as approved by the Council) requests termination of a service, User shall provide the following services at the Teen Center on a regularly-scheduled basis:

(User will provide Owner with a description of how User intends to provide these services in its Annual Operations Plan.)

B. Operating Hours; Calendar. User will maintain daily, monthly and annual schedules of services and activities held at the Teen Center and shall provide public access to this schedule. User shall operate the Teen Center according to this published schedule.

C. Emergency Temporary Closure. If user has to close the facility for during the normal operating hours, User shall have a plan to notify the Owner and School District of the closure.

D. Teen Center Membership. User agrees to provide a discounted cost for membership to the Teen Center located in the Teen Center. The annual membership fee is not to exceed \$65 per year, per child provided that Owner provides User with a \$10,000 annual management fee for this purpose as described above. Additional program fees, (e.g., day camp services for tweens aged (11-14) youth are not included in this subsection of this Agreement.

E. Revenues. User shall collect all revenues generated at the Teen Center and shall use generally-accepted accounting principles and appropriate internal controls for its accounting activities. User agrees that Owner shall not be liable or responsible for funding any deficits or delinquencies owed to User other than the payments required under Section #3 of this Agreement.

User will collect and retain all fees and charges for programs, and services.

F. Repairs. User bears the responsibility for the cost of repairs of the Teen Center or its internal components and equipment due to any damage or breakage caused by the negligence or intentional act of the User or of a client during operating hours of the Teen Center. User is responsible for the maintenance and repair of the Teen Center equipment, e.g., pool tables and User owned/supplied equipment.

G. Janitorial; Appearance. User shall keep the Teen Center in a clean and sanitary condition. User shall pay for and provide all janitorial services and supplies required to keep the Teen Center clean and presentable. User shall not permit any garbage or other refuse to accumulate in the Teen Center or on the grounds surrounding the Teen Center. The User is also responsible for removal of snow from the sidewalk in front of the Users entry to the Teen Center as well as the back-exit area from the Teen Center.

H. Security. User will take all reasonable precautions to prevent unauthorized entry into the Teen Center, including the placing of signs or other devices intended to deter or restrict such entry. User shall develop and follow policies and procedures relating to issuing keys, handling cash and deposits, opening and closing, and dealing with difficult patrons.

7. User's Reporting and Planning Requirements.

A. Annual Operations Plan. No later than January 1 of each year, User shall provide Owner with an Annual Operations Plan. User shall work with the City Manager or their designee to assure the Annual Operations Plan meets the requirements and expectations of Owner. The plan should contain, at a minimum, the following:

- i. a safety and security plan;
- ii. a Teen Center use plan for the Teen Center that includes days of operation and hours open;
- iii. a list of rules governing the public's use of the Teen Center;
- iv. a staffing plan;

B. Teen Center Annual Operating Budget. No later than January 1 of each year, the User will submit to Owner its Annual Operating Budget. The budget should include all projected and the prior year's actual operating and capital costs for the Teen Center, including a projected income and expense statement and a projected year-end balance sheet. The budget must also include detailed projections of revenues by category and source; operating expenses by category; and administrative and general expenses to User in managing the Teen Center.

C. Monthly Reports. User will provide the City with monthly reports showing Teen Center usage. These monthly reports shall include categorization of usage by age group of users; a categorization of usage of the Teen Center; an updated inventory of Owner's equipment and furnishings purchased; and, a detailed description, including costs, for equipment needing to be replaced. Monthly reports shall be submitted to Owner no later than the 15th day of the following month.

8. Owner's Obligations. Owner shall perform the following functions or provide the following materials related to the Teen Center:

A. Operations and Maintenance Costs. Owner is responsible for maintenance and repair of the Teen Center required by normal wear and tear. Owner will perform routine maintenance on all incorporated systems in the Teen Center including fire suppression and alarm systems, electrical systems, mechanical systems, plumbing systems, and HVAC. User must notify the City's Public Works Department, Attention: Building Maintenance, for "Requests for Service of Repairs" on forms, or in a manner as requested by Owner. The City's Work Order Request Form, attached as Exhibit B is the form that User should use to request maintenance. This duty of Owner does not extend to maintenance on a system required due to User's failure to properly supervise and manage the Teen Center during business hours (for example, vandalism in the Teen Center during schedule working hours).

B. Utilities. Owner shall pay the following utility costs for the Teen Center: water, sewer, electrical, natural gas, telephone service (excluding long-distance, conference call, and other extraordinary phone charges).

C. Snow Removal. Owner is responsible for snow removal from the parking lot of the Teen Center.

D. Grounds Keeping. Owner shall maintain the grounds on the exterior of the Teen Center, subject to User's obligation to keep the grounds of the Teen Center free of garbage and refuse.

E. Equipment Replacement. Owner is responsible for the replacement of Owner-owned equipment as necessary due to normal wear and tear of the equipment.

F. Insurance. Owner shall provide Broad-Form Property Damage Insurance for the Teen Center.

9. Ownership of Equipment and Furnishings.

A. Owner recognizes that User will from time-to-time purchase equipment and furnishings to accomplish the work and provide the management services required and the concessions allowed under this Agreement. Equipment and furnishings purchased with User funds shall be the sole property of User. Equipment and furnishings donated

to User shall be the sole property of User.

B. With the exception of pass-through grants administered by Owner, equipment and furnishings purchased with Owner funds or with any funds provided by grants from Owner shall be the sole property of Owner, unless otherwise stated in a written agreement. User will mark and inventory this Owner property and provide Owner with a copy of the inventory with its semi-annual reports.

C. Prior to occupying the Teen Center, User and Owner will conduct a walkthrough to investigate conditions of the Teen Center and equipment inside the Teen Center.

10. Alterations and Renovations. User may not make any alterations or renovations to the Teen Center without the prior written consent of Owner. User shall provide Owner with an actual cost report within ten days of completion of any alteration or renovation project.

11. Signs. User may not place or erect poles, lights or devices on the exterior of the Teen Center or the curtilage or on adjacent property without the prior written consent of Owner.

12. Fundraising. Fundraising using the name of, or on behalf of, the City of Kenai or the Kenai Recreation Center must be approved in advance in writing by the City of Kenai.

13. Insurance.

A. User shall, at User's own expense, secure and maintain the following insurance:

- i. comprehensive general liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual coverage with a per occurrence limit of not less than \$1,000,000 combined single limit;
- ii. worker's compensation insurance with coverage for all employees engaged in work under this Agreement as required by AS 23.30.045 (User is responsible for worker's compensation insurance for any sub User who directly or indirectly provides services under the Agreement); and,
- iii. comprehensive automobile liability insurance covering all owned, hired, and non-owned vehicles with coverage limits not less than \$1,000,000 combined single limit per occurrence.

Where specific limits are stated, the limits are the minimum acceptable limits. If User's insurance policy contains higher limits, Owner is entitled to coverage to the extent of the higher limits.

B. All insurance required by this Section #13 shall meet the following additional requirements:

- i. for comprehensive general liability and automobile liability insurance, name the City of Kenai as an additional insured;
- ii. for worker's compensation insurance, general liability, and automobile liability insurance, where possible, include a waiver of subrogation so that the insurer waives all rights of subrogation against the City of Kenai for payments made under the policy;
- iii. provide Owner with at least 30 days' notice before any termination, cancellation, or material change in insurance coverage is effective; and,
- iv. be issued by a company/corporation currently rated "A-" or better by A.M. Best. Insurance policies must remain in compliance with the User's affiliation requirements with the Boys & Girls Club of America.

C. User shall submit to Owner proof of insurance coverage in the form of insurance policies, certificates, endorsements, or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf. The effective date of the insurance will be no later than the first day of the term of this Agreement.

D. The indemnification and insurance coverage requirements stated in this Section #13 and in Section #14 below do not relieve User of any other obligation under this Agreement.

E. Owner may increase the amount or revise the type of required insurance upon written demand without requiring amendments to this Agreement. Owner will base any increase or revision upon reasonable and justifiable grounds. Within two weeks of the written demand, User shall submit to Owner evidence of insurance coverage that meets the requirements of Owner.

14. Indemnity, Defend, and Hold Harmless Agreement. User shall indemnify, defend, and hold harmless Owner and its agents, employees, and/or insurers from claim, loss, damage, liability, including injury and death or expense in any way related to any act or omission of User or User's employees, agents, or invitees arising out of User's performance of services under this Agreement, except to the extent any negligence of Owner or its employees or agents is a proximate cause of any injury or damage. If a third party asserts a claim against User and Owner, User and Owner shall seek in good faith to achieve Agreement to an apportionment of fault as between them

without an independent of litigation. This provision shall survive expiration or termination of this Agreement.

15. Notice of Accident, Injury, or Claims.

A. Each party shall give to the other prompt and timely written notice of any claim made or suit instituted within its knowledge that in any way, directly or indirectly, contingently or otherwise, affects or might affect the other party.

B. User shall report all incidents of accident or injury promptly in writing to the City Manager for Kenai.

16. Termination.

A. For Cause. If either party fails to perform any of the terms, conditions, covenants, or obligations under this Agreement, the other party may terminate this Agreement. As a condition of the exercise of the right of termination, the terminating party must notify the other party in writing of its intent to terminate, stating with reasonable specificity the reasons for termination for cause. Upon receiving this written notice, the other party will have 30 calendar days to cure the default(s). If the other party fails to cure all defaults to the satisfaction of the other party within thirty 30 days, the party may declare the Agreement terminated.

B. Termination for Convenience of the City. Owner may terminate this Agreement at any time by giving written notice to User of its intent to terminate. Owner shall provide User with at least 60 days' advance notice of its election to terminate for its convenience. All finished or unfinished documents, surveys, reports, and/or other material prepared by User under this Agreement are the property of Owner and User hereby agrees to peaceably return all such items to Owner by or upon the effective date of termination and as may be further instructed by Owner. User shall be entitled to receive compensation for services rendered up to and through the date of termination.

17. Duties Upon Termination.

A. Upon termination of this Agreement under Section #16(A), Owner may take immediate possession of the Teen Center.

B. Upon termination of this Agreement under Section #16(B), including termination due to non-appropriation of funds by the Council, there shall be a transition period of not greater than 90 days with regard to the removal of User's property from the Teen Center. If User fails to vacate upon expiration of the transition period, the City may remove and store the property at User's expense or store the equipment at the Teen Center and charge User a reasonable storage fee.

C. User shall deliver to the Manager all documents, records, work products, materials and equipment of Owner and requested by the Manager.

18. Records and Right to Audit.

A. User agrees to keep reliable accounting records and to prepare annual financial statements in accordance with generally accepted accounting principles.

B. User shall make available to Owner for audit, examination, and copying, all of User's records with respect to all matters covered by this Agreement continuing for a period ending six years after the date of expiration or termination. These records include, but are not limited to financial statements, ledgers, invoices, inventories, reports, employment Agreements and other contracts related to User's provision of services under this Agreement. User shall make available for examination all such records, and in such form as the City may reasonably require, at any time during Owner's normal business hours. User shall make such records available to Owner upon ten business days' notice, except in the case of emergency where User shall make such records available immediately.

C. In performing audits and investigations, Owner shall not unduly interfere with the ability of User to perform its duties under this Agreement.

19. Right of Entry. Owner, its officers, employees, agents, and representatives may enter the Teen Center during operating hours to make inspection of the Teen Center and/or to perform maintenance activities. Owner reserves the right to enter the Teen Center outside of operational hours as may be needed for maintenance, roof access, or other facility-related purposes.

Owner reserves the right to reserve and use the Teen Center facility for City business, public meetings, governmental functions, emergency operations, and community-wide events, including recurring events such as the Kenai Central High School After Prom event. Owner shall provide reasonable advance notice to User and will make reasonable efforts to avoid conflicts with scheduled Teen Center programming.

20. No Discrimination. User shall not discriminate on the grounds of race, color, religion, national origin, ancestry, age, or sex against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or State law. User recognizes the right of Owner to take any action necessary to enforce this requirement.

21. Administration of this Agreement.

A. The City Manager is the representative of the City in administering this Agreement.

B. User is responsible for the direct supervision of User's personnel through User's designated representative, and such representative shall in turn be available at all reasonable times to confer with the Owner's representative with respect to the services. The designated representative for User is Jered Moore, Alice Nesbitt, or the Acting Kenai

Teen Center Unit Director Employee. In the event that User’s representative is unable to continue to serve as User’s representative, User shall appoint a successor subject to a written approval of the Owner.

22. Notices. Any notice or communication required or permitted under this Agreement shall be in writing, addressed to the appropriate party at the address given below for the type of delivery, and given personally, by certified mail (return receipt requested), or by electronic mail. Notice by facsimile will NOT be accepted. All notices shall be effective upon the date of receipt, except if the notice or communication is received after 5:00 p.m. on a business day, or on a day that is not a business day of the receiving party, and then the notice or communication is deemed received at 8:00 a.m. on the next business day.

Owner: City of Kenai
210 Fidalgo Avenue
Kenai, AK 99611
Attn: City Manager
Email: teubank@kenai.city

User: Boys & Girls Club of the Kenai Peninsula_____
320 S.Spruce St._____
Kenai, AK 99611_____
ATTN: Shanette Wik_____
swik@bgckp.com finance@bgckp.com

Either party may change its address for notice by giving notice as provided herein to the other party.

23. Miscellaneous Provisions.

A. No Lease. This Agreement does not lease, rent, or otherwise convey any land or interest in real property or in the Teen Center or personal property of Owner’s and in the Teen Center to User.

B. Compliance with Laws. In performing its obligations, User will comply with all laws, ordinances, and regulations of duly-constituted public authorities now or later enacted.

C. Assignment and Subcontract. User shall not assign, subcontract, and/or transfer any right, obligation, or part of the services or work to be performed under this Agreement without prior written approval of the Owner. Any such assignment or transfer or subcontracting of services without the consent of Owner shall constitute a default of User.

D. Assumption of Risk. User shall provide all proper safeguards and assume all risks incurred in performing the services.

E. No Waiver. If Owner does not insist in any one or more instances on the strict performance by User of any requirement under this Agreement, it is not a waiver or relinquishment for the future, but the requirement will continue in full force. An Owner waiver of any provision or requirement in this Agreement cannot be enforced nor relied on unless the waiver is in writing and signed on behalf of Owner.

F. Integration and Modification. This Agreement contains the entire Agreement of the parties. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Agreement or the performance of either party, are merged and integrated into this Agreement. This Agreement may not be modified except in writing signed by both parties.

G. Applicable Law/Venue. In any dispute between the parties, the laws of the State of Alaska shall govern. If any such dispute results in a lawsuit, the parties will bring the lawsuit before the courts of the State of Alaska in the Third Judicial District at Kenai.

H. Attorney's Fees and Costs. In the event that either party is in default in the performance of any of its obligations under this Agreement and any legal proceeding including arbitration is brought, the defaulting party shall pay to the other all actual costs and all expenses incurred in the action, including actual, reasonable attorney's fees.

I. Remedies. No right or remedy here conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given, or now or later existing at law or in equity or by statute.

J. Rules of Interpretation. Headings of Sections are solely for convenience of reference and shall not affect meaning, construction, or effect of this Agreement. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa. Unless the context otherwise indicates, the use of the neuter, masculine, or feminine gender shall include the others as well.

K. Computation of Time. If any due date for a report or notice required under this Agreement falls on a weekend or on a City of Kenai holiday, the report or notice will be timely if filed with Owner on the next regular business day.

L. Validity of Parts. If any term, condition, or provision of this Agreement is declared void or unenforceable, or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable.

M. Authority. User represents that User has read this Agreement and User agrees to be bound by its terms and conditions and that the person signing this Agreement is duly authorized to bind User.

N. Effective Date. This Agreement is effective upon the latter signature of all parties and approval by the Kenai City Council.

SEAL:

APPROVED AS TO FORM:

Scott Bloom, City Attorney



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2026-49**

A RESOLUTION AMENDING THE CITY OF KENAI LAND MANAGEMENT PLAN TO CHANGE THE LAND MANAGEMENT DESIGNATION OF TRACT E, BOAT RAMP SUBDIVISION FROM "RETAIN" TO "MIXED – RETAIN/DISPOSE."

WHEREAS, the City of Kenai adopted the City of Kenai Land Management Plan by Resolution No. 2022-51 to provide guidance for the management, retention, and disposal of City-owned lands; and,

WHEREAS, Tract E, Boat Ramp Subdivision, Kenai Peninsula Borough Parcel No. 0495009, consists of approximately 6.55 acres located north of the Kenai River along Bridge Access Road; and,

WHEREAS, the Land Management Plan currently designates the parcel as "Retain" based on its potential use for alternate access to the City Dock and related seasonal activities; and,

WHEREAS, only a small portion of the parcel is utilized for alternate access to the City Dock, while the majority of the property remains undeveloped and is not required for the continued operation of the access route; and,

WHEREAS, the parcel is located within the Working Waterfront (WW) Zoning District, which is intended to support water-dependent and water-related uses, commercial development, tourism, recreation, community facilities, and other uses that contribute to economic activity and public benefit; and,

WHEREAS, the parcel is adjacent to existing commercial development and is suitable for future development consistent with the purposes of the Working Waterfront Zoning District; and,

WHEREAS, amending the Land Management Plan to change the parcel's designation from "Retain" to "Mixed – Retain/Dispose" would provide the City flexibility to consider future development opportunities while retaining the ability to preserve access, easements, rights-of-way, or other property interests necessary to support continued access to the City Dock; and,

WHEREAS, the Council finds that changing the land management designation of Tract E, Boat Ramp Subdivision is consistent with the goals of the Land Management Plan and in the best interests of the City.

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

Section 1. That the City of Kenai Land Management Plan is hereby amended to change the designation of Tract E, Boat Ramp Subdivision, Kenai Peninsula Borough Parcel No. 0495009, from "Retain" to "Mixed – Retain/Dispose."

Section 2. That the City Manager is authorized to update the Land Management Plan and associated land inventory records to reflect this amendment.

Section 3. That this Resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Kevin Buettner

DATE: June 8, 2026

SUBJECT: **Resolution No. 2026-49** - Amending the City of Kenai Land Management Plan to Change the Land Management Designation of Tract E, Boat Ramp Subdivision From "Retain" to "Mixed – Retain/Dispose."

The proposed resolution would amend the City of Kenai Land Management Plan to change the designation of Tract E, Boat Ramp Subdivision (KPB Parcel No. 0495009), from "Retain" to "Mixed – Retain/Dispose," which means some of the parcel may be appropriate for a lease or sale, but some of the parcel is needed for a public purpose. Most commonly, a subdivision of the parcel would be necessary to separate the portion of the property appropriate for disposal from the area required for a public purpose.

The approximately 6.55-acre parcel is located north of the Kenai River along Bridge Access Road and is currently designated as "Retain" in the Land Management Plan. The Plan notes that the parcel provides alternate access to the City Dock from Bridge Access Road, allowing the City to manage traffic during periods of peak seasonal use and providing flexibility for other seasonal uses.

The City has received multiple inquiries regarding lease or sale of approximately three acres on the eastern and southern section of the property and has issued Special Use Permits for a 35,284-square-foot portion of the property for the purpose of vehicle parking and a temporary boardwalk. A review of the property indicates that only a 1.25-acre portion of the parcel is utilized for access purposes, while the majority of the tract remains undeveloped and an additional 3.5 acres is used seasonally by the City to dewater dredge material (see attached map). Amending the parcel's designation would provide the City with flexibility to consider future development opportunities while preserving the ability to retain or establish any access, easements, rights-of-way, or other property interests necessary to support continued access to the City Dock.

The parcel is located within the Working Waterfront (WW) Zoning District, which is intended to support water-dependent and water-related uses, commercial development, tourism, recreation, and other uses that contribute to economic activity and public benefit. The parcel's location adjacent to existing commercial development and near City dock facilities presents opportunities for future uses consistent with the purposes of the district.

Changing the parcel's designation to "Mixed – Retain/Dispose," would not authorize the sale, lease, or development of the property. Any future disposal proposal would require separate review and approval in accordance with the Kenai Municipal Code.

Staff recommends approval of the resolution.

Your consideration is appreciated.

Attachment

Aerial Map with Potential Development Area





Parcel 04945009 - Potential Development Area



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2026-50**

A RESOLUTION AUTHORIZING A CONTRACT AWARD AND CORRESPONDING PURCHASE ORDER TO VECTOR AIRPORTS SYSTEMS FOR AIRCRAFT OPERATING FEE BILLING AND COLLECTION SERVICES.

WHEREAS, the City of Kenai owns and operates the Kenai Municipal Airport and is responsible for the administration and collection of airport fees, charges, and related revenues; and,

WHEREAS, the City of Kenai has determined that it is in the best interest of the Kenai Municipal Airport to obtain a specialized collection service who will assist in the collection of landing fees; and,

WHEREAS, Vector Airports Systems has demonstrated qualifications, experience, and ability to provide these collection services; and,

WHEREAS, the sole source procurement of the services described qualifies as a sole source in accordance with KMC 7.15.070 (b)(1). Vector Airport Systems is the only known source capable of providing the required services and as Vector Systems possesses unique qualifications, experience, and capabilities necessary to perform the work; and,

WHEREAS, the parties have negotiated a three-year Agreement for Professional Services effective July 1, 2026 setting forth the terms and conditions under which the services will be provided; and,

WHEREAS, sufficient funds have been appropriated in the FY27 budget and are available for this purpose.

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

Section 1. That the City Manager is authorized to execute a contract award and corresponding FY2027 purchase order to Vector Airports Systems for airport revenue collection services in the amount of \$70,000.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 17TH DAY OF JUNE, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



KENAI

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

MEMORANDUM

TO: Mayor Knackstedt and Members of Council

THROUGH: Terry Eubank, City Manager

FROM: Julie Semmens, Administrative Assistant II

DATE: June 9, 2026

SUBJECT: **Resolution No. 2026-50** - Authorizing a Contract Award and Corresponding Purchase Order to Vector Airports Systems for Aircraft Operating Fee Billing and Collection Services.

It recently came to Airport administration's attention that a significant percentage of billable landing fees was being missed due to the self-reporting system that is currently utilized at Kenai Municipal Airport. After careful review and research, it appears the Planepass product offered by Vector Airport Systems is a good and reasonable solution to capturing the majority of landing fees owed.

Vector Airport Systems is the only known source capable of providing the required services. Vector Systems possesses unique qualifications, experience, and capabilities necessary to perform the work and pursuant to KMC 7.15.070 (b) (1) a sole source purchase may be authorized when the "Supplies, materials, equipment, or contractual services which can be furnished only by a single dealer or which has a uniform price wherever bought."

Airport Administration is recommending a contract award to Vector Airport Systems for aircraft operating fee billing and collection services. The all-in-one automated billing and collection service Vector Airport Systems offers does not currently have competition.

Award of this agreement is in the best interest of the City.

Councils approval is respectfully requested.

**KENAI CITY COUNCIL – REGULAR MEETING
JUNE 3, 2026 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
MAYOR HENRY H. KNACKSTEDT, PRESIDING**

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai City Council was held on June 3, 2026, in City Hall Council Chambers, Kenai, AK. Mayor Knackstedt called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Mayor Knackstedt led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Henry Knackstedt, Mayor
Bridget Grieme
Phil Daniel

Victoria Askin, Vice Mayor
Deborah Sounart

A quorum was present.

Absent:

Sovala Kisena

Glenese Pettey

Also in attendance were:

**Josh Bolling, Student Representative
Terry Eubank, City Manager
Scott Bloom, City Attorney
David Swarner, Finance Director
Kevin Buettner, Planning Director
Stephanie Randall, Human Resource Director
Tyler Best, Parks and Recreation Director
Lee Frey, Public Works Director
Kathy Romain, Senior Services Director
Ryan Coleman, Police Sergeant
Dave Ross, Police Chief
Shellie Saner, City Clerk

3. Agenda and Consent Agenda Approval

Mayor Knackstedt noted the following additions to the Packet:

Add to item E.3. **Public Hearing - Ordinance No. 3523-2026**
 • Amendment Memo

Add to item E.5. **Public Hearing - Ordinance No. 3525-2026**
 • Amendment Memo

MOTION:

Vice Mayor Askin **MOVED** to approve the agenda and consent agenda with the requested revisions. Council Member Sounart **SECONDED** the motion.

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

Mayor Knackstedt opened the floor for public comment on consent agenda items; there being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

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 ADMINISTRATIVE REPORTS - None.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS

Johna Beech, Executive Director of the Kenai Peninsula Food Bank addressed the Council regarding the 2026 Kenai - Soldotna Food Fight, food drive taking place June 1 - 30, 2026.

E. PUBLIC HEARINGS

- 1. **Ordinance No. 3521-2026** - Increasing Estimated Revenues and Appropriations in the General Fund - Police Department and Accepting a Grant from the US Department of Transportation Passed Through the State of Alaska Department of Transportation and Public Facilities for Traffic Enforcement Overtime Expenditures. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3521-2026. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

VOTE:

YEA: Knackstedt, Daniel, Grieme, Askin, Sounart

NAY: None

ABSENT: Pettey, Kisena

**Student Representative Bolling: Yea

MOTION PASSED.

- 2. **Ordinance No. 3522-2026** - Accepting an Alaska Division of Forestry Volunteer Fire Assistance Grant in the Amount of \$8,602.97 and Appropriating Funds for the Purchase of Wildland and Firefighting Equipment for the City of Kenai Fire Department. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3522-2026. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

A summary of the memorandum as attached to Ordinance No. 3522-2026 and an overview of the equipment that would be purchased was provided.

VOTE:

YEA: Daniel, Grieme, Askin, Sounart, Knackstedt

NAY: None

ABSENT: Pettey, Kisen

**Student Representative Bolling: Yea

MOTION PASSED.

- 3. Ordinance No. 3523-2026** - Adopting the Annual Budget, Salary Schedule and Employee Classification Plan for the Fiscal Year Commencing July 1, 2026 and Ending June 30, 2027 and Committing \$4,584,359 of General Fund, Fund Balance for Future Capital Improvements. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3523-2026. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment.

Sarah Castimore addressed the Council in appreciation of their consideration to provide grant funding to Peninsula Piranha Swim Team.

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

MOTION TO AMEND:

Vice Mayor Askin **MOVED** to amend the Fiscal Year 2027 Budget Document as follows:

“General Fund - Legislative, page 85

Increase the Grants to Agencies from \$21,100 to \$67,502; and

General Fund - Legislative, page 86

Add Peninsula Piranha Swim Team to the 5047 Grants to Agencies list for \$46,502.”

For an overall increase of \$46,502 to the Fiscal Year 2027 Annual Budget Document.

Council Member Grieme **SECONDED** the motion.

Council appreciation was stated for the swim teams work towards a solution to keeping the school swimming pool open.

UNANIMOUS CONSENT was requested on the motion to amend.

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

MOTION TO AMEND:

Vice Mayor Askin **MOVED** to amend the Fiscal Year 2027 Budget Document as follows:

“Airport Fund - Airport Airfield, page 214

Increase Professional Services from \$14,435 to \$84,435.”

For an overall increase of \$70,000 to the Fiscal Year 2027 Budget Document.

Council Member Daniel **SECONDED** the motion.

A summary overview of the amendment memorandum as attached to Ordinance No 3523-2026 was provided.

UNANIMOUS CONSENT was requested on the motion to amend.

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

MOTION TO AMEND:

Council Member Grieme **MOVED** to amend the Fiscal Year 2027 Budget Document as follows:

“General Fund - Non-Departmental, page 111
Increase Capital Outlay & Transfer, Transfers by \$180,000.

Capital Budget, page 289
Increase Revenues, Transfers from General Fund by \$180,000.”

For an overall increase of \$180,000 to the Fiscal Year 2027 Budget Document

Council Member Daniel **SECONDED** the motion.

There was discussion regarding the constituent interactions with public meetings is primarily done through remote means; and the importance of maintaining technology and equipment to meet the public need.

UNANIMOUS CONSENT was requested on the motion to amend.

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

MOTION TO AMEND:

Vice Mayor Askin **MOVED** to amend Ordinance No. 3523-2026 as follows:

Title to read, “An Ordinance Adopting the Annual Budget, Salary Schedule and Employee Classification Plan for the Fiscal Year Commencing July 1, 2026 and Ending June 30, 2027 and Committing \$[4,584,359] 4,303,660 of General Fund, Fund Balance for Future Capital Improvements.”

Seventh whereas clause to read, “in recognition of deferred and ongoing maintenance needs of City facilities and in support of the City’s Fiscal Year 2027 – 2031 Capital Improvement Plan (The Plan), Council commits \$[4,584,359] 4,303,660 towards funding of The Plan for fiscal years 2027-2031.”

Section 2 to read, “The following sums of money are hereby appropriated for the operations of the City of Kenai for the fiscal year commencing on the first day of July, 2026, and ending the 30th day of June, 2027, to be expended consistent with and subject to the restrictions, procedures, and purposes set forth in the Code of the City of Kenai and to be expended substantially by line item in the manner shown in the budget adopted by Section 1 hereof:

General Fund	\$ [23,341,239] <u>23,567,641</u>
Enterprise Fund – Congregate Housing Fund	694,834
Internal Service Funds:	
Equipment Replacement Fund	288,678
Fleet Replacement Fund	103,174
Employee Health Care Fund	<u>2,997,788</u>
Total Internal Service Funds	3,389,640
Special Revenue Funds:	
Personal Use Fishery Fund	601,090
Water & Sewer Fund	3,602,337
Airport Fund	[4,042,144] <u>4,112,144</u>
Senior Citizen Fund	<u>1,139,480</u>
Total Special Revenue Funds	[9,385,051] <u>9,455,051</u>

Permanent Funds:	
Airport Land Sale Permanent Fund	1,151,157
General Land Sale Permanent Fund	<u>176,498</u>
Total Permanent Revenue Funds	1,327,655

Capital Project Funds:	
<u>City Hall Improvements</u>	<u>180,000</u>
Playground Improvement	100,000
Park Improvement	50,000
Kenai Rec Center Improvements	120,000
Municipal Roadway Improvement	1,550,000
Kenai Public Safety Improvements	300,000
Kenai Senior Center Improvement	60,000
Congregate Housing Improvement	100,000
Airport Improvement	380,100
Waste Water Treatment Plant	100,000
Water & Sewer Improvement	<u>610,000</u>
Total Capital Project Funds	<u>[3,370,100] 3,550,100</u>

Debt Service Fund – Library Expansion Bonds	<u>125,375</u>
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Total All Funds	<u>[\$[41,633,894] 42,110,296”</u>
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Section 3 to read, “Council hereby commits \$[4,584,359] 4,303,660 of Unassigned General Fund, Fund Balance for future renovations and improvements to City facilities.”

Council Member Grieme **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

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

Council appreciation was stated for the work put into bringing the budget forward.

VOTE ON MAIN MOTION AS AMENDED:

YEA: Grieme, Askin, Sounart, Knackstedt, Daniel

NAY: None

ABSENT: Pettey, Kisena

**Student Representative Bolling: Yea

MAIN MOTION AS AMENDED PASSED.

- 4. Ordinance No. 3524-2026** - Amending Kenai Municipal Code Section 23.25.065 - Shift Differential Pay, to Update Shift Hours and to Clarify Eligibility; and Section 23.55.030 Qualification Pay, to Ensure Appropriate Compensation and Benefits to City Employees Comparable to Other Places of Public Employment Which Allows the City to Recruit and Retain Qualified Employees. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3524-2026. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

A summary overview of the memorandum as attached to Ordinance 3524-2026 was provided; clarification was provided that although the Ordinance would not be effectuated for thirty days, the pay would be effective July 1, 2026.

VOTE ON MAIN MOTION AS AMENDED:

YEA: Askin, Sounart, Knackstedt, Daniel, Grieme

NAY: None

ABSENT: Pettey, Kisen

**Student Representative Bolling: Yea

MAIN MOTION AS AMENDED PASSED.

- 5. **Ordinance No. 3525-2026** - Enacting Kenai Municipal Code Section 14.20.246 - Tent Camping on Private Property, Amending Kenai Municipal Code Section 14.20.320 - Definitions to Provide Definitions Regarding Tents and Campgrounds, Amending Kenai Municipal Code Section 13.10.060 - Sanitary Facilities for Camping on Private Property, and Amending Kenai Municipal Code Section 14.22 - Land Use Table. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3525-2026. Council Member Daniel **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

A summary overview of the memorandum as attached to Ordinance No. 3525-2026 was provided.

There was discussion regarding the inconsistency between tents and recreational vehicles.

MOTION TO AMEND:

Council Member Grieme moved to amend Ordinance No. 3525-2026 as follows:

Title to read, "An Ordinance [ENACTING KENAI MUNICIPAL CODE SECTION 14.20.246 - TENT CAMPING ON PRIVATE PROPERTY,] Amending Kenai Municipal Code Section 14.20.320 - Definitions to Provide Definitions Regarding Tents and Campgrounds, [AMENDING KENAI MUNICIPAL CODE SECTION 13.10.060 - SANITARY FACILITIES FOR CAMPING ON PRIVATE PROPERTY,] and Amending Kenai Municipal Code Section 14.22 - Land Use Table."

Delete Sections 1 and 3; and,

Renumber remaining Sections accordingly.

Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

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

MOTION TO AMEND:

Vice Mayor Askin **MOVED** to amend Ordinance No. 3525-2026 as follows:

Originally Section 4, renumbered to Section 2 by adding footnote 34 as follow:

ZONING DISTRICTS																		
LAND USES	ALI	C	RR	RR-1	RS	RS-1	RS-2	RU	CC	CG	IL	IH	ED	R	TSH	LC	CMU	WW
MISCELLANEOUS																		
Campgrounds ³⁴	N	C	C	N	C	N	N	C	C	C	C	C	N	C	C	N	C	C

³⁴Does not apply to City-owned property. See KMC 18.35.010 - Overnight Camping.”

Council Member Grieme **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

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

VOTE MAIN MOTION AS AMENDED:

YEA: Sounart, Knackstedt, Daniel, Grieme, Askin

NAY: None

ABSENT: Pettey, Kisena

**Student Representative Bolling: Yea

MAIN MOTION AS AMENDED PASSED.

- 6. **Ordinance No. 3526-2026** - Amending the Official Zoning Map by Rezoning Parcel 04106318, with a Physical Address of 6575 Kenai Spur Highway, from a Split Zone of Rural Residential (RR) and General Commercial (CG) to the Zoning District of General Commercial (CG). (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3526-2026. Council Member Grieme **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

A summary overview of the memorandum as attached to Ordinance No. 3526-2026 was provided; and it was clarified that this would eliminate a split zone.

VOTE:

YEA: Knackstedt, Daniel, Grieme, Askin, Sounart

NAY: None

ABSENT: Pettey, Kisena

**Student Representative Bolling: Yea

MOTION PASSED.

- 7. **Ordinance No. 3527-2026** - Determining that an Approximately 7,682 Square Foot Portion of City-Owned Property Described as that Portion of Govt Lot 10 Lying Southwest of Bridge Access Rd & Lying North & Northwest & Northeast of USS 4563 Amended, is Not Needed for a Public Purpose and Authorizing the Sale and Exchange of the Property to Rabuf, LLC. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3527-2026. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

A summary overview of the memorandum as attached to Ordinance No. 3527-2026 was provided.

VOTE:

YEA: Daniel, Grieme, Askin, Sounart, Knackstedt

NAY: None

ABSENT: Pettey, Kisena

**Student Representative Bolling: Yea

MOTION PASSED.

8. Resolution No. 2026-37 - Fixing the Rate of Levy of Property Tax for the Fiscal Year Commencing July 1, 2026 and Ending June 30, 2027. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-37. Council Member Daniel **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

9. Resolution No. 2026-38 - Amending the Comprehensive Schedule of Rates, Charges and Fees to Incorporate Fiscal Year 2027 Budget Changes to Include Adjusting Airport Fees, Library Fees, Fire Department Fees, Land Management Fees, Parks and Recreation Fees, Planning and Zoning Fee, Public Works Fee, Water and Sewer Fees and Adjusting the Monthly Rental Rates for Vintage Pointe. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-38. Council Member Daniel **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

10. Resolution No. 2026-39 - Authorizing a Contract Award for the 2026 Dipnet Dumpsters and Portalets. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-39. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

11. Resolution No. 2026-40 - Authorizing a Contract Award for the 2026 Congregate Housing Caretaker. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-40. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

12. Resolution No. 2026-41 - Declaring a Right-of-Way for a 60-Foot by 155.68-Foot Portion of the 60-Foot Unnamed Right-of-Way Located Along the Southeastern Boundary of Lot 11-A, Block 8, Black Gold Estates 2025 Replat, Plat KN 2025-70, and as Set Forth on the Attached Exhibit "A" is Not Needed for a Public Purpose and Consenting to its Vacation. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-41. Council Member Grieme **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment.

Alex Douthit addressed the Council in support of Resolution No. 2026-41, noting this would allow drainage issues to be resolved.

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

There was Council discussion in support of Resolution No. 2026-41.

UNANIMOUS CONSENT was requested.

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

13. Resolution No. 2026-42 - Approving a Memorandum of Agreement Between the City of Kenai and the Kenai Peninsula Borough for Intergovernmental Administration of Borough and City Municipal Elections. (City Clerk)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-42. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

A summary overview of the memorandum as attached to Resolution No. 2026-42 was provided; and it was clarified that there were increases to the cost to the City in the new agreement.

There was Council discussion in support of Resolution No. 2026-42.

UNANIMOUS CONSENT was requested.

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

14. Resolution No. 2026-43 - Authorizing a Contract Award for the 2026 Street Lights Repair and Maintenance with Utility Locates Contract. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-43. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

Clarification was provided that the amount was based on the estimated quantity of work.

UNANIMOUS CONSENT was requested.

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

15. Resolution No. 2026-44 - Authorizing a Contract Award for the 2026 Aliak Storm Water and Paving Repair Construction. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-44. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

16. Resolution No. 2026-45 - Authorizing a Contract Award for the 2026 Street Crack Sealing Contract. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-45. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

Appreciation for the commitment to repairing streets was stated.

UNANIMOUS CONSENT was requested.

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

17. Resolution No. 2026-46 - Accepting and Adopting the Kenai Parks and Recreation Master Plan. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-46. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

F. MINUTES

1. *Regular Meeting of May 20, 2026. (City Clerk)

Approved by the consent agenda.

G. UNFINISHED BUSINESS

1. **Ordinance No. 3510-2026 (Substitute)** - Amending the Official Zoning Map by Rezoning a Portion of the Property at 10060 Kenai Spur Highway from Conservation to Suburban Residential Zoning District. (Administration) *[March 18, 2026 postponed to April 1, 2026; April 1, 2026 postponed to May 6, 2026; May 6, 2026 amended by substitute, amended, referred to the May 27, 2026 Planning and Zoning Commission meeting and postponed to June 3, 2026.]*

[Clerk's Note: The motion to enact was on the floor from the March 18, 2026 meeting.]

Mayor Knackstedt opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

MOTION TO AMEND:

Vice Mayor Askin **MOVED** to amend Ordinance No. 3510-2026 Substitute as follows:

Insert a new 14th WHEREAS clause to read, "at their regularly scheduled meeting held on May 27, 2026, the Planning & Zoning Commission recommended that the City Council rezone the portion of the property at 10060 Kenai Spur Highway from Conservation to Rural Residential."

Council Member Daniel **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

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

It was reported that the Administrations recommendation was suburban residential; the location was suited for multifamily units due to its proximity to city utilities and other services; suburban residential allows for minimum lot sizes of 7,200 square feet and permits up to a six-plex, verses rural residential requirements of lot sizes of 20,000 square feet and permits a four-plex; suburban residential would allow greater density with smaller lot sizes and provides for more dwelling units per parcel.

There was discussion regarding the walkability of the location to local stores and the recommendation from the Planning and Zoning Commission.

MOTION TO AMEND:

Vice Mayor Daniel **MOVED** to amend Ordinance No. 3510-2026 Substitute as follows:

Amend Ordinance No. 3510-2026 from Suburban Residential to Rural Residential, throughout the Ordinance.

Council Member Askin **SECONDED** the motion.

VOTE ON MOTION TO AMEND:

YEA: Askin, Daniel

NAY: Sounart, Knackstedt, Grieme

ABSENT: Pettey, Kisena

MOTION TO AMENDED FAILED.

VOTE ON MAIN MOTION AS AMENDED:

YEA: Sounart, Knackstedt, Grieme

NAY: Daniel, Askin

ABSENT: Pettey, Kisena

**Student Representative Bolling: Yea

MAIN MOTION AS AMENDED PASSED.

NEW BUSINESS

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

Approved by the consent agenda.

2. ***Action/Approval** - Confirmation of Mayoral Nomination of Missy Wallace to the Beautification Commission. (Knackstedt)

Approved by the consent agenda.

3. ***Ordinance No. 3528-2026** - Accepting and Appropriating \$42,867.04 in Asset Forfeiture Sharing Funds for the Purchase of Law Enforcement Equipment into the General Fund, Police Department. (Administration)

Introduced by the consent agenda and Public Hearing set for June 17, 2026.

4. ***Ordinance No. 3529-2026** - Increasing Estimated Revenues and Appropriations in the General Fund - City Manager for Leave Cash-Out, Finance Information Technology Salaries and Benefits, and Public Works Administration Salaries and Benefits in Excess of Budgeted Amounts. (Administration)

Introduced by the consent agenda and Public Hearing set for June 17, 2026.

5. ***Ordinance No. 3530-2026** - Accepting and Appropriating a Grant Awarded to the Kenai Senior Center from the Kenai Peninsula Foundation, Inc. and the Alaska Community Foundation, Inc., Through the Elmer and Ruth Schwantes Fund for the Purchase of Meals on Wheels Delivery Bags. (Administration)

Introduced by the consent agenda and Public Hearing set for June 17, 2026.

H. COMMISSION / COMMITTEE REPORTS

1. Council on Aging Commission

No report, next meeting June 11, 2026.

2. Airport Commission

No report, next meeting June 11, 2026.

3. Parks and Recreation Commission

No report, next meeting June 4, 2026

4. Planning and Zoning Commission

Council Member Daniel reported on the May 20, 2026 meeting, next meeting June 10, 2026.

5. Beautification Commission

No report, next meeting September 8, 2026.

I. REPORT OF THE MAYOR

Mayor Knackstedt reported on the following:

- Attending and participating in the Memorial Day Events.
- Meeting with the Administration and Glenfarne to discuss the upcoming project.
- Thanked Finance Director Swarner and City Manager Eubank for the Budget; and Parks & Recreation Director Best for the Master Plan.
- Congratulated the Kenai Ice Hawks for winning the Trajan Langdon Award, the first all-girls team in Alaska to claim the championship in the co-ed 12UB Alaska State Hockey Tournament.

J. ADMINISTRATION REPORTS

1. City Manager - City Manager Eubank reported on the following:

- Provided a staffing update, welcomed new employees and noted ongoing recruitment for an Airport Manager.
- Status update on the Safe Streets Grant and Coastal Resilience Grant.
- June 6, 2026 Kite Festival.
- Thanked staff for their work on the Budget and Director Best, Parks and Recreation Staff and the Parks and Recreation Commission for the Master Plan.

2. City Attorney - No report.

3. City Clerk - No report.

K. ADDITIONAL PUBLIC COMMENTS

1. Citizen Comments (*Public comments limited to (5) minutes per speaker*)
2. Council Comments

Student Representative Bolling congratulated the Kenai Central High School Girls Soccer team for taking second place as State.

Council Member Daniel stated his appreciation for everyone's efforts.

Council Member Grieme congratulated the Girls Soccer team, the Kenai Ice Hawks; reported attending the American Legion Memorial Day event at Kenai Cemetery; thanked all the planters on Planting Day and the Douthit family for donating a tree; and reminded everyone the Peninsula Oilers were back.

Vice Mayor Askin thanked staff for the Budget and Parks & Recreation for the Master Plan.

L. EXECUTIVE SESSION - None.

M. PENDING ITEMS - None.

N. ADJOURNMENT

O. INFORMATIONAL ITEMS - None.

There being no further business before the Council, the meeting was adjourned at 9:07 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of June 3, 2026.

Michelle M. Saner, MMC
City Clerk

*** The student representative may cast advisory votes on all matters except those subject to executive session discussion. Advisory votes will not affect the outcome of the official council vote. Advisory votes will be recorded in the minutes. A student representative may not move or second items during a council meeting.*

**PAYMENTS OVER \$35,000.00 WHICH NEED COUNCIL RATIFICATION
COUNCIL MEETING OF: JUNE 17, 2026**

VENDOR	DESCRIPTION	DEPARTMENT	ACCOUNT	AMOUNT
PERS	PERS	VARIOUS	LIABILITY	120,775.54
PREMERA	MAY PREMIUM	VARIOUS	INSURANCE	230,099.35
ENSTAR	GAS USAGE	VARIOUS	UTILITIES	48,068.93
HOMER ELECTRIC	ELECTRIC USAGE	VARIOUS	UTILITIES	118,771.41



KENAI

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

MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Mary Bondurant, Interim Airport Manager

DATE: June 8, 2026

SUBJECT: **Action/Approval – Special Use Permit to Empire Airlines, Inc.**

Empire Airlines, Inc., is requesting to renew their Special Use Permit that expires on June 30, 2026 under the same terms and conditions. The Special Use Permit will be effective for one year from July 1, 2026 to June 30, 2027.

The permit is for aircraft parking on approximately 11,250 square feet of apron space.

The Special Use Application fee of \$100 has been paid and the Airport has a current Certificate of Insurance on file. Empire Airlines is current in all fees owed to the City.

Airport Commission reviewed the application at the June 11, 2026 meeting and recommends City Council approval.

Your support for issuance of a Special Use Permit to Empire Airlines, Inc., is respectfully requested.

Thank you for your consideration.

attachments



City of Kenai Special Use Permit Application

Application Date: **May 12, 2026**

Applicant Information

Name of Applicant: Empire Airlines					
Mailing Address:	11559 N Atlas Rd	City:	Hayden	State:	ID
		Zip Code:	83835		
Phone Number(s):	Home Phone: () [REDACTED]	Work/ Message Phone: ()	[REDACTED]		
E-mail: (Optional)	[REDACTED]				
Name to Appear on Permit:		Empire Airlines			
Mailing Address:	11559 N Atlas Rd	City:	Hayden	State:	ID
		Zip Code:	83835		
Phone Number(s):	Home Phone: () [REDACTED]	Work/ Message Phone: ()	[REDACTED]		
E-mail: (Optional)	[REDACTED]				
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 <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Other _____				

Legal or physical description of the property:
FedEx Lot 7 & 8

Description of the proposed business or activity intended:
Express Cargo

Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location? YES NO

Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances? YES NO

If you answered yes to any of the above questions, please explain:
Next to FedEx sort facility for ground delivery operations.

What is the term requested (not to exceed one year)? **One year.**

Requested Starting Date: **July 1, 2026**

Signature:		Date:	5/12/26
Print Name:	Randell Lanfell	Title:	Operations

For City Use Only: <input type="checkbox"/> General Fund <input type="checkbox"/> Airport Reserve Land <input type="checkbox"/> Airport Fund <input type="checkbox"/> Outside Airport Reserve	Date Application Fee Received: _____ City Council Action/Resolution: _____ Account Number: _____
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SPECIAL USE PERMIT

The **CITY OF KENAI** (City) grants to **EMPIRE AIRLINES, INC.** (Permittee), whose address is 11559 N. Atlas Road, Hayden, ID 83835, a Special Use Permit for the purpose of aircraft parking at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use approximately 11,250 square feet as described in the attached Exhibit A for the uses identified in this Permit.
2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2026 and ending on June 30, 2027. Regardless of the date of signature, this Permit shall be effective as of July 1, 2026.
3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:
 - A. **Permit:** Permittee shall pay a monthly fee of \$1312.50 (\$1.40/SF/Year) plus applicable sales tax. *Adjusted for the City of Kenai Schedule of Rates, Charges, and Fees for Fiscal Year 2027.
 - B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of one hundred dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.
 - C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of ten percent (10%) per annum, and penalty of ten percent (10%) shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

4. Use. City authorizes Permittee's non-exclusive use of the Premises for the following purpose(s):

Aircraft Loading and Parking.

NOTE: *This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.*

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, and guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee germane to a commercial entity.

8. Radio Transmitting Equipment. Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

9. Insurance. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, City is entitled to coverage to the extent of the higher limits.

A. Commercial General Liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 combined single limit. The policy must include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. The policy must name the City as an additional insured.

B. Worker's compensation insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide worker's compensation insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.

C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

- i. All policies will be by a company/corporation currently rated "A-" or better by A.M. Best.
- ii. Permittee shall submit to the City proof of continuous insurance coverage in the form of insurance policies, certificates, endorsements,

or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.

- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least thirty (30) days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by July 1, 2026. The effective date of the insurance shall be no later than July 1, 2026.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

10. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

11. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

12. Hazardous Substances and Materials. Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous

substances and materials.

13. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

14. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

15. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

16. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

17. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

18. No Joint Venture. City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises or elsewhere at the Kenai Municipal Airport.

19. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.

20. Personality. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25.00 per day. The City of

Kenai is not responsible for any damage to or theft of any personality of Permittee or of its customers.

21. Termination; Default. This Permit may be terminated by either party hereto by giving thirty (30) days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than thirty (30) days, to protect public health and safety or due to a failure of Permittee to comply with condition or term of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

22. Landing Fees; Fee Schedule. Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within thirty (30) days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten (10) days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

23. Impoundment. At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within ninety (90) days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three (3) consecutive weeks not more than thirty (30) days nor less than seven (7) days before the time of the auction.

24. Definitions. As used in this Permit, "Permittee" means Empire Airlines, Inc. and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.



MEMORANDUM

TO: Mayor Knackstedt and Members of Council
THROUGH: Terry Eubank, City Manager
THROUGH: Mary Bondurant, Interim Airport Manager
FROM: Julie Semmens, Airport Administrative Assistant II
DATE: June 8, 2026
SUBJECT: **Action/Approval - Special Use Permit to Everts Air Fuel, Inc.**

Everts Air Fuel, Inc. is requesting a Special Use Permit for aircraft parking and loading on approximately 30,000 square feet of apron space. This permit would be effective for 12 months, from July 1, 2026 through June 30, 2027.

Everts Air Fuel has submitted the Special Use Application and paid the \$100 application fee. Everts Air Fuel is current on all fees owed to the City and a current Certificate of Insurance is on file.

Your support for issuance of a Special Use Permit to Everts Air Fuel, Inc. is respectfully requested.



**City of Kenai
Special Use Permit
Application**

Application Date: 06/03/26

Applicant Information

Name of Applicant:	Everts Air Fuel Inc.						
Mailing Address:	PO Box 60056	City:	Fairbanks	State:	AK	Zip Code:	99706
Phone Number(s):	Home Phone: () [REDACTED]		Work/ Message Phone: () [REDACTED]				
E-mail: (Optional)	[REDACTED]						
Name to Appear on Permit:	Everts Air Fuel						
Mailing Address:		City:		State:		Zip Code:	
Phone Number(s):	Home Phone: ()		Work/ Message Phone: ()				
E-mail: (Optional)							
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 <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Other _____						

Property Information

Legal or physical description of the property:

Description of the proposed business or activity intended:
Aircraft Parking

Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location? YES NO

Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances? YES NO

If you answered yes to any of the above questions, please explain:

What is the term requested (not to exceed one year)? 6 Months

Requested Starting Date: July 1, 2026

Signature:		Date: 6/03/26	06/03/26
Print Name:	Robert W. Everts	Title:	Consultant

For City Use Only:	Date Application Fee Received:
<input type="checkbox"/> General Fund <input type="checkbox"/> Airport Reserve Land	City Council Action/Resolution: _____
<input type="checkbox"/> Airport Fund <input type="checkbox"/> Outside Airport Reserve	Account Number: _____

SPECIAL USE PERMIT

The **CITY OF KENAI** (City) grants to **EVERTS AIR FUEL, INC.** (Permittee), whose address is P.O. Box 60908, Fairbanks, AK 99706, a Special Use Permit to conduct aeronautical and/or aviation-related activities at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 30,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.
2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2026 and ending on June 30, 2027. Regardless of the date of signature, this Permit shall be effective as of July 1, 2026.
3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:
 - A. **Permit:** Permittee shall pay a monthly fee of \$3,500.00 (\$1.40/SF/Year) plus applicable sales tax. *Adjusted for the City of Kenai Schedule of Rates, Charges, and Fees for Fiscal Year 2027.
 - B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.
 - C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of 10% per annum, and penalty of 10% shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

4. Use. City authorizes Permittee's non-exclusive use of the Premises for the following purpose(s):

Aircraft Loading and Parking.

NOTE: *This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.*

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, and guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall coordinate all activities on the Airport with Airport Management, or a designated representative, and shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee.

8. Radio Transmitting Equipment. Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

9. Insurance. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, City is entitled to coverage to the extent of the higher limits.

A. Commercial General Liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 combined single limit. The policy must include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. The policy must name the City as an additional insured.

B. Worker's compensation insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide worker's compensation insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.

C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

- i. All policies will be by a company/corporation currently rated "A-" or better by A.M. Best.
- ii. Permittee shall submit to the City proof of continuous insurance

coverage in the form of insurance policies, certificates, endorsements, or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.

- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least 30 days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by July 1, 2026. The effective date of the insurance shall be no later than July 1, 2026.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

10. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

11. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

12. Fuel Spill Prevention and Response Plan. Areas of the Apron have been seal coated

to protect asphalt from adverse effects of petroleum product spills. The City requires that Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for any damage caused by and costs associated with any spill, the cleanup of any spill, or the discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within 50' of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

13. Hazardous Substances and Materials. Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

14. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

15. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

16. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

17. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

18. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

19. No Joint Venture. City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises or elsewhere at the Kenai Municipal Airport.

20. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.

21. Personalty. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25 per day. The City of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

22. Termination; Default. This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety or due to a failure of Permittee to comply with condition or term of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

23. Landing Fees; Fee Schedule. Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within 30 days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

24. Impoundment. At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within 90 days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three consecutive weeks not more than 30 days nor less than seven days before the time of the auction.

25. Definitions. As used in this Permit, "Permittee" means Everts Air Fuel, Inc. and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.



MEMORANDUM

TO: Mayor Knackstedt and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Mary Bondurant, Interim Airport Manager
DATE: June 8, 2026
SUBJECT: **Action/Approval – Special Use Permit to Division of Forestry**

The State of Alaska, Division of Forestry is requesting a Special Use Permit to park and load aircraft related to firefighting activities on approximately 30,000 square feet on the apron. The Special Use Permit will be effective for one year from May 15, 2026 to September 15, 2026.

The Special Use Application fee of \$100 has been paid and State of Alaska is current in all fees owed to the City. An updated Certificate of Insurance is being processed and the City will have it before any operations begin.

Airport Commission reviewed the application at the June 11, 2026 meeting and recommends City Council approval.

Your support for issuance of a Special Use Permit to the State of Alaska, Division of Forestry, is respectfully requested.

Thank you for your consideration.

attachments



City of Kenai
Special Use Permit
Application

Application Date: 5/12/2026

Applicant Information

Name of Applicant: SOA, DNR, Division of Forestry & Fire Protection
Mailing Address: 101 Airport Road City: Palmer State: AK Zip Code: 99645
Phone Number(s): Home Phone: () 761-6357 Work/ Message Phone: ()
E-mail: (Optional) madelyn.lowe@alaska.gov
Name to Appear on Permit: Division of Forestry & Fire Protection
Mailing Address: 101 Airport Road City: Palmer State: AK Zip Code: 99645
Phone Number(s): Home Phone: () 761-6305 Work/ Message Phone: ()
E-mail: (Optional) victoria.vinson@alaska.gov; andy.jones@alaska.gov
Type of Applicant: [] Individual (at least 18 years of age) [] Partnership [] Corporation [x] Government
[] Limited Liability Company (LLC) [] Other

Property Information

Legal or physical description of the property: Apron Space immediately adjacent to Lease lot 2545
Description of the proposed business or activity intended: Activities in support of wildland fire suppression and emergency response operations.
Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location? [] YES [x] NO
Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances? [] YES [x] NO
If you answered yes to any of the above questions, please explain:
What is the term requested (not to exceed one year)? 4 months
Requested Starting Date: May 12, 2026

Signature: [Handwritten Signature] Date: 5/12/26
Print Name: Madelyn Lowe Title: Procurement Specialist

For City Use Only: [] General Fund [] Airport Reserve Land [] Airport Fund [] Outside Airport Reserve
Date Application Fee Received:
City Council Action/Resolution:
Account Number:

SPECIAL USE PERMIT

The **CITY OF KENAI** (City) grants to **STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES/DIVISION OF FORESTRY** (Permittee), whose address is 550 W. Seventh Avenue, Suite 1450, Anchorage, AK 99501-3566, a Special Use Permit to conduct aeronautical and/or aviation-related activities at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. Premises. Permittee shall have the non-exclusive right to use 30,000 square feet as described in the attached diagram shown in the attached Exhibit A for the uses identified in this Permit.

2. Term. The term of this Permit shall be for four months commencing on May 1, 2026, and ending on August 31, 2026. Regardless of the date of signature, this Permit shall be effective as of May 1, 2026.

3. Permit Fees. Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. Permit: Permittee shall pay a monthly fee plus applicable sales tax as follows:

May - June \$ 1600/ month

July - August* \$XXXX/ month

*Adjusted for the published City of Kenai Fee Schedule of Rates, Charges and Fees for Fiscal Year 2027.

B. Proximity Card for Gate Access: In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. Other Fees: City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of 10% per annum, and penalty of 10% shall also be due

(KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination).

4. Use. City authorizes Permittee's non-exclusive use of the Premises for the following purpose(s):

Aircraft loading and parking.

NOTE: *This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.*

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, and guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition,

problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall coordinate all activities on the Airport with Airport Management, or a designated representative, and shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee.

8. Radio Transmitting Equipment. Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

9. Insurance. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, City is entitled to coverage to the extent of the higher limits.

A. Commercial General Liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 combined single limit. The policy must include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. The policy must name the City as an additional insured.

B. Worker's compensation insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide worker's compensation insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.

C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

i. All policies will be by a company/corporation currently rated "A-" or

better by A.M. Best.

- ii. Permittee shall submit to the City proof of continuous insurance coverage in the form of insurance policies, certificates, endorsements, or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.
- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least 30 days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by May 1, 2026. The effective date of the insurance shall be no later than May 1, 2026.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

10. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

11. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's

exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

12. Hazardous Substances and Materials. Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

13. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

14. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

15. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

16. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

17. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

18. No Joint Venture. City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises or elsewhere at the Kenai Municipal Airport.

19. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.

20. Personality. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25.00 per day. The City of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

21. Termination; Default. This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety or due to a failure of Permittee to comply with condition or term of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

22. Landing Fees; Fee Schedule. Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within 30 days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

23. Impoundment. At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within 90 days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three consecutive weeks not more than 30 days nor less than seven days before the time of the auction.



MEMORANDUM

TO: Mayor Knackstedt and Members of Council
THROUGH: Terry Eubank, City Manager
THROUGH: Mary Bondurant, Interim Airport Manager
FROM: Julie Semmens, Airport Administrative Assistant II
DATE: June 8, 2026
SUBJECT: **Special Use Permit to UPSCO United Parcel Service Co., Inc.**

UPSCO United Parcel Service Co., Inc. is requesting a Special Use Permit for aircraft parking and loading on approximately 4,000 square feet of apron space. This permit would be effective for 12 months from July 1, 2026 through June 30, 2027.

UPSCO has submitted the Special Use Application and paid the \$100 application fee. UPSCO is current on all fees owed to the City and a current Certificate of Insurance is on file.

Your support for issuance of a Special Use Permit to UPSCO United Parcel Service Co., Inc. is respectfully requested.

attachments



City of Kenai
Special Use Permit
Application

Application Date: 06/04/2026

Applicant Information

Name of Applicant: UPSCO United Parcel Service

Mailing Address: 330 main street loop City: Kenai State: AK Zip Code: 99611

Phone Number(s): Home Phone: [Redacted] Work/ Message Phone: (907) 283-5767

E-mail: (Optional) [Redacted]

Name to Appear on Permit: UPSCO United Parcel Service

Mailing Address: 330 main street loop City: Kenai State: AK Zip Code: 99611

Phone Number(s): Home Phone: [Redacted] Work/ Message Phone: (907) 283-5767

E-mail: (Optional) [Redacted]

Type of Applicant: Individual (at least 18 years of age) Partnership Corporation Government
 Limited Liability Company (LLC) Other

Property Information

Legal or physical description of the property:
330 main st Loop, Kenai, AK 99611

Description of the proposed business or activity intended:

Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location? YES NO

Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances? YES NO

If you answered yes to any of the above questions, please explain:

What is the term requested (not to exceed one year)? one year

Requested Starting Date: 07/01/2026

Signature: [Signature] Date: 06/04/2026

Print Name: Jonathon Gaasvig Title: Business Manager

For City Use Only: General Fund Airport Reserve Land Airport Fund Outside Airport Reserve

Date Application Fee Received: _____
City Council Action/Resolution: _____
Account Number: _____



MEMORANDUM

TO: Mayor Knackstedt and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Mary Bondurant, Interim Airport Manager
DATE: June 8, 2026
SUBJECT: **Action/Approval – Second Amendment to Automatic Teller Machine (ATM) Concession Agreement with Tyler Distributing Company, Inc.**

On July 1, 2024, the City of Kenai entered into an ATM Concession Agreement with Tyler Distributing Company for a period of one year with the option to extend for four successive one-year terms by mutual consent of the City and Concessionaire. The term was July 1, 2024 through June 30, 2025.

On June 4, 2025, the City Council approved the First Amendment to the ATM Concession Agreement for July 1, 2025 through June 30, 2026.

Tyler Distributing Company, Inc. is requesting to extend under the same terms and conditions for the Second Amendment to the ATM Concession Agreement starting July 1, 2026 through June 30, 2027.

Tyler Distributing Company, Inc. is current in all fees owed to the City and a current Certification of Insurance is on file.

Airport Commission reviewed the application at the June 11, 2026 meeting and recommends City Council approval.

Your support for issuance of a second amendment to ATM Concession Agreement of Tyler Distributing Company, Inc., is respectfully requested.

Attachments

**SECOND EXTENSION TO AGREEMENT FOR AN AUTOMATIC TELLER MACHINE
IN THE AIRPORT TERMINAL**

The Automatic Teller Machine (ATM) Concession Agreement made the 1st day of July 2024 for one-year, by and between the CITY OF KENAI, hereinafter called "Owner", whose address is 210 Fidalgo Avenue, Kenai, AK 99611-7794, and, Tyler Distributing Company, Inc, whose mailing address is P.O. Box 96, Kenai, AK 99611, hereinafter called "Contractor," is hereby amended as follows:

1). Pursuant to Article II of the Agreement, the term of the Agreement is extended for one year, beginning on July 1, 2026 and ending on June 30, 2027.

2). All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

DATED this ____ day of _____ 2026.

CITY OF KENAI:

CONCESSIONAIRE:

By: _____
Terry Eubank, City Manager

By: _____
Michael Metteer, President

STATE OF ALASKA)
)ss
THIRD JUDICIAL DISTRICT)


The foregoing instrument was acknowledged before me this ___ day of _____, 2026, by Terry Eubank, City Manager for the City of Kenai.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
)ss
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ___ day of _____, 2026, by Michael Metteer, Tyler Distributing Company, Inc., an Alaskan corporation on behalf of the corporation.

Notary Public for Alaska
My Commission Expires: _____

Approved as for form: 

Scott Bloom, City Attorney



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Lee Frey, Public Works Director

DATE: June 9, 2026

SUBJECT: **Action/Approval** – Wastewater Monitoring Program MOU

Public Works has been in contact with the Alaska Department of Health to discuss participation in their Wastewater Monitoring Program. This program helps the State review trends of diseases in communities around Alaska and results would be available to the public. The program is at no cost to the City other than staff time to take samples and drop them off for transport. We recommend the City proceed with completing the MOU with the Department of Health to begin this monitoring work.

Alaska Department of Health
Division of Public Health
Section of Epidemiology - Wastewater Monitoring Program
 Memorandum of Understanding
 June 2026

Section One: Background

State and local health departments across the United States are partnering with wastewater utilities to monitor pathogens of concern in wastewater influent at utilities across their state. The goal of wastewater monitoring is to provide data that local public health agencies can use to understand the presence and/or trends of disease in their communities. Follow-up public health action may include community messaging about the detected pathogen, the importance of handwashing, encouragement to receive appropriate preventative care, and other resources providing more information on disease control for a specific pathogen. The Alaska Division of Public Health will partner with the University of Alaska, the Department of Environmental Conservation, the Wildlife Conservation Society, and wastewater treatment plant operators across the state to build a scalable network for disease monitoring using wastewater influent.

Section Two: Purpose

The purpose of this Memorandum of Understanding is to set forth the terms and conditions, scope of work, and responsibilities of the parties associated with their collaboration on wastewater surveillance. The effort is scalable and may be expanded through future agreements.

Section Three: MOU Parties

The following entities are parties to this MOU, each referred to individually as a Wastewater Utility and Regulatory Agency.

Participating parties	
Regulatory agency	<i>Alaska Department of Health, Division of Public Health 3601 C Street, Suite 540, Anchorage, AK 99503</i>
Wastewater utility:	<i>City of Kenai 210 Fidalgo Avenue, Kenai, AK 99611</i>

Section Four: Responsibilities

The following describes the responsibilities of the MOU parties.

Alaska Department of Health, Division of Public Health

- Work with and support the wastewater utility to collect data necessary for the interpretation of results. This may include wastewater collection catchment boundaries to allow for correlation with clinical case data for that area, flow rates, or other data as requested by the Centers for Disease Control and Prevention (CDC).
- Work with the wastewater utility to assess and enhance sample collection capacities. This includes identifying optimal **sampling intervals**, determining the **most strategic locations** for data integrity, and establishing **standardized sampling techniques** to ensure high-quality results and regulatory compliance.
 - This can include purchasing materials for the wastewater treatment plant to conduct the program, if deemed necessary by the *Alaska Division of Public Health*.
 - If the influent source is not available for sampling, it can be decided to use another location, based on

the wastewater utility capacity.

- Update, maintain, and enhance the *Alaska Division of Public Health's* internal wastewater dashboard for participants of the program to view their data.
 - For SARS-CoV-2 (the virus that causes COVID-19), data will include RNA viral concentration (reported as copies/L), case counts, and, when available, variant data by sewershed.
 - Other pathogens, such as influenza, respiratory syncytial virus (RSV), measles, or targets of public health concern, may be tested in wastewater samples.
- Update and maintain the public dashboard on the *Alaska Division of Public Health Wastewater Monitoring* website.
- Coordinate with CDC's National Wastewater Surveillance System (NWSS) to better understand the extent of disease in communities across the United States.
- Quantify pathogen or other target concentrations from wastewater influent samples using reverse transcription digital PCR (dPCR), when possible.
- Test wastewater influent samples from all participating utilities for mutations indicative of SARS-CoV-2 variants of concern.
- Establish trend classifications and alert local public health agency partners to trends in their area.
 - Provide technical assistance to local public health agencies to interpret the data.
- Recruit and onboard additional utilities to participate in the collaborative.
- Provide a courier or shipping service to wastewater utilities to pick up samples and transport them to *either the University of Alaska AIMS Core Facility Lab or the Department of Environmental Conservation's Environmental Health Lab*.
- Consult with local public health partners or city officials and notify utilities before *the Alaska Division of Public Health* begins testing for a new pathogen of concern.
 - This could include testing for non-microbial targets such as environmental contaminants or bacteria resistant to multiple antibiotics.

Participating wastewater facility

- Follow sampling methods as outlined in the 'SOP for Transportation of Samples' to *Alaska Department of Health Testing Laboratories*.
- Sample wastewater influent at regular intervals that may be pathogen or target specific to ensure data consistency.
- Sampling will be conducted through *June of 2027*.
 - *Upon securing additional funding, project participation will be extended beyond 2027.*
- Samples will be left for the courier at the designated pick-up spot and time.
- Furnish a Geographic Information System (GIS) layer of the catchment area to *the Alaska Division of Public Health* for interpretation of data on the dashboard, when available.
- Provide *the Alaska Division of Public Health* with information necessary for the interpretation of results. This may include flow rates or other data as requested by the CDC.

Section Five: Special provisions

Nonbinding agreement

The parties agree that this MOU is to memorialize the intent of the parties regarding the program, but it does not create a legal agreement between the parties. It is agreed by the parties that nothing in this MOU will be deemed or construed as creating a joint venture, trust, partnership, or any other legal relationship among the parties. This MOU is for the benefit of the parties and does not create third-party rights.

Voluntary participation

The project is conducted voluntarily by the wastewater facilities, and they can withdraw at any time, provided that they have communicated with the *Alaska Department of Health* prior to their decision.

Purchase of materials

If the *Alaska Department of Health* were to purchase materials for the wastewater facility to conduct the program, it would require an agreement between the two parties and would involve the facility enrolling for a minimum period to be defined in the new agreement, depending on the type of purchase.

Communications

Any communications affecting the operations covered by this agreement given by *the Alaska Division of Public Health* or the wastewater utility are sufficient only if in writing and delivered in person, mailed, or transmitted electronically by email or fax, as follows:

- To *the Alaska Division of Public Health - Section of Epidemiology* at the address of:
 - 3601 C Street, Suite 540, Anchorage, AK 99503
 - Email clayton.weingartner@alaska.gov, william.george@alaska.gov, elizabeth.ohlsen@alaska.gov, and/or louisa.castrodale@alaska.gov

OR

- To the *Wildlife Conservation Society - Arctic Beringia program*, et the address of:
 - 302 Cushman Street, Suite 203, Fairbanks, 99701, AK
 - Email jbayle@wcs.org or mjohannsen@wcs.org
- To wastewater utilities, at the party's address shown in the MOU or such other address designated within the MOU.
- All communications with the media will be coordinated with *the Alaska Division of Public Health's Public Information Team (PIT)* prior to the issuance of press releases and interviews.

Access to records and data flow

- Nothing in the agreement shall be deemed to waive or modify any public access or provision of the *State of Alaska* Open Records Act.
- All data relating to the project will be provided to *Alaska Department of Health* including, but not limited to, sample locations, frequencies, collection methods, analysis methods, results, and any analysis statistics.
- Laboratory results will also be made available to the wastewater entity that generated the samples.
- All data will be analyzed by *the Alaska Division of Public Health* and provided to the wastewater utilities and local public health agencies concurrently via the *upload to a program stakeholder access dashboard and/or weekly PDF reports*. If deemed appropriate to share on the public dashboard by *the Division of Public Health* and the local Public Health partners, data will be published to the public dashboard 24 hours after being available on the *Alaska Division of Public Health's* internal dashboard.
- *Alaska Division of Public Health* will share the results of wastewater testing with the CDC. This includes the

CDC's National Wastewater Surveillance System, which houses a secure dashboard accessible only to public health departments.

- *Small rural and /or tribal communities can opt out of sharing data with the CDC. This applies to tribal communities and populations of less than 3000 people.*
- All abstracts, presentations, and publications that include data from this project must be reviewed by the **Alaska Division of Public Health's Section of Epidemiology and/or Public Information Team** staff prior to presentation or publication.

Effective date

This agreement shall become effective on the date of execution by the last signatory party. It may be amended or extended upon the mutual agreement of the MOU Parties. Any party may terminate the MOU after thirty (30) days' advance written notice. The MOU will expire on *July 1st, 2027*, unless extended in writing by the parties.

Section Six: Approvals

The following pages include the approval of this MOU by the MOU Parties.

Each individual signing this MOU represents and warrants that they are duly authorized to execute and deliver this document on behalf of their respective organization.

Organization	Authorized Representative	Title	Date + Signature
<i>Alaska Department of Health, Division of Public Health</i>			



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3531-2026**

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE KENAI RECREATION CENTER IMPROVEMENTS CAPITAL PROJECT FUND AND ACCEPTING A GRANT FROM THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM TO REPLACE LIGHTING IN THE KENAI RECREATION CENTER.

WHEREAS, the City of Kenai applied for and received a \$75,270 grant from the the Energy Efficiency and Conservation Block Grant Program to replace older street light fixtures with energy efficient LED street lights; and,

WHEREAS, after completion of the street light assessment, it has been determined these funds would be better spent replacing light fixtures at the Kenai Recreation Center; and,

WHEREAS, Public Works requested and was approved to use the grant funds for the Kenai Recreation Center; and,

WHEREAS, it is in the best interest of the City to accept the grant funds to proceed with this project.

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 Energy Efficiency and Conservation Block Grant Program in the amount of \$75,270 and expend the funds in accordance with the provisions of the grant.

Section 2. That estimated revenues and expenditures be increased as follows:

Kenai Recreation Center Improvements Capital Projects Fund:

Increase Estimated Revenues -
Federal Grants - \$75,270

Increase Appropriations -
Construction \$75,270

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 8TH DAY OF JULY 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____

Introduced:
Enacted:
Effective:



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Lee Frey, Public Works Director

DATE: June 9, 2026

SUBJECT: **Ordinance 3531-2026** - Increasing Estimated Revenues and Appropriations in the Kenai Recreation Center Improvements Capital Project Fund and Accepting a Grant from the Energy Efficiency and Conservation Block Grant Program to Replace Lighting in the Kenai Recreation Center.

The memo requests Council's approval to accept a grant from the Energy Efficiency and Conservation Block Grant (EECBG) Program to replace lighting at the Kenai Recreation Center with energy efficient LED lighting.

The City applied for a grant to this program to replace older street light fixtures with LED fixtures for energy efficiency. After completion of the street lighting assessment, it was determined that the majority of the City owned light fixtures have already been converted and these funds could be more useful somewhere else. The Kenai Recreation Center was determined to be the best use of funds as there is regular use at this facility during the year and lighting replacement could have a significant effect on electrical use. The high bay lighting in the gym and racquetball courts would be the main goal as they are in poor condition and difficult to work on.

The City does not have any additional funding appropriated for this project. We will bid out work with alternates to maximize grant funding, but may also request additional funding to complete needed upgrades as the \$75,270 available through the grant.

The Public Works Department recommends accepting the grant from the EECBG Program to complete lighting upgrades at the Kenai Recreation Center.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3532-2026**

AN ORDINANCE DETERMINING THAT THE PROPOSED SUBDIVISION OF DENA'INA POINT ESTATES SERVES OTHER CITY PURPOSES, AUTHORIZING THE CITY TO SHARE IN SUBDIVISION COSTS, AND INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL FUND - LANDS ADMINISTRATION IN THE AMOUNT OF \$54,219.

WHEREAS, Kenai Municipal Code 22.05.025(c) provides that lease applicants proposing a subdivision are responsible for subdivision costs unless the City Council determines that the subdivision serves other City purposes; and,

WHEREAS, if the Council determines that other City purposes are served, the Council may, in its sole discretion, share in subdivision costs in an amount it determines is reasonable given the benefit to the City; and,

WHEREAS, the proposed subdivision of Dena'ina Point Estates will facilitate the development and disposition of City-owned property and therefore serves other City purposes; and,

WHEREAS, the City Council finds that sharing in subdivision costs in an amount not to exceed \$54,219 is reasonable given the benefit to the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. The City Council determines, pursuant to KMC 22.05.025(c), that the proposed subdivision of Dena'ina Point Estates serves other City purposes and authorizes the City Manager to share in subdivision costs in an amount not to exceed \$54,219.

Section 2. That estimated revenues and appropriations in the General Fund – Lands Administration are hereby increased as follows:

General Fund:

Increase Estimated Revenues:	
Appropriation of Fund Balance	<u>\$54,219</u>

Increase Appropriations:	
Land Administration – Professional Services	<u>\$54,219</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 8TH DAY OF JULY, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____

Introduced:	June 17, 2026
Enacted:	July 8, 2026
Effective:	July 8, 2026



MEMORANDUM

TO: Mayor Knackstedt and Council Members

FROM: Terry Eubank, City Manager

DATE: June 8, 2026

SUBJECT: **Ordinance No. 3532-2026** - Determining that the Proposed Subdivision of Dena'ina Point Estates Serves Other City Purposes, Authorizing the City to Share in Subdivision Costs, and Increasing Estimated Revenues and Appropriations in the General Fund – Lands Administration in the Amount of \$54,219.

The proposed ordinance would determine that the subdivision of Dena'ina Point Estates serves other City purposes and authorize the City to share in subdivision costs in an amount not to exceed \$54,219.

Kenai Municipal Code 22.05.025(c) requires applicants proposing a subdivision to bear all subdivision-related costs unless the City Council determines that the subdivision serves other City purposes. If such a determination is made, the Council may, in its sole discretion, share in subdivision costs in an amount it determines is reasonable given the benefit to the City.

The proposed subdivision would reconfigure City-owned property into developable lots and establish the rights-of-way and utility corridors necessary to support future development, including residential development opportunities. The subdivision advances the City's land management objectives, supports additional housing opportunities, and increases the utility, marketability, and development potential of City-owned land.

The proposed cost sharing is contemplated in a Memorandum of Understanding (MOU) between the City and Tidewater, LLC, which is being presented for Council consideration under separate resolution. The MOU establishes a framework for replatting and potential future development but does not obligate either party to enter into a lease, sale, or other transaction.

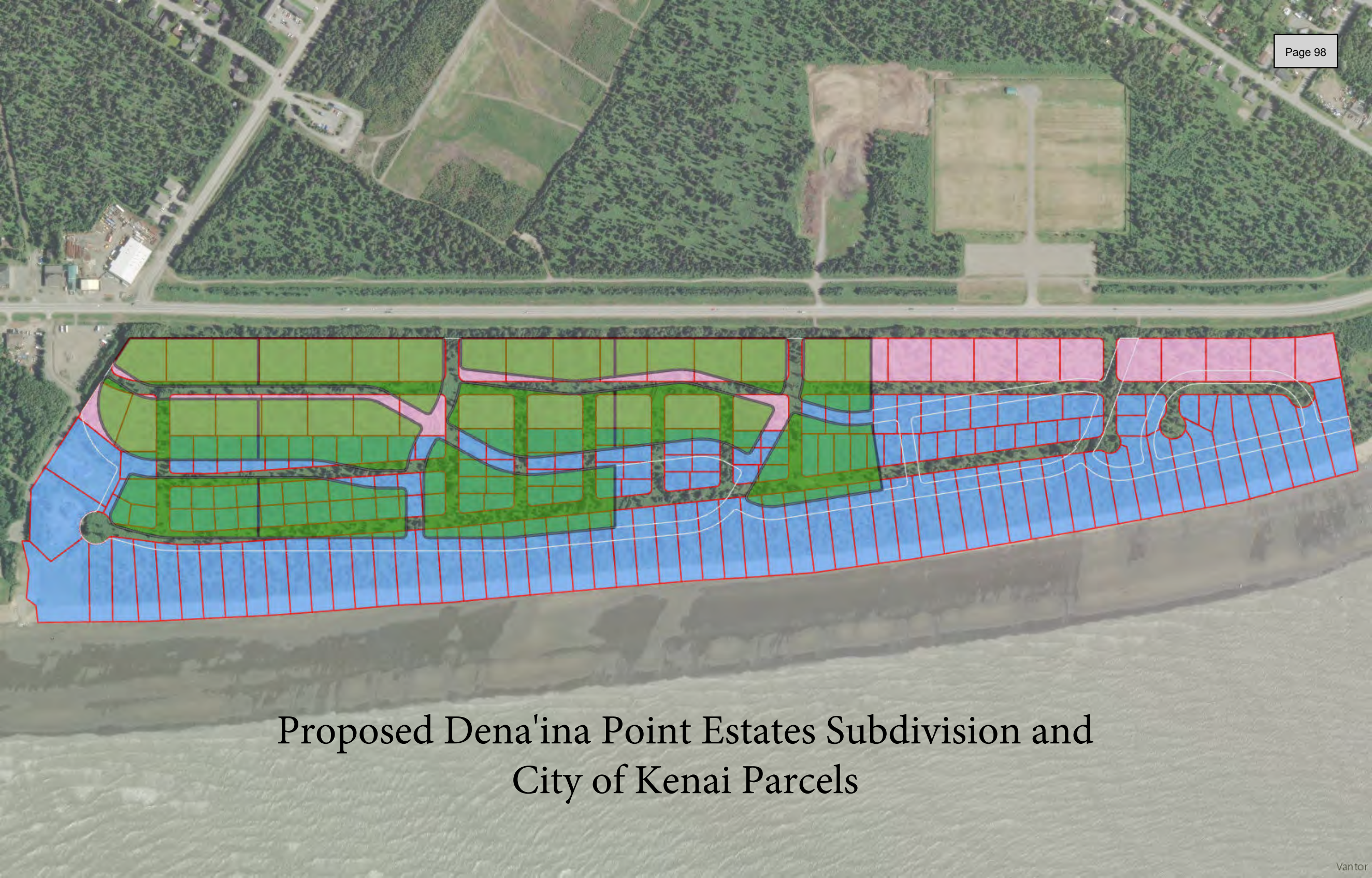
The estimated subdivision cost is \$82,150. The proposed City contribution is limited to \$54,219, with the Developer responsible for the remaining subdivision costs and all other project-related costs unless otherwise approved by the City Council.

Staff recommends that the Council determine the subdivision serves other City purposes and authorize cost sharing in an amount not to exceed \$54,219.

Your consideration is appreciated.



Proposed Denai'ina Point Estates Subdivision



Proposed Dena'ina Point Estates Subdivision and
City of Kenai Parcels

**KENAI PLANNING & ZONING COMMISSION – REGULAR MEETING
MAY 27, 2026 – 7:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR KEATON, PRESIDING**

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai Planning & Zoning Commission was held on May 27, 2026, in City Hall Council Chambers, Kenai, AK. Chair Keaton called the meeting to order at approximately 7:00 p.m.

1. Pledge of Allegiance

Chair Keaton led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Jeanne Keaton, Chair	Alex Douthit, Vice Chair
Sonja Earsley	Gwen Woodard
Stacie Krause	Diane Fikes
Marty Askin (<i>remote participation</i>)	

[Clerk's Note: In accordance with KMC 14.05.025 (n) Commissioner Askin had exceeded the maximum number of meetings by remote electronic means. As such Commissioner Askin abstained from meeting participation.]

A quorum was present.

Also in attendance were:

Kevin Buettner, Planning Director
Phil Daniel, City Council Liaison
Logan Parks, Deputy City Clerk

3. Agenda and Consent Agenda Approval

Chair Keaton noted the following additions to the Packet:

Add to item F.2.	Resolution PZ 2026-11
Add to item F.3.	Resolution PZ 2026-12
Add to item F.3.	Resolution PZ 2026-12 <ul style="list-style-type: none">• Public Comment
Add to item F.4.	Resolution PZ 2026-13
Add to item F.4.	Resolution PZ 2026-13 <ul style="list-style-type: none">• Public Comment
Add to item F.6.	Resolution PZ 2026-15
Add to item F.7.	Resolution PZ 2026-16
Add to item F.7.	Rezone Memo

MOTION:

Commissioner Woodard **MOVED** to approve the agenda and consent agenda with the requested revisions. Commissioner Earsley **SECONDED** the motion.

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

Chair Keaton opened the floor for public comment on consent agenda items; there being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

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 Commissioner 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. APPROVAL OF MINUTES

- 1. *Regular Meeting of April 27, 2026.
- 2. *Regular Meeting of May 13, 2026.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS - None.

E. CONSIDERATION OF PLATS - None.

F. PUBLIC HEARINGS

- 1. **Resolution PZ2026-10** - Granting a Conditional Use Permit for a Cabin Rental of a Single-Family Dwelling at 1003 Skyler Lane.

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-10. Commissioner Earsley **SECONDED** the motion.

Planning Director Buettner read the staff report as included in the packet and attached to Resolution PZ2026-10.

Chair Keaton opened the floor for public comment.

Braedon Pitsch, the property owner, spoke in support of the proposed short-term rental; noting operational measures for the property including seasonal use, enforcement of quiet hours, off-street guest parking requirements, local management oversight, and measures intended to minimize impacts to the surrounding neighborhood and bus routes.

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

There was discussion regarding adding quite hours as a formal condition of approval.

MOTION:

Vice Chair Douthit **MOVED** to amend Resolution PZ2026-10 to include quiet hours from 10 p.m. to 6 a.m. Commissioner Woodard **SECONDED** the motion.

VOTE ON MOTION TO AMEND:

YEA: Fikes, Woodard, Keaton, Douthit, Earsley

NAY: Krause

ABSENT: None

ABSTENTION: Askin

MOTION TO AMEND PASSED.

VOTE ON MAIN MOTION AS AMENDED:

YEA: Fikes, Woodard, Douthit, Keaton, Earsley, Krause
NAY: None
ABSENT: None
ABSTENTION: Askin

MAIN MOTION PASSED AS AMENDED.

Chair Keaton noted the 15-day appeal period.

2. Resolution PZ2026-11 - Granting a Conditional Use Permit for a Cabin Rental of a Single-Family Dwelling at 1510 Tundra Rose Lane.

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-11. Commissioner Fikes **SECONDED** the motion.

Planning Director Buettner read the memorandum as included in the packet and attached to Resolution PZ2026-11, noting the Administration’s request to postpone this item to the June 10, 2026 meeting.

Chair Keaton opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

MOTION:

Vice Chair Douthit **MOVED** to postpone Resolution PZ2026-11 to the June 10, 2026 Planning and Zoning meeting. Commissioner Woodard **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to postpone to June 10, 2026.

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

3. Resolution PZ2026-12 - Granting a Conditional Use Permit to Operate a Kennel Facility at 2925 Pirate Lane.

MOTION:

Commissioner Earsley **MOVED** to approve Resolution PZ2026-12. Commissioner Woodard **SECONDED** the motion.

Planning Director Buettner read the memorandum as included in the packet and attached to Laydown Resolution PZ2026-12, noting the request to postpone indefinitely.

Chair Keaton opened the floor for public comment.

Eva Thompson spoke in opposition of the Conditional Use Permit, noting concern regarding the kennel’s proximity to her residence.

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

MOTION:

Vice Chair Douthit **MOVED** to postpone Resolution PZ2026-12 indefinitely. Commissioner Woodard **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to postpone indefinitely.

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

4. Resolution PZ2026-13 - Granting a Conditional Use Permit to Operate a Kennel Facility at 2520 VIP Drive.

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-13. Commissioner Woodard **SECONDED** the motion.

Planning Director Buettner read memorandum as included in the packet and attached to Laydown Resolution PZ2026-13, noting the request to postpone indefinitely.

Chair Keaton opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

MOTION:

Vice Chair Douthit **MOVED** to postpone Resolution PZ2026-13 indefinitely. Commissioner Earsley **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to postpone indefinitely.

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

5. Resolution PZ2026-14 - Granting a Conditional Use Permit to Operate a Guide Service at 1125 Angler Drive.

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-14. Commissioner Earsley **SECONDED** the motion.

Planning Director Buettner read the staff report as included in the packet and attached to Resolution PZ2026-14.

Chair Keaton opened the floor for public comment.

Derek Gardner, property owner, spoke in support of the Conditional Use Permit associated with fishing-related operations under new ownership and a new business name.

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

There was Commission discussion in support of granting the Conditional Use Permit.

VOTE:

YEA: Woodard, Douthit, Keaton, Earsley, Krause, Fikes

NAY: None

ABSENT: None

ABSTENTION: Askin

MOTION PASSED.

Chair Keaton noted the 15-day appeal period.

6. Resolution PZ2026-15 - Granting a Variance Permit to Excavate 50 Feet in the Setback on the West Property Line for the Property Located at 2817 Beaver Loop Road.

MOTION:

Commissioner Earsley **MOVED** to approve Resolution PZ2026-15. Commissioner Woodard **SECONDED** the motion.

Planning Director Buettner read memorandum as included in the packet and attached to Resolution PZ2026-15, noting the request to postpone indefinitely.

Chair Keaton opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

MOTION:

Vice Chair Douthit **MOVED** to postpone Resolution PZ2026-15 indefinitely. Commissioner Woodard **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to postpone indefinitely.

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

7. Resolution PZ2026-16 - Recommending a Rezone of Parcel 04501057 Located at 10060 Kenai Spur Highway from Conservation to Suburban Residential.

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-16. Commissioner Woodard **SECONDED** the motion.

Planning Director Buettner read memorandum as included in the packet and attached to Resolution PZ2026-16.

Chair Keaton opened the floor for public comment.

Lisa Coates, an adjacent property owner, stated she is not opposed to development but opposed to suburban residential zoning; she recommended Rural Residential 1 due to wetlands and wildlife habitat; she expressed concerns about higher-density development, inadequate road infrastructure, and smoke impacts from a nearby fire training facility; and urged zoning that reflects the area’s rural character.

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

MOTION:

Vice Chair Douthit **MOVED** to amend Resolution PZ2026-16 from a recommendation of Suburban Residential to Rural Residential. Commissioner Woodard **SECONDED** the motion.

Support for the amendment was referenced to the findings stated in the record of the April 29, 2026 Planning and Zoning Commission meeting.

VOTE ON MOTION TO AMEND:

YEA: Douthit, Earsley, Krause, Fikes, Woodard

NAY: Keaton

ABSENT: None

ABSTENTION: Askin

MOTION TO AMEND PASSED.

VOTE ON MAIN MOTION AS AMENDED:

YEA: Earsley, Fikes, Woodard, Douthit

NAY: Keaton, Krause

ABSENT: None

ABSTENTION: Askin

MAIN MOTION AS AMENDED PASSED.

G. UNFINISHED BUSINESS - None.

H. NEW BUSINESS - None.

I. REPORTS

1. Planning Director

Planning Director Buettner reported on the following:

- The uncommon motions required during the meeting resulted from ongoing internal discussions regarding Title 14 public noticing requirements for the Commission.

- The current code requirement for newspaper publication within a 10-day noticing period can delay public hearings by nearly three weeks, during which circumstances may change; but once a matter has been publicly noticed, the Commission is required to hold a public hearing even if the item is later postponed indefinitely.
- Other municipalities and City bodies have updated their noticing methods and suggested the Commission consider alternative public notice methods in addition to newspaper publication; noting potential alternatives could include radio advertisements, postings at public locations, and creating a public notice section on the City website or Commission page.
- Legal notices in the newspaper are difficult for the public to access due to subscription and paywall requirements, limiting effectiveness and accessibility.
- Requested feedback from Commissioners gauging interest in exploring code amendments related to alternative public noticing methods to avoid similar meeting complications in the future; Commissioners supported finding alternative ways for public noticing requirements.

2. Commission Chair

Chair Keaton reported on the following:

- Looking forward to the Commission's involvement with the growth of Kenai.

3. Kenai Peninsula Borough Planning

Commissioner Fikes reported on recent actions of the Kenai Peninsula Borough Planning Commission.

4. City Council Liaison

Council Member Daniel reported on recent actions of the City Council.

J. **ADDITIONAL PUBLIC COMMENTS** - None.

K. **NEXT MEETING ATTENDANCE NOTIFICATION**

1. Next Meeting: June 10, 2026

L. **COMMISSION COMMENTS AND QUESTIONS**

Commissioner Douthit emphasized the importance of Commissioners providing findings supporting their votes to ensure a clear record exists for potential appeals or judicial review of Commission findings.

M. **PENDING ITEMS** - None.

N. **ADJOURNMENT**

O. **INFORMATIONAL ITEMS** - None.

There being no further business before the Planning & Zoning Commission, the meeting was adjourned at 8:29 p.m.

I certify the above represents accurate minutes of the Kenai Planning & Zoning Commission meeting of May 27, 2026.

Logan Parks, Deputy City Clerk

**KENAI PLANNING & ZONING COMMISSION – REGULAR MEETING
JUNE 10, 2026 – 7:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR KEATON, PRESIDING**

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai Planning & Zoning Commission was held on June 10, 2026, in City Hall Council Chambers, Kenai, AK. Chair Keaton called the meeting to order at approximately 7:00 p.m.

1. Pledge of Allegiance

Chair Keaton led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Jeanne Keaton, Chair	Alex Douthit, Vice Chair
Sonja Earsley	Gwen Woodard
Stacie Krause	Diane Fikes

A quorum was present.

Absent:

Marty Askin

Also in attendance were:

Kevin Buettner, Planning Director
Phil Daniel, City Council Liaison
Logan Parks, Deputy City Clerk

3. Agenda and Consent Agenda Approval

MOTION:

Commissioner Woodard **MOVED** to approve the agenda and consent agenda. Vice Chair Douthit **SECONDED** the motion.

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

Chair Keaton opened the floor for public comment on consent agenda items; there being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

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 Commissioner 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. APPROVAL OF MINUTES

1. *Regular Meeting of May 27, 2026.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS - None.

E. CONSIDERATION OF PLATS

- 1. Resolution PZ2026-17** - Recommending that Preliminary Plat Micah Subdivision Ringer Replat Attached Hereto be Approved.

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-17. Commissioner Woodard **SECONDED** the motion.

Planning Director Buettner read the staff report as included in the packet and attached to Resolution PZ2026-17.

Chair Keaton opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

The Commission discussed access and utility considerations associated with the proposed plat, including street connectivity, right-of-way, and utility service locations.

Staff clarified the proposed plat would not landlock any properties and utilities serve the property from Rainbow Drive, noting the plat includes right-of-way for a future Glacier Street cul-de-sac.

UNANIMOUS CONSENT was requested.

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

- 2. Resolution PZ2026-18** - Recommending that Preliminary Plat Thompson Park Myers Addition No. 3 Attached Hereto be Approved.

MOTION:

Commissioner Earsley **MOVED** to approve Resolution PZ2026-18. Vice Chair Douthit **SECONDED** the motion.

Planning Director Buettner read the staff report as included in the packet and attached to Resolution PZ2026-18.

Chair Keaton opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

F. PUBLIC HEARINGS - None.

G. UNFINISHED BUSINESS

- 1. Resolution PZ2026-11** - Granting a Conditional Use Permit for a Cabin Rental of a Single-Family Dwelling at 1510 Tundra Rose Lane

MOTION:

Vice Chair Douthit **MOVED** to approve Resolution PZ2026-11. Commissioner Earsley **SECONDED** the motion.

Planning Director Buettner read the staff report as included in the packet and attached to Resolution PZ2026-11.

Chair Keaton opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

Commission discussion included support for the proposed quiet hours condition.

Ken Corbett, applicant, clarified a property management company would be used if necessary.

UNANIMOUS CONSENT was requested.

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

H. **NEW BUSINESS** - None.

I. **REPORTS**

1. Planning Director

Planning Director Buettner reported on the following:

- Ongoing code enforcement activities and noted staff would begin providing periodic informational updates.
- Grant applications submitted for sidewalk and street lighting improvements along Lawton Drive and Tinker Lane, fish passage improvements between Cemetery Park and North Beach, and continued exploration of additional grant opportunities to advance projects identified in City plans through funding partnerships, noting that a phased approach is being considered for Old Town Park improvements to improve funding opportunities and project success.
- Ongoing collaboration with local tribes and other partners on grant applications and project development.

2. Commission Chair

Chair Keaton reported on the following:

- Thanked the Commissioners and citizens for attending meetings.

3. Kenai Peninsula Borough Planning

Commissioner Fikes reported on recent actions of the Kenai Peninsula Borough Planning Commission.

4. City Council Liaison

Council Member Daniel reported on recent actions of the City Council.

J. **ADDITIONAL PUBLIC COMMENTS** - None.

K. **NEXT MEETING ATTENDANCE NOTIFICATION**

1. Next Meeting: June 24, 2026

L. **COMMISSION COMMENTS AND QUESTIONS**

Commissioner Earsley supported the Safe Streets for All grant application.

Commissioner Krause thanked staff for putting the meeting notice on social media, noting she saw it shared online.

Commissioner Douthit suggested discussing potential amendments to the short-term rental regulations, including options to streamline the approval process, at a future work session.

M. **PENDING ITEMS** - None.

N. **ADJOURNMENT**

O. **INFORMATIONAL ITEMS** - None.

There being no further business before the Planning & Zoning Commission, the meeting was adjourned at 7:44 p.m.

I certify the above represents accurate minutes of the Kenai Planning & Zoning Commission meeting of June 10, 2026.

Logan Parks, Deputy City Clerk

DRAFT



MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council
THROUGH: Terry Eubank, City Manager
FROM: Mary Bondurant, Interim Airport Manager
DATE: June 5, 2026
SUBJECT: **Airport Mid-month Report May 2026**

FY2025 Airport Capital Improvement Projects

- Runway Rehabilitation Project
Construction has started on this project and is going well. Runway closure was May 15, 2026. Meetings are scheduled every Thursday with the Airport, engineers, and contractor until the end of the project.
- Apron Crack sealing, Marking, and Sealcoat Project
Construction started on May 26, 2026 and work is being performed at night. Project is progressing well. Meetings are scheduled every Thursday with the Airport, engineers, and contractor until project end.
- Acquire SRE (Loader & Plow Truck with Sander)
CAT 980 loader was delivered last fall with all the attachments and the plow truck and sander are being delivered on Monday, June 8.
- Airport Master Plan – Phase 2 Update
The Emerging Trends and Sustainability Evaluation was submitted to the City for review with comment deadline of May, 29, 2026.

The four preliminary alternatives are being developed and evaluated and a recommendation report will be presented to the City.

In-house Activities

- On May 8, Aleutian gave 30-day notice to cancel their lease with the City of Kenai.

Float plane basin opened in late May due to large ice chunks in the water. The Airport is currently experiencing problems with the fuel pumps due to unforeseen problems with the

credit card processing company. The 24-hour fuel system is out of service. Airport Administration and IT is working to resolve the issue.

- May 19, 2026 individuals from the USMC visited and toured the Airport in preparation for a large exercise in the spring of 2027; Arctic Edge 2027. This was an informal visit to see the airport and surrounding areas.
- Debbie's Bistro's last day of business in the terminal café was Saturday, May 26th. The Airport has prepared an RFP and it is being advertised.
- Fox Aircraft, LLC is requesting to provide service from Kenai to Anchorage in June 2026. A resolution and packet will be prepared for the May 6, 2026 City Council meeting for approval. Scheduled service is to start June 8, 2026 to Anchorage and back to Kenai.
- Airport Administration is finalizing and closing FY26 budget items and preparing for the FY27 budget year.





KENAI

City of Kenai - Animal Control | 510 N. Willow St, Kenai, AK 99611 | 907.283.7353 | www.kenai.city

MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council
THROUGH: Terry Eubank, City Manager
THROUGH: Dave Ross, Police Chief
FROM: Ian Braman, Animal Control Chief
DATE: June 2, 2026
SUBJECT: May 2026 Monthly Report

This month the Kenai Animal Shelter took in 20 animals.

DOGS:				
INTAKE	11	DISPOSITION	10	
Waiver	3	Adopted	4	
Stray	7	Euthanized	2	
Impound	0	Claimed	4	
Protective Custody	1	Field Release	0	
Quarantine	0	Transferred	0	
CATS:				
INTAKE	9	DISPOSITION	11	
Waiver	5	Adopted	6	
Stray	4	Euthanized	3	
Impound	0	Claimed	0	
Protective Custody	0	Field Release	0	
Quarantine	0	Transferred	2	
Transferred in				

OTHER ANIMALS:				
	INTAKE	0	DISPOSITION	0
	Rabbit	0	Rabbit	0
DOA:			OTHER STATISTICS:	
	Dog	0	Licenses (City of Kenai Dog Licenses)	8
	Cat	0	Rabies Clinic	0
	Rabbit	0		
	Bird	0		

4 Animals dropped with After Hours (days we are closed but cleaning and with KPD)

- 30** Field Investigations & patrols
- 4** Pet Food Bank Request
- 8** Volunteer Hours Logged
- 2** Citations
- 1** Educational Outreach
- 21** Microchips

Total Animal Contacts:

- 3** Animals are *known* borough animals
- 13** Animals are *known* City of Kenai
- 4** Animals are *known* City of Soldotna
- 0** Animals are *unknown* location

Statistical Data:

- 198** 2024 YTD Intakes
- 139** 2025 YTD Intakes
- 89** 2026 YTD Intakes





MEMORANDUM

TO: Mayor Knackstedt and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Dave Swarner, Finance Director
DATE: June 6, 2026
SUBJECT: Finance Department Mid-Month Report – May 2026

With the passage of the FY27 Budget at the June 3rd Council Meeting, the department has been making changes and compiling the document for printing. The document is expected to be available for distribution the week of the 15th.

The Department will now switch it's focus to closing FY26 and preparing of the City's Annual Comprehensive Financial Report. This process includes closing of the FY26 financial records, fiscal year end grant reporting and finally financial statement preparation.

The City will be receiving \$47,810 refund from the Alaska Public Risk Alliance (APRA) for our participation in the Loss Control Incentive Program in FY26. The Loss Control Incentive Program is a risk management initiative that rewards public entity members for actively reducing workplace hazards. Qualifying activities are typically completed by April 15th, the documentation submitted by May 1st and refund checks issued in June.

The 2026 Personal Use Fishery is quickly approaching and we will be working to assist Parks and Recreation staff to train seasonal employees to work in the dipnet shacks. The placement of the shacks is being coordinated with the Streets Dept and should be in place on July 6th, allowing IT a few days to have them up and functioning in time for the fishery.



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Jay Teague, Fire Chief

DATE: June 12, 2026

SUBJECT: Fire Department Mid-Month Report – May.

May	2025	2026	% change
Month totals	111	123	+11%
EMS	84	95	+13%
All Other	26	28	+8%
Year Total	609	616	+1%

Total training hours:

- Total recorded hours- (320)

Special Topics/external training

- Fire Marshal’s office completed:
 - 11 Scheduled Commercial Inspections
 - 3 Plan Reviews
 - 1 Public Complaint/Investigation
 - 13 Re-inspections
- Guardian conducted Annual LZ Training for helicopter operations with A-Shift
- Probationary firefighters Ben Johnston and Jacob Vigue completed 40 hour Basic ARFF Training
- Foam proportioning system/No Foam testing for ARFF trucks and FAA completed
- Deputy Chief Coots accepted to National Fire Academy Fire Service Leadership Course. Will be attended in Maryland in June.
- New hire and probationary firefighter C. Rocho was onboarded.
- B Shift completed annual Basic Life Support/ACLS/PALS recertifications.
- Chief Teague sat on Kenai Peninsula College Paramedic Selection Committee for three days.
- Probationary firefighter Rocho enrolled in EMT 2 for State of Alaska training.
- Active shooter Drills coordinated and planned with KPD for June exercises.

Projects/Grants/Misc:

- Council approved receipt of State Forestry Grant Award for Wildland Fire Equipment
- Grant application for Rural Health Transformation Program selected for advancement to finalist round.
- Annual Airport Emergency Plan review conducted with Airport staff.

Budget/Misc:

- End of year P.O. and purchase close outs.





MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council
THROUGH: Terry Eubank, City Manager
FROM: Stephanie Randall, Human Resources Director
DATE: June 10, 2026
SUBJECT: **Human Resources Activity – May 2026**

Recruitment

Human Resources continues to work with Administration to recruit a new Airport Manager. The Police Department interviewed and offered the Police Chief position to Ryan Coleman, to be effective after Chief Ross' retirement in July. The Police Department also recruited for a dispatcher and a police officer. The Fire Department filled an open position and began recruitment for a second position. The Streets department hired a new equipment operator. Parks and Recreation began recruiting for a Parks and Recreation Laborer and Personal Use Fishery positions. New temporary maintenance workers were onboarded and began work for the Parks and Recreation Department.

Safety




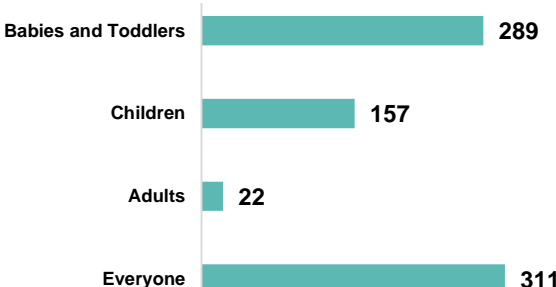

There was one accident report which resulted in a workers compensation claim. Alaska Public Risk Alliance (APRA) came on site to provide safety training for employees who are on the Safety Committee and Public Works employees. Employees from the City of Soldotna also participated.

Special Projects

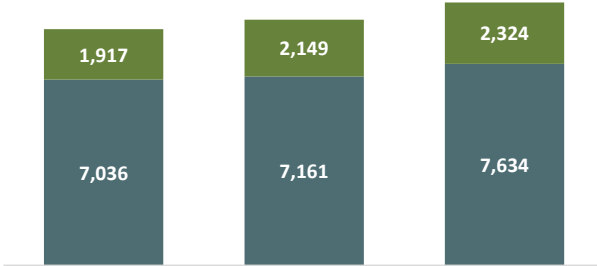
Human Resources continues to work with Administration to develop written Human Resources policies and procedures that support and align with Kenai Municipal Code.

MEMORANDUM

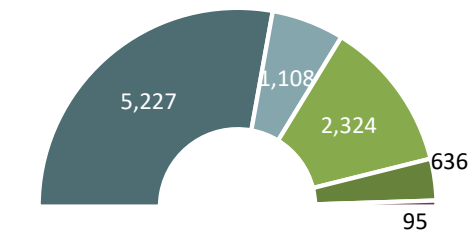
TO: Mayor Knackstedt and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Katja Wolfe, Library Director
DATE: June 8, 2026
SUBJECT: Library Report for May 2026

SERVICES	PROGRAMS AND EVENTS								
 <p>5894 Visitors 80 New Members</p>	 <p>799 Attendees 67 Programs</p>								
 <p>442 Computer Sessions 6195 WiFi Sessions</p>	<p>Program Attendance</p>  <table border="1"> <tr><td>Babies and Toddlers</td><td>289</td></tr> <tr><td>Children</td><td>157</td></tr> <tr><td>Adults</td><td>22</td></tr> <tr><td>Everyone</td><td>311</td></tr> </table>	Babies and Toddlers	289	Children	157	Adults	22	Everyone	311
Babies and Toddlers	289								
Children	157								
Adults	22								
Everyone	311								
 <p>147 Room Reservations 314 Hours of Use</p>									

CIRCULATION



Year	Physical Checkouts May	Digital Checkouts May
2024	7,036	1,917
2025	7,161	2,149
2026	7,634	2,324



Format	Count
Print	5,227
DVD	1,108
Digital	2,324
Other	636
Audio	95

*Does not include in-house use.



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council

THROUGH: Terry Eubank, City Manager

FROM: Tyler Best, Parks and Recreation Director

DATE: June 9, 2026

SUBJECT: **Mid-Month Report – May**

During the month of May, the Parks Department began onboarding seasonal summer maintenance staff. Training included the safe operation of weed trimmers, mowers, and other landscaping equipment, as well as general grounds maintenance practices.

On May 27, Parks and Recreation hosted its annual Plant Day, inviting community members to help plant flowers in beds and planters throughout the city. Staff also coordinated with groups unable to attend on Plant Day by scheduling planting activities the preceding week. More than 25 volunteers participated, and the City of Kenai Fire Department provided a cookout in appreciation of their efforts.

As warmer weather typically arrives, Recreation Center attendance begins to decline as more outdoor recreation opportunities become available. However, May's cooler-than-normal weather helped maintain strong participation, particularly in pickleball and open basketball programs.

Attached is a page from the 2025 Annual Report of the Boys & Girls Club, highlighting operations and activities at the Teen Center located in the upper level of the Recreation Center.

Kenai Recreation Center Visits – Month of May

Weight Room/Cardio Room	1060
Racquetball /Wallyball Court	365
Shower/Sauna	272
Gymnasium	1382
Gym rental participants	60
Total Number of Sign-ins	3139
Door Counter Log	3990



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Tyler Best, Parks and Recreation Director

DATE: June 9, 2026

SUBJECT: **Kenai River Special Management Area (KRSMA) Advisory Board Meetings Recap**

Tyler Best is the City of Kenai representative for the KSRMA Advisory Board. The City of Kenai is a voting member of this advisory board. The Kenai River Special Management Area Advisory Board was originally created in 1985 under the authority of A.S. 41.21.510. The original Board was charged with developing a comprehensive management plan for the Kenai River. The original Comprehensive Plan was completed, and the Board disbanded in 1986. In 1988, a new board was appointed to advise the Department of Natural Resources on the implementation of the Plan. In 1997, the Board worked to update the Kenai River Comprehensive Management Plan, and it was adopted in December 1997. In May 2004, the Alaska Legislature passed a bill that changed the board's composition from what the original 1984 KRSMA statute had directed.

Attached are recaps of the KRSMA meetings held on May 14th at 5:30 pm and April 9th at 5:30 pm. The next meeting will be on October 14 at 5:30 pm, with the location yet to be determined. The February meeting was canceled due to a lack of agenda items.

Kenai River Special Management Area Advisory Board Meeting Recap (4/9)

I attended the Kenai River Special Management Area Advisory Board meeting on April 9th at 5:30 p.m. The Board consists of 17 members: nine public members, three agency voting members, and five agency non-voting members.

Public Comment

- Will Madison, who lives on Keystone, requests that the board do anything to help with reducing wake and bank restoration.

Alaska State Parks Report — Hans Rinke

- Kenia Keys had old well casings that have not been removed
- Parks are starting to open up

DEC Report

- No report.

ADF&G Report

- No report.

U.S. Fish and Wildlife Service — Steve Miller

- Currently Onboarding new seasonal staff
- New habitat fencing off of Keystone Drive
- Moose Range Meadows Boardwalk will not be finished until next winter.

U.S. Forest Service

- No report.

City of Kenai — Tyler Best

- The Master Plan will be presented to the city council and voted on in the next couple of meetings.

City of Soldotna — Joel Todd

- Onboarding new staff
- Centennial campground should be open before Memorial Day.

Kenai Peninsula Borough

- Busy in the middle of budget



Committee Reports

Guide Advisory Committee

- Emergency replacement waivers, there is a required guide academy for guides, and there is a waiver that has existed for many years, which may need review

Habitat/River Use Committee

- No report

New Business

- A panel of 4 KRSMA members met and reviewed a new board applicant and will review for recommendation to the Commissioner.





KENAI TEEN CENTER

Kenai Teen Center serves grades 6th to 12th Grade.

- Served 198 Members and provided scholarships to 100% of enrolled teens!
- Served 6,157 Breakfast, Lunch, and Snacks.
- An Average Daily Attendance of 39.



The Teen Center continues to serve as a safe space where youth can explore interests, build friendships, and grow into confident leaders. The Teen Center participates in the USDA's School year (CACFP) and summer (SFSP) food programs.

Teens engaged in a wide variety of hands-on programming. Creative expression flourished through art projects including painting, clay, duct tape wallets, handmade patches, jewelry design, and character recreations using perler beads. Physical activity remained a daily focus, with football games, racquetball court competitions, war ball, VR fitness games, ping pong tournaments, and friendly sword competitions – all reinforcing teamwork and sportsmanship. Academic success continues to be a priority. Through structured homework support and designated “no electronics” Power Hour blocks, teens intentionally focused on improving grades and study habits. Many proudly shared their academic progress with staff. Leadership development expanded through Keystone Club and Torch Club (TLC), both of which saw increased participation this year. Members planned events, explored financial literacy with the goal of operating concessions, developed research projects, and partnered with younger Club members for mentoring opportunities. A weekly Dungeons & Dragons group also fostered collaboration, problem-solving, and creativity.

The Highlight: Community Service & Volunteerism

The most meaningful growth this year has been in community engagement. Our teens stepped beyond the Club walls to give back in powerful ways:

- Volunteered at the local Food Bank, helping organize and distribute food to families in need.
- Assisted with handing out summer meals at the local library, supporting younger children during out-of-school time.

Through these experiences, teens developed empathy, responsibility, and a deeper understanding of their role as leaders within the Kenai Peninsula. They are not only participating in programs – they are becoming active contributors to their community.

The Teen Center remains a place where youth are heard, challenged, and supported. As we look toward 2026, we are proud of the leadership, service, and growth demonstrated by our teens and grateful for the community partnerships that make these opportunities possible. The Kenai Teen Center is sincerely thankful for the City of Kenai's annual financial contribution, which helps cover monthly membership costs for families and provides our facility space as an in-kind partnership.



MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council
THROUGH: Terry Eubank, City Manager
THROUGH: Kevin Buettner, Planning Director
FROM: Jessica See, Planning Technician
DATE: June 1, 2026
SUBJECT: **Planning and Zoning – May 2026 Monthly Report**

General Information

April showers did not, in fact, bring May flowers, but it did continue to bring cold weather, code enforcement complaints, and public hearings. Planning had a busy month focusing on logging and processing violations and prepping for public hearings. Lands' main focus was creating a new boundary map and collecting shore fishery leases that expire June 30, 2026. The Planning Director continued to focus on grants and the upcoming master plans for Parks & Recreation and the Airport. Please find below a summarized list of May projects for Planning & Zoning.

Department Summary

Lands & Leases:

- Continued clean up Zoning map and boundary map
- Continued review and itemization of leases
- Finalizing completion, and processing of, new City land lease applications and Shore Fishery leases.
- Mapping of City Lands released by FAA for purposes other than aeronautical
- Discussed zoning regulations, plats, easements and leases with various departments, lessees, surveyors and members of the public

Planning & Zoning:

- Reviewed/updated Parks & Recreation Master Plan
- Meetings to discuss residential and commercial development in Kenai
- Code Enforcement follow-up on 13 new cases and all outstanding cases
- Prepared documentation for CDBG grant agreement
- Follow-up on bi-annual fire inspections due for Conditional Use Permit (CUP) holders
- Continued preparation of documentation required for upcoming subdivision standards regarding tent camping.

Planning and Zoning Commission

Two (2) public meetings were held in the month of May with the following actions/recommendations:

- 2 variance permits, one was approved and one was withdrawn
- 2 new conditional use permits (CUP), one for cabin rentals and one for a guide business – both were granted.
- 2 CUPs for dog kennels were submitted but postponed indefinitely and 1 CUP for a cabin rental was postponed until the June 10, 2026 meeting.
- 1 rezone still in progress for the FAA rezone of 10060 Kenai Spur Highway.



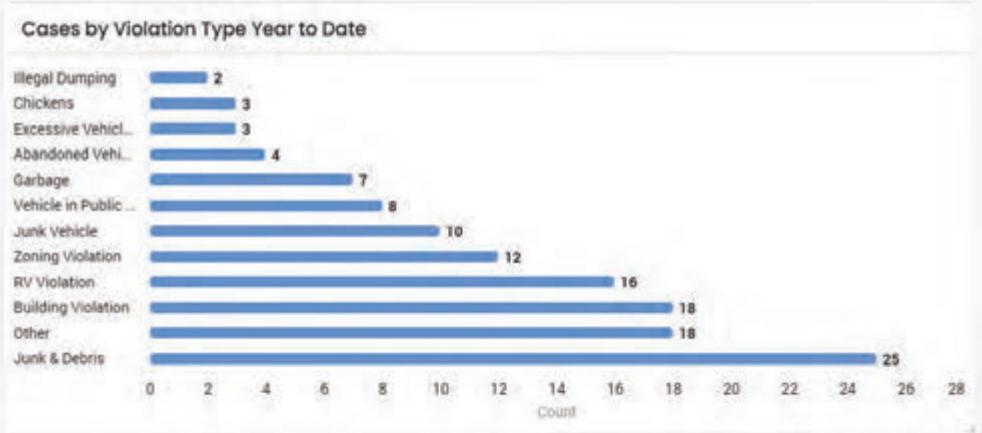
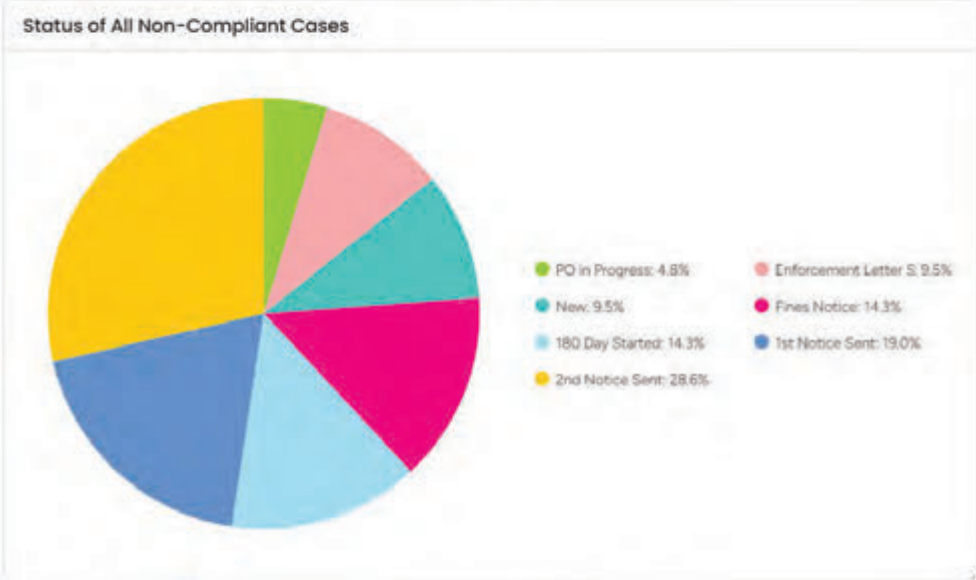
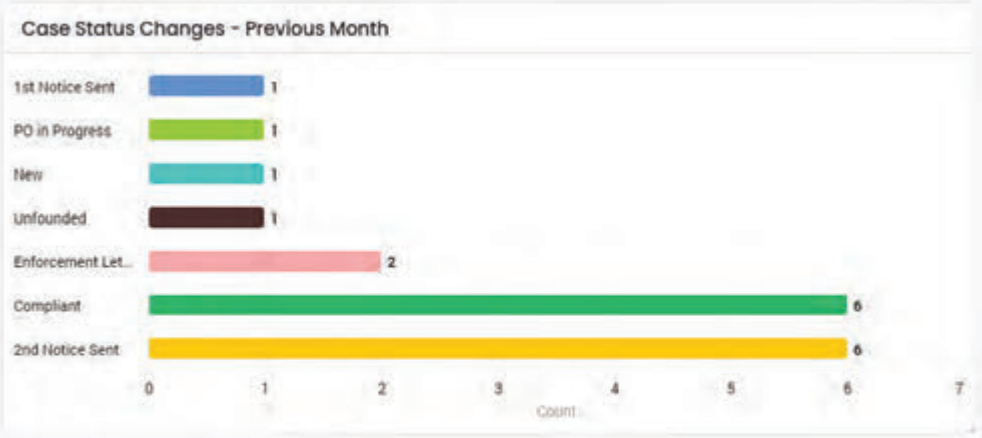
Code Enforcement Previous Month and YTD

Total Complaints Year to Date

92

Complaints Reported Prev. Month

10

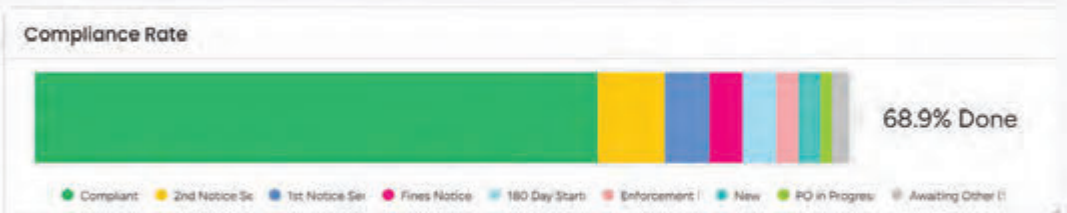


Cases Marked Compliant Last Month

3

Open Cases

21





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MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council

THROUGH: Terry Eubank, City Manager

FROM: David Ross, Police Chief

DATE: June 6, 2026

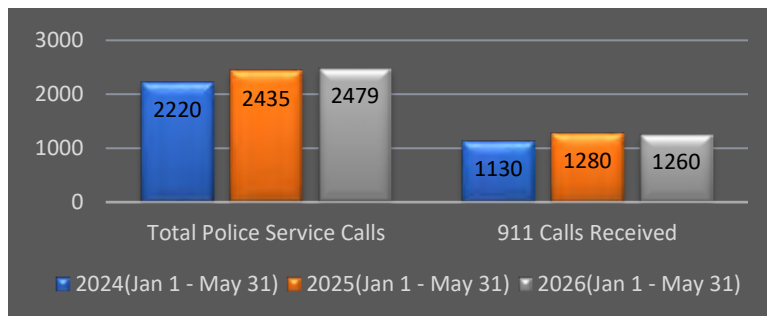
SUBJECT: **Police & Communications Department Activity – May 2026**

Police handled 588 calls for service in May and 287 calls were received by dispatch via 911. Officers made 41 arrests. Traffic enforcement resulted in 457 traffic contacts with 164 traffic citations issued and there were 7 DUI arrests. There were 13 reported motor vehicle collisions.

The School Resource Officer (SRO) attended graduations at both Kenai Central High and the Alternative High School, and 8th grade promotion at Kenai Middle School. The SRO participated in intruder drills at Mountain View Elementary and Kaleidoscope. The SRO also participated in a number of year-end events in addition to handling multiple police related calls in the schools.

Sgt. Coleman was selected as the next Police Chief, effective in August. The final dispatch vacancy has been filled with a new dispatcher that is set to start in June. There is still an ongoing recruitment to fill an Officer position.

Pursuant to Kenai Municipal Code section 7.15.090(d)(3), a bicycle in possession of the Police Department was donated to the Henu Community Wellness Court to be utilized by one of their court participants. This notification of disposal is intended to meet the requirements of KMC 7.15.090(d) to report the disposal of police property to the City Manager and City Council.





KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Kenai City Council
THROUGH: Terry Eubank, City Manager
FROM: Lee Frey, Public Works Director
DATE: June 9, 2026
SUBJECT: **Public Works Mid-month Report June 2026**

Capital Projects currently in process:

- Parks & Recreation Master Plan – Project completed
- Emergency Services Facility Assessment – Assessment complete. Project on hold.
- KMA Apron Sealcoating and Crack Sealing – Project ongoing. Crack sealing completed and starting seal coat work.
- Kenai Municipal Airport Runway Rehabilitation Project - Construction ongoing. Milling almost completed.
- Kenai Municipal Airport Operations Building HVAC Controls Upgrade & Boiler Replacement Project – Project being closed out.
- Kenai Municipal Airport Master Plan Update – Phase 2 ongoing.
- USACE Kenai Bluff Bank Stabilization Project – Construction completed. Closeout ongoing.
- Wastewater Plant Digester Blowers Replacements – Construction ongoing.
- Water Treatment Plant Pumphouse – Project started. Submittals being reviewed.
- Harbor Float Replacement – Construction ongoing. First set of floats installed.
- Aliak Storm Drain Repairs – Project awarded and entering into contract.
- Street Light Assessment – Project completed.
- Architectural Services – Design services ongoing.
- Crack Sealing – Project awarded and entering into contract.
- Pavilion Replacements – Out to bid.
- Animal Control and Senior Center Canopy Roof Replacements – Out to bid.
- Library North Entrance Landscaping – Out for quotes.

Capital Projects in planning to be released:

- Sewer Lift Station Upgrades
- SCADA Design/Construction
- Kenai Recreation Center LED Conversion
- Mission/Main Storm Drain Improvements
- Cemetery Improvements Design

- Flight Services RTU Replacement
- Road Repaving Design

Other Projects/Services in development for ITB/RFP:

- Banking Services

Our new Building Official is kicking off the permitting software project. We have issued 24 residential and 6 commercial permits in calendar year 2026. Buildings continues to work on regular maintenance at our facilities and making repairs at the Airport restaurant while it is unoccupied.

The Streets crew has swept and graded the City streets. They are placing calcium chloride for dust control. The Shop continues working on outfitting new police vehicles and repairing issues as they arise. They are starting the annual auction process.

The Utility Department has completed hydrant flushing and is recruiting to fill a vacant Operator position.



MEMORANDUM

TO: Mayor Henry Knackstedt and Kenai City Council
THROUGH: Terry Eubank, City Manager
THROUGH: Kathy Romain, Senior Center Director
FROM: Astrea Piersee, Administrative Assistant III
DATE: June 9, 2026
SUBJECT: May 2026 Monthly Report

Number of individuals served in April:

Home Delivered Meals	1739
Individuals	99
Dining Room (Congregate) Meals	837
Individuals	145
Transportation (1-way rides)	271
Individuals	21
Homemaker Assistance	47/156
Writers Group	29
Caregiver Support Group	11
Widows/Widowers Grief Support Group	14
Growing Stronger Exercise	232
Tai Chi Class	50
TOPS Weight Loss Class	53
Bluegrass & Music Sessions	40
Card Games	114
Wii Bowling	5
Arts & Crafts	42
Volunteers Hours	515
Individuals	37
Total Event Sign-ins *	1729
Individuals *	221
Vintage Pointe Manor Vacancies	2

* (not including home meals clients)

This month, the Center was full of activities and special events in addition to its regular daily programs. Seniors enjoyed a visit and performance by students from the Kenaitze Indian Tribe, who shared traditional songs with attendees. Following the performance, students stayed to share a meal and engage in conversation with seniors, creating a meaningful opportunity for intergenerational connection.

The Center also celebrated Mother's Day with a special luncheon honoring mothers in our community. the month, the annual High Tea was held, with participants bringing a variety of finger foods and dressing in their finest attire for an afternoon of fun.

The Center honored local veterans with a Memorial Day Gala Luncheon. Attendees enjoyed a special performance by the Senior Center Choir, while members of the VFW and American Legion Color Guard presented the colors in recognition of those who have served our nation. The event provided an opportunity for the community to come together in remembrance and appreciation of the sacrifices made by our veterans and military personnel.

To close out the month, the Center hosted its annual Health and Wellness Fair, an event that supports the Center's commitment to promoting healthy aging and independent living. Vendors provided information on programs, resources, goods, and services designed to help seniors maintain their health, safety, and quality of life while aging in place. The fair also offered opportunities for participants to learn about preventative health practices, community support services, and wellness programs available throughout the area. As part of the event, seniors participated in this year's walking activity by traveling to the Soldotna Field House to utilize the indoor walking track, encouraging physical activity and highlighting the importance of regular exercise in maintaining overall health and independence.





MEMORANDUM

TO: Mayor Knackstedt and Council Members
FROM: Shellie Saner, City Clerk
DATE: June 3, 2026
SUBJECT: **Marijuana License Renewal Annual Report**

The following list identifies active-operating Marijuana licenses, listed by type within Kenai City Limits, the licenses below are scheduled to expire on August 31, 2026. Upon notice of renewal, if the administration finds no grounds to protest the renewal of an application with no changes to the existing use, a notice of non-objection will be issued administratively. Should any grounds for protest be identified during the review process, a public hearing before Council will be schedule for formal protest procedures. *(KMC Chapter 2.10)*

Retail Marijuana Stores:

1. Red Run Cannabis Company, LLC - License No. 10056
Physical Address: 5455 Kenai Spur Highway, Suite B, Kenai, AK
2. East Rip - License No. 13382
Physical Address: 10767 Kenai Spur Highway, Suite D, Kenai, AK
3. Majestic Gardens, LLC - License No. 15393
Physical Address: 12656 Kenai Spur Highway, Kenai, AK
4. Kenai River Cannabis - License No. 17808
Physical Address: 14429 Kenai Spur Highway, Kenai, AK
5. Shackelford Farms, LLC - License No. 38593
Physical Address: 8847 Kenai Spur Highway, Kenai, AK

Marijuana Product Manufacturing Facilities:

1. Herban Extracts, LLC - License No. 14432
Physical Address: 14927 Kenai Spur Highway, Kenai, AK
2. Red Run Cannabis Cultivators, LLC - License No. 19372
Physical Address: 12516 Kenai Spur Highway, Suite A, Kenai, AK

Limited Marijuana Cultivation Facility:

1. Grateful Bud, LLC - License No. 16474
Physical Address: 1817 Sunset Blvd., Kenai, AK

Standard Marijuana Cultivation Facilities:

1. Red Run Cannabis Cultivators, LLC - License No. 10052
Physical Address: 5455 Kenai Spur Highway, Kenai, AK
2. Majestic Gardens Cultivations - License No. 15395
Physical Address: 12656 Kenai Spur Highway, Kenai, AK
3. Shackelford Investments, LLC - License No. 31826
Physical Address: 8847 Kenai Spur Highway, Buildings F, G, H, Kenai, AK