



Kenai City Council - Regular Meeting

February 04, 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

1. Annual Review of City of Kenai Permanent and Custody Funds, 2025 Financial Performance, Financial Projections and Recommend 2026 Asset Allocation for the City's Permanent and Custody Funds, Chief Executive Officer Bill Lierman and Chief Investment Officer Brandy Niclai, from Alaska Permanent Capital Management.

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

1. Kenai Chamber of Commerce and Visitor Center Annual Report, Samantha Springer, Executive Director.

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

E. PUBLIC HEARINGS

1. **Ordinance No. 3500-2026** - Sunsetting the Harbor Commission, Amending Kenai Municipal Code 1.90.010 - General Standards for Standing Advisory Commissions, Repealing Kenai Municipal Code 1.95.040 - Harbor Commission, Repealing Kenai Municipal Code 11.20 - Leasing of Tidelands, Amending Kenai Municipal Code 14.05.010 - Duties and Powers, Enacting Kenai Municipal Code 22.05.016 - Tidelands Available for Leasing, Enacting Kenai Municipal Code Chapter 22.10 - Tideland Leases for Shore Fisheries, and Amending Council Policy 20.020 to Reflect the Sunsetting of The Harbor Commission. (Administration)
2. **Ordinance No. 3501-2026** - Determining Four City-Owned Properties in the Beaver Loop Area are Not Needed for a Public Purpose and Authorizing Sale by Public Sealed Bid Auction. (Administration)

- [3.](#) **Ordinance No. 3502-2026** - Authorizing the City Manager to Reimburse Annual Leave Used by Firefighter Garrick Martin for Attending a Paramedic Internship Program. (Administration)
- [4.](#) **Ordinance No. 3503-2026** - Increasing Estimated Revenues and Appropriations in the Water & Sewer Capital Project Fund and Accepting a Loan from the State Revolving Fund Program for the Water Treatment Pumphouse Project. (Administration)
- [5.](#) **Resolution No. 2026-10** - Authorizing the Use of the Equipment Replacement Fund for the Purchase of a New Trackless MT7 with Snow Blower Attachment. (Administration)
- [6.](#) **Resolution No. 2026-11** - Designating the Investment and Allocation Plan for the City's Permanent Funds and Establishing Appropriate Benchmarks to Measure Performance for Calendar Year 2026. (Administration)

F. MINUTES

- [1.](#) *Regular Meeting of January 21, 2026. (City Clerk)

G. UNFINISHED BUSINESS

H. NEW BUSINESS

- [1.](#) ***Action/Approval** - Bills to be Ratified. (Administration)
- [2.](#) ***Ordinance No. 3504-2026** - Accepting and Appropriating an Increase in the Title III Grant from the State of Alaska Department of Health, Division of Senior and Disabilities Services, for Nutrition, Transportation, and Support Services. (Administration)
- [3.](#) **Action/Approval** - Confirmation of Mayoral Nomination for a Partial Term Appointment of Scott Bremer to the Airport Commission. (Knackstedt)
- [4.](#) **Discussion** - Scheduling a Work Session with Alaska Permanent Capital Management to Discuss Potential Amendments to Kenai Municipal Code Investment Options. (Administration)

I. COMMISSION REPORTS

1. Council on Aging Commission
2. Airport Commission
3. Harbor Commission
4. Parks and Recreation Commission
- [5.](#) Planning and Zoning Commission
6. Beautification Commission

J. REPORT OF THE MAYOR

K. ADMINISTRATION REPORTS

- [1.](#) City Manager
2. City Attorney
3. City Clerk

L. ADDITIONAL PUBLIC COMMENTS

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

M. EXECUTIVE SESSION

1. New Gas Storage Facility within the City of Kenai. Pursuant to AS 44.62.310(c)(1) a Matter of which the Immediate Knowledge may have an Adverse Effect upon the Finance of the City and AS 44.62.310(c)(3) a Matter which by Law, Municipal Charter, or Ordinance are required to be Confidential. (Administration)

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/Olf3n_PBTH-GazGogdvqug



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

City of Kenai Permanent Funds

As of December 31, 2025

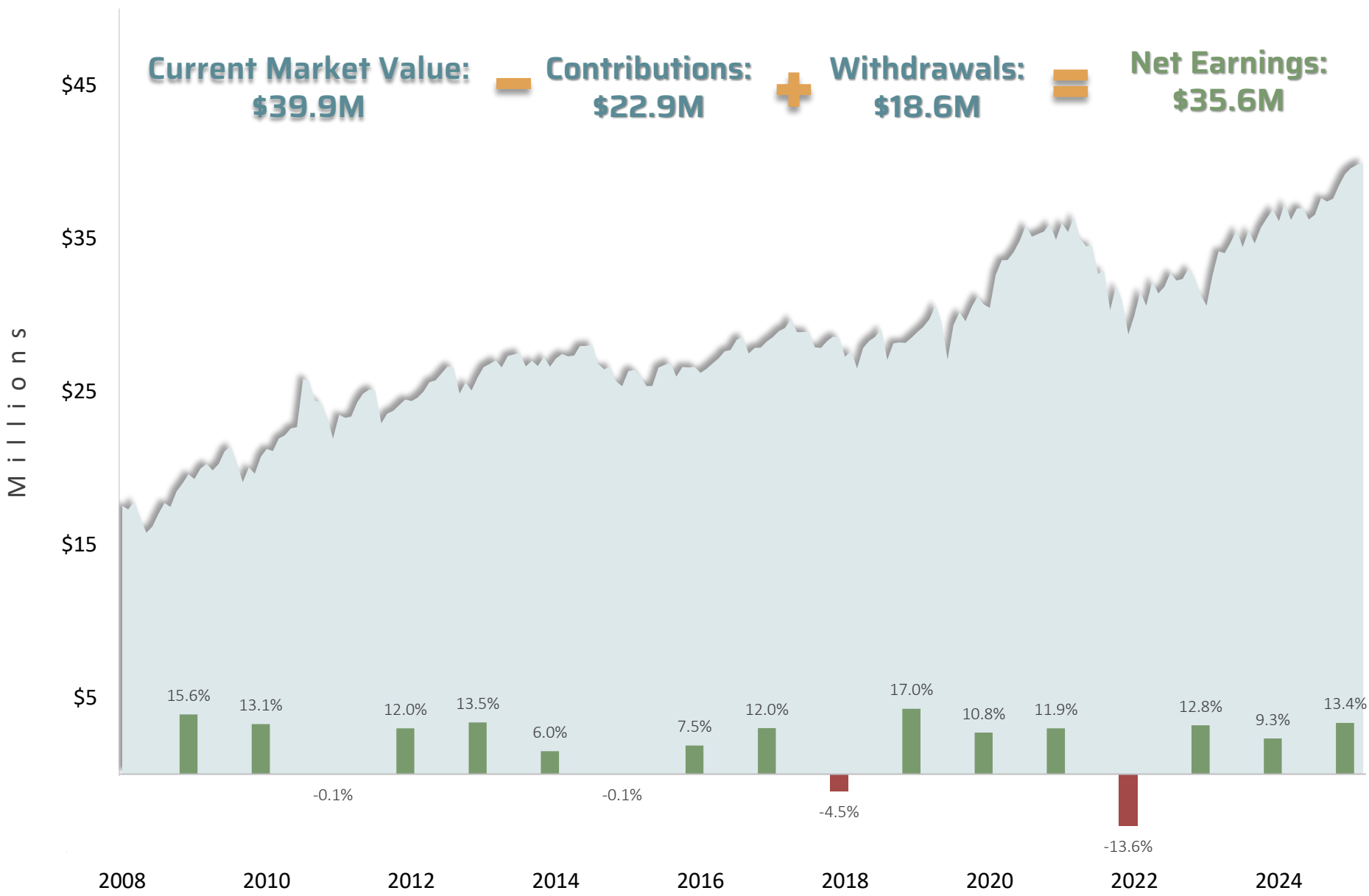
City of Kenai Permanent Funds

As of December 31, 2025

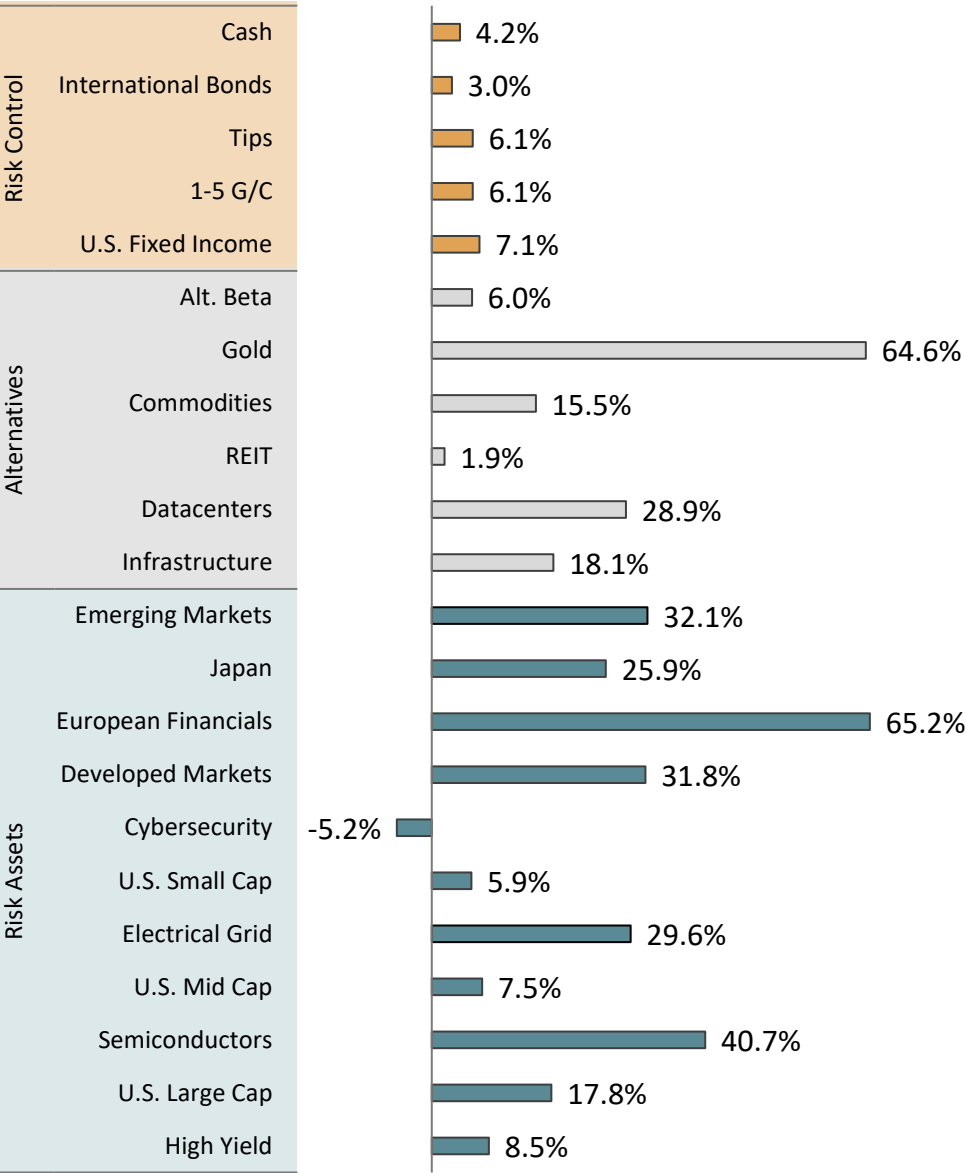
Account Inception		September 2008
Total Contributions		\$22,923,732
Withdrawals <i>Does not include custodial or management fees</i>		\$18,619,071
Current Market Value <i>December 31, 2025</i>		\$39,931,916
Annualized Account Return* <i>Inception – December 31, 2025</i>		+7.79%
Effective Annual Fee Rate <i>December 31, 2025</i>		0.15%
Strategic Asset Allocation	Risk Assets	54%
	Risk Control	29%
	Alternatives	17%

*Performance is gross of management fees, net of internal fund fees, and annualized for periods greater than one year.

The power of consistency in cumulative earnings



Total Returns by Asset Class - Calendar year 2025



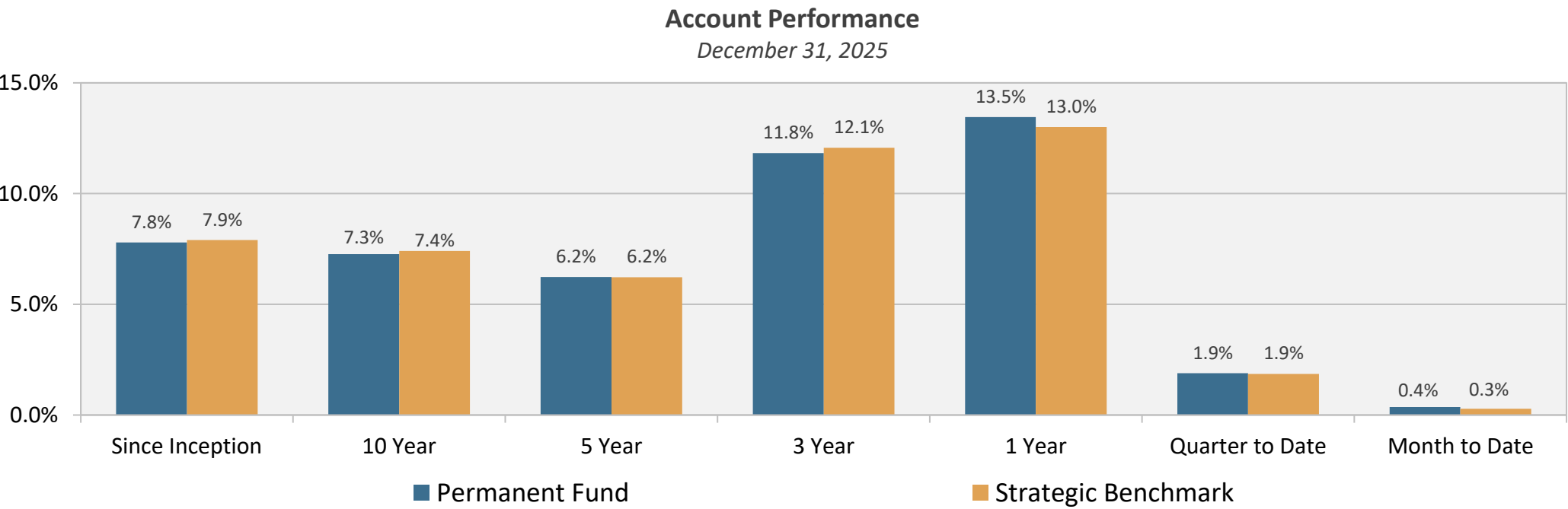
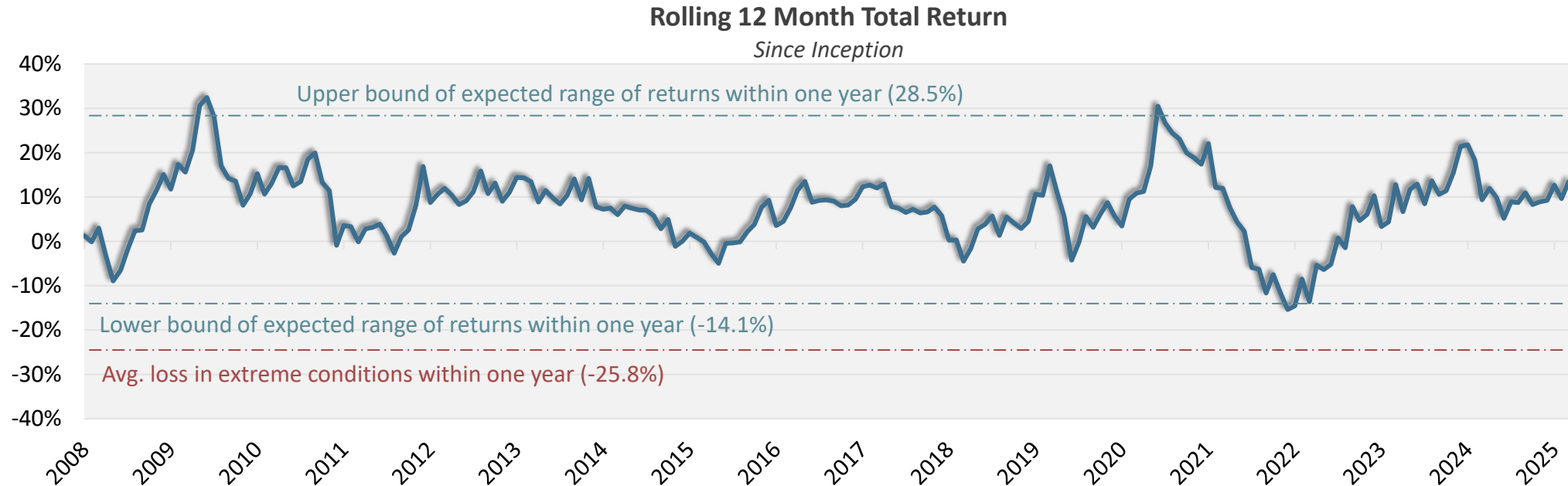
Markets navigated significant crosscurrents in 2025, beginning with heightened trade tensions as U.S. tariff rates rose to levels not seen in decades, driving a sharp bout of volatility early in the year.

Despite these concerns, markets ultimately proved resilient. Trade fears faded, recession risks failed to materialize, and **investor focus shifted toward the supportive effects of fiscal and monetary stimulus in the second half of the year.**

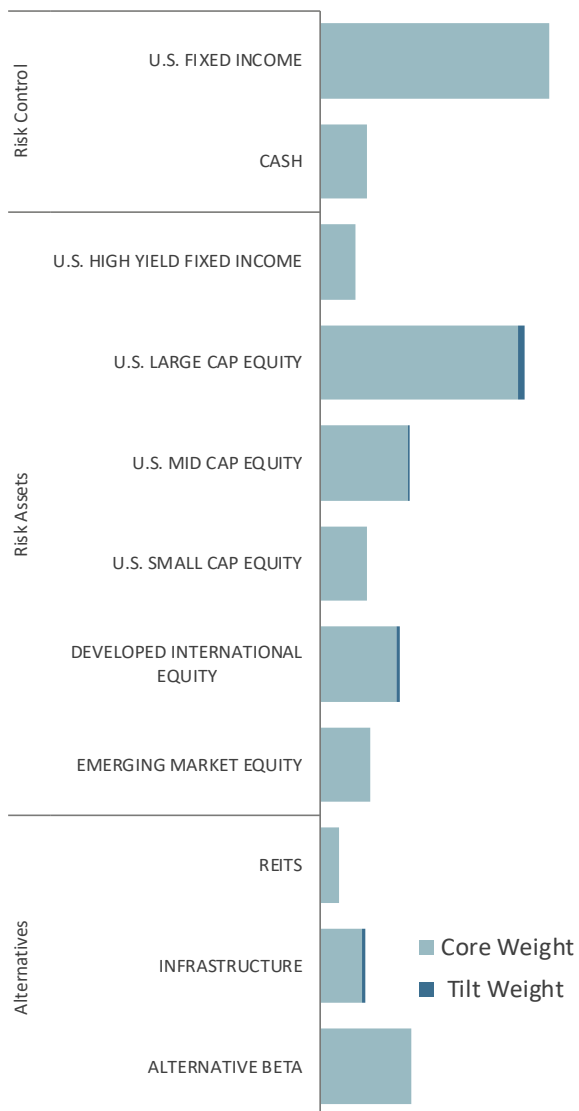
Risk-on sentiment broadened as the year progressed, producing an “everything rally” and marking the first year since the pandemic in which all major asset classes delivered positive returns.

While medium-term inflation risks remain, fears of a tariff-driven price shock similar to 2022 proved unfounded, **allowing central banks to continue the gradual normalization of interest rates.**

Evaluating returns against strategic goals



Aligning near-term tactical adjustments with your long-term strategy

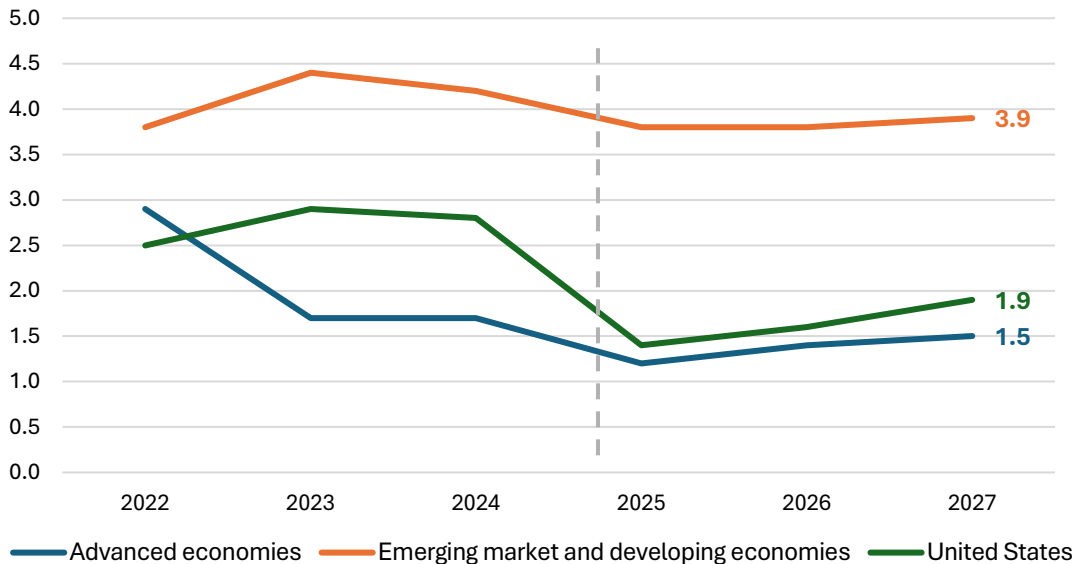


Asset Class	Strategic Weight	Overweight / Underweight	Current Allocation	Range
Risk Control	29.0%	0.6%	29.6%	
U.S. FIXED INCOME	26.0%	-1.3%	24.7%	6 - 36%
CASH	3.0%	1.9%	4.9%	0 - 10%
Risk Assets	54.0%	0.1%	54.1%	
U.S. HIGH YIELD FIXED INCOME	4.0%	-0.2%	3.8%	0 - 8%
U.S. LARGE CAP EQUITY	22.0%	0.0%	22.0%	12 - 32%
U.S. MID CAP EQUITY	10.0%	-0.4%	9.6%	0 - 18%
U.S. SMALL CAP EQUITY	5.0%	0.0%	5.0%	0 - 10%
DEVELOPED INTERNATIONAL EQUITY	8.0%	0.5%	8.5%	4 - 16%
EMERGING MARKET EQUITY	5.0%	0.2%	5.2%	0 - 10%
Alternatives	17.0%	-0.7%	16.3%	
REITS	2.0%	-0.1%	1.9%	0 - 4%
INFRASTRUCTURE	5.0%	-0.3%	4.7%	0 - 10%
ALTERNATIVE BETA	10.0%	-0.3%	9.7%	0 - 15%

2026 Returns Will Be Driven by Earnings Strength and Ongoing Economic Growth

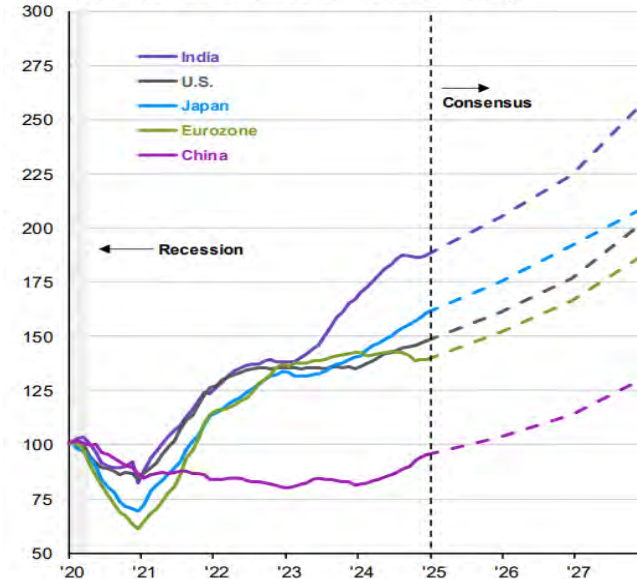
Global Growth Proved Resilient in 2025, with Expansion Expected to Continue

Real GDP Growth (%YoY)



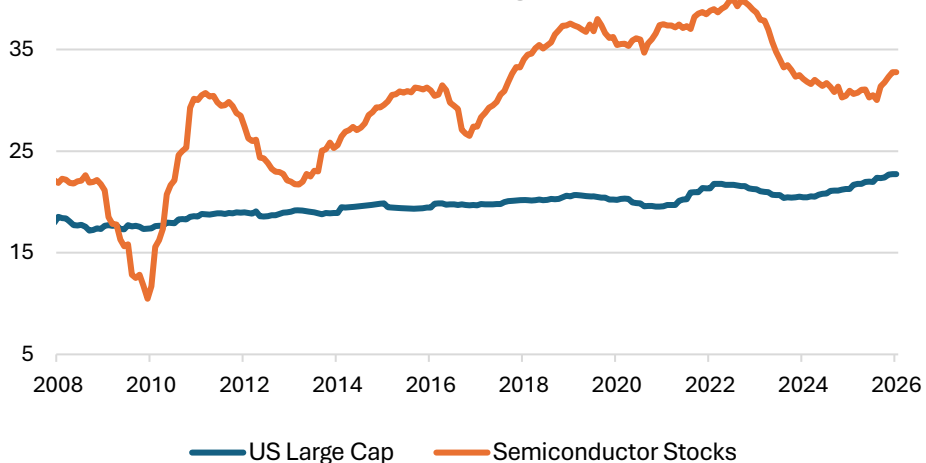
Earnings Growth Across Major Markets Supports Equity Return Potential

Earnings growth: Pandemic to present/consensus estimates
Jan 2020 = 100, last 12 months, local currency, monthly



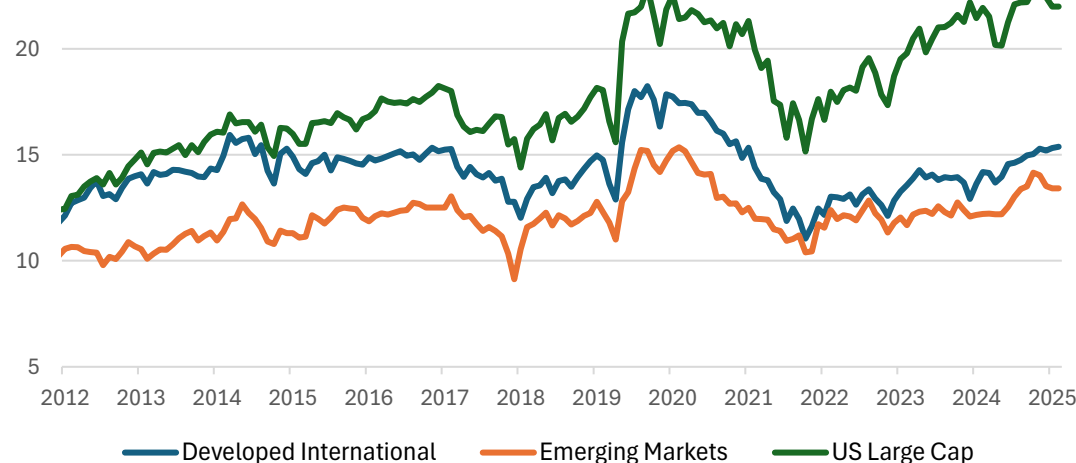
Semiconductor Margins Remain Strong, Reinforcing the AI Investment Cycle

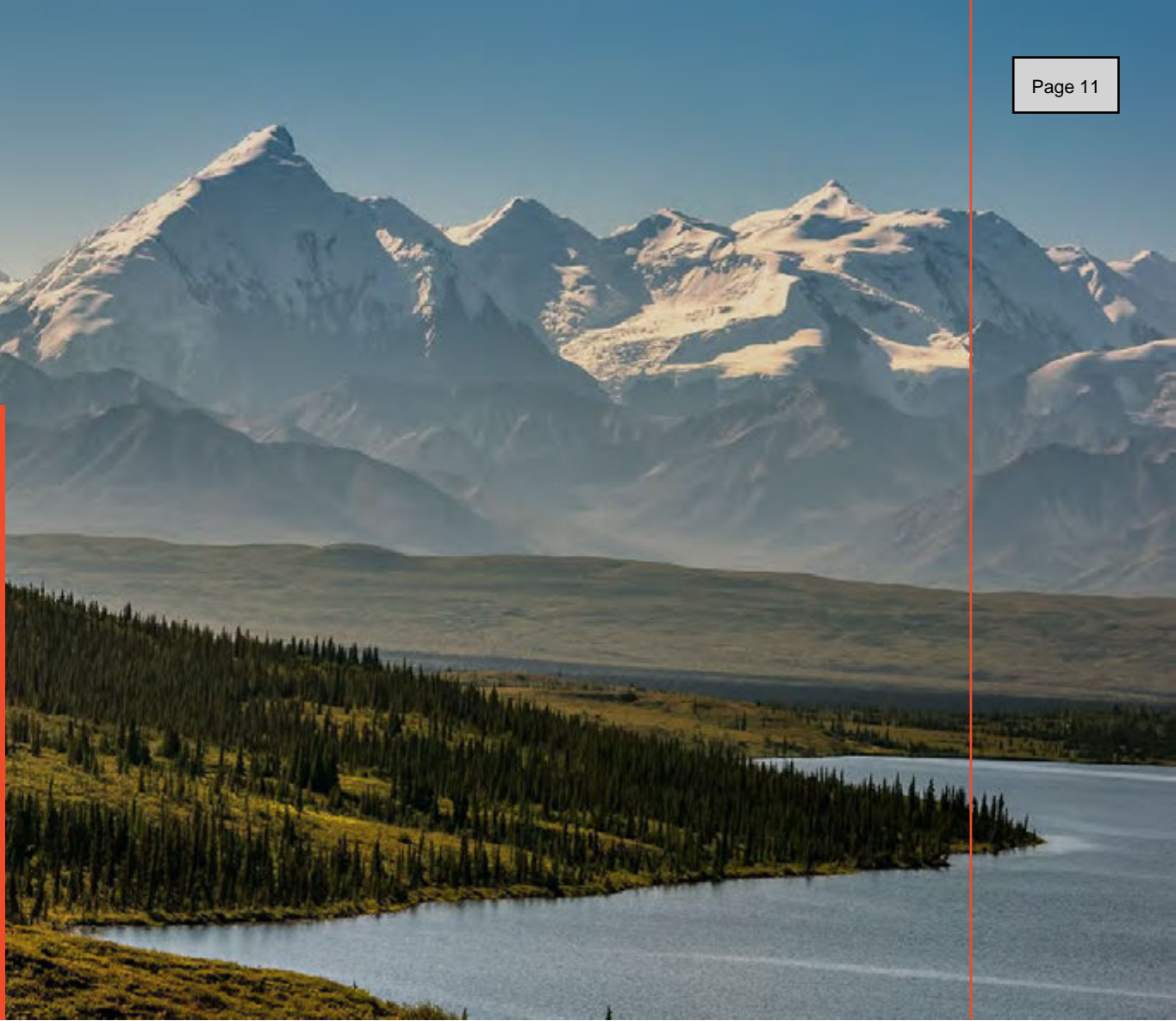
EBITDA Margin



Emerging Markets Combine Attractive Valuations, Stronger Earnings Growth, and AI Exposure

NTM P/E





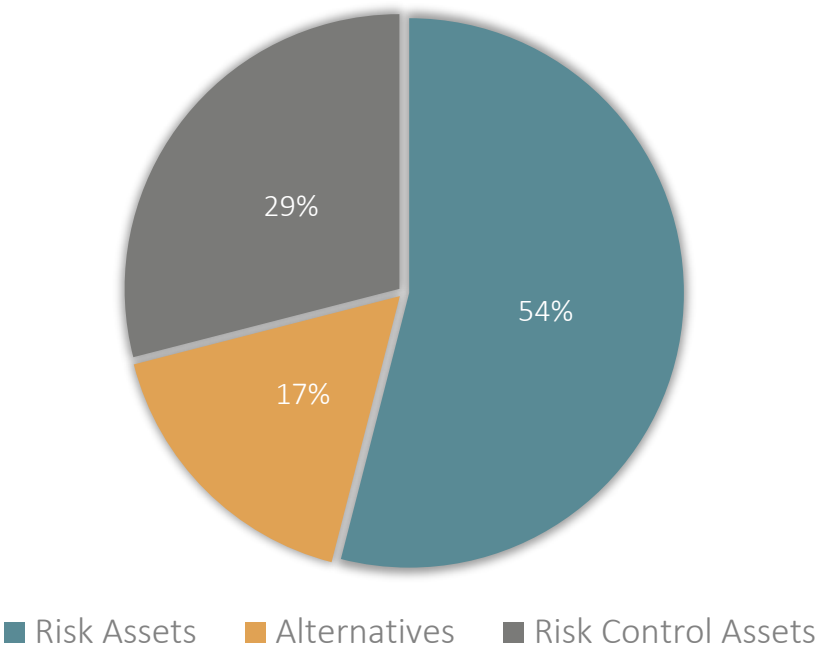
Strategic Review

Forward-looking return and risk characteristics

Current allocation is expected to meet goals

The City of Kenai Permanent Funds’ current asset allocation is expected to meet the goals of the portfolio over the long term. The expected real return of the portfolio is in line with the maximum distribution (4.2%) from either Permanent Fund per code. **There are no recommended changes at this time.**

Current Allocation



Characteristics	Current Allocation	
	Expected	Range*
Annual Return <small>(Gross)</small>	7.2%	-14.1% to 28.5%
Long-Term Return <small>(Gross)</small>	6.7%	6.4% to 7.0%
Real Return <small>(Gross)</small> Long-Term Return Less 2.5% Expected Inflation	4.2%	3.9% to 4.5%
Avg. Loss in Extreme Conditions <small>(Gross)</small> Within a 1-Year Horizon	-25.8%	

* Range denotes the 95% confidence interval. Risk and return data from Windham Portfolio Advisor.

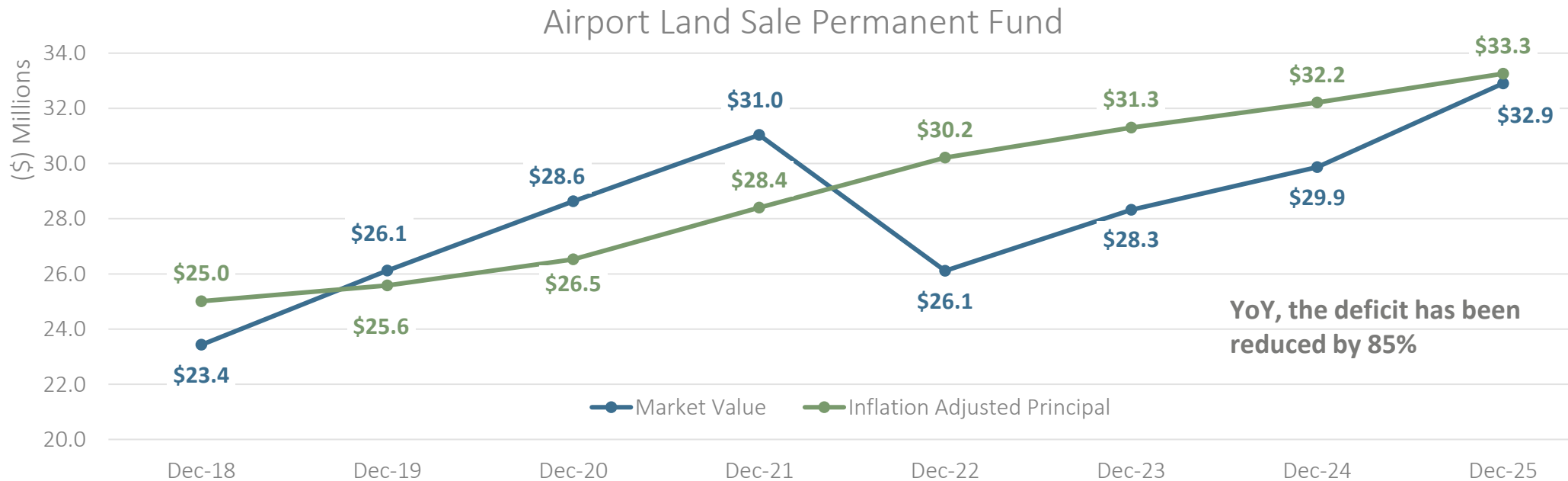
Airport Land Sale Permanent Fund Inflation and goals

1
Preservation
of
Capital

2
Inflation
Protection

3
Sustain a
3.8% to 4.2%
withdrawal

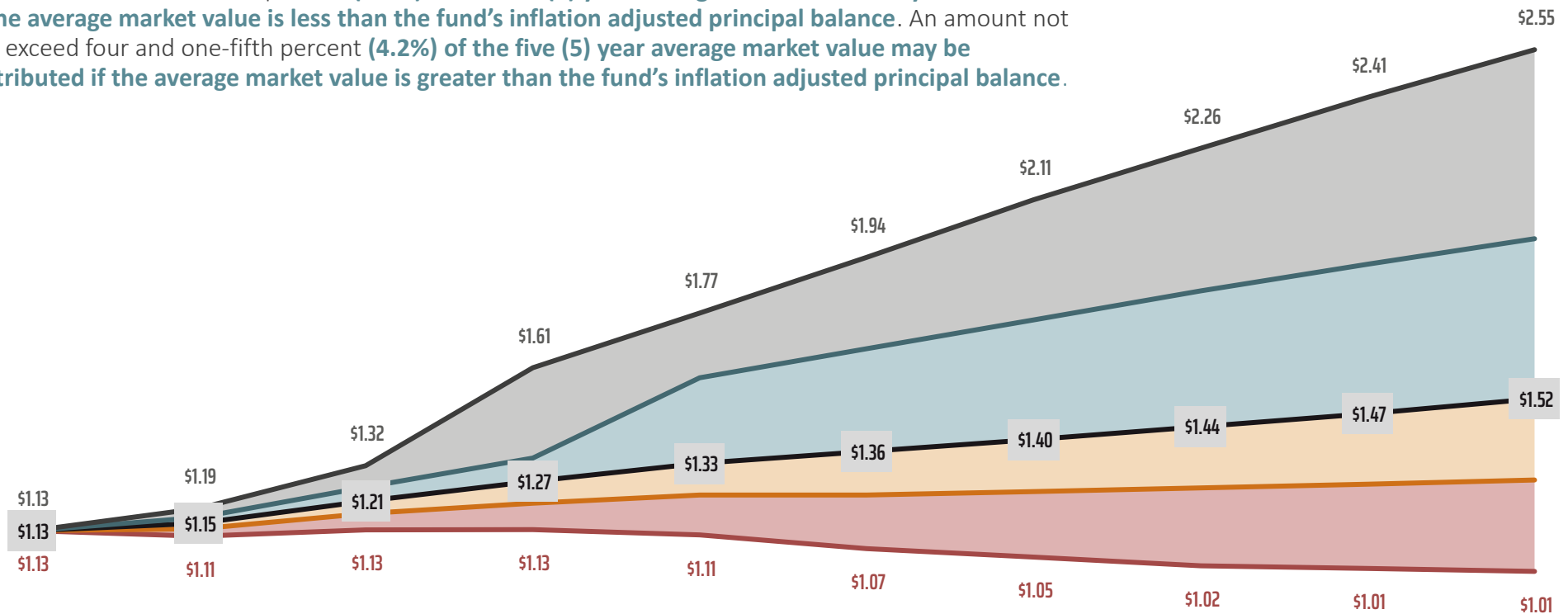
Period	Inflation Rate Annualized
Pre Covid Inception – 12/31/2020	1.49%
Post Covid 12/31/2020 - 12/31/2025	4.46%
APCM's Expectation 10 Year Projection	2.50%



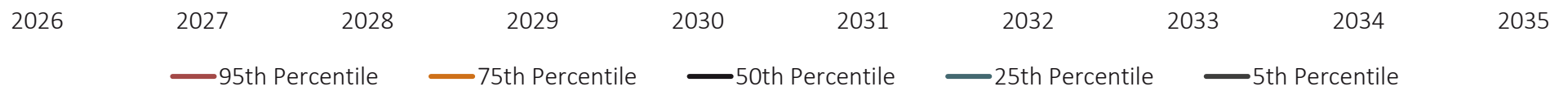
ALSPF withdrawal projections 10-year horizon

City of Kenai Municipal Code 7.30.020(5)(i)
Appropriations from the ALSPF may be made as follows:

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



The probability that the ALSPF may withdraw at the 4.2% rate begins at 0% and increases to 43% (vs. 36% estimate from 2025) over the simulation horizon.



Airport Land Sale Permanent Fund Wealth Simulations 10-year horizon

- All simulations utilized a **\$32.9M starting market value for the ALSPF**. No contributions were included.
- Withdrawals for the ALSPF conformed to City of Kenai Municipal Code 7.30.020(5)(i)** using the actual change in CPI-U when available and APCM's forward-looking CPI expectation of 2.5% for all future dates.
- Utilizing APCM's records of historical market values and the spending policy per Kenai Municipal Code 7.30.020(5)(i), **APCM's calculation of the 2026 ALSPF distribution is \$1.13M.**



Distributions	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
ALSPF* (\$ millions)	1.13	1.15	1.21	1.27	1.33	1.36	1.4	1.44	1.47	1.52

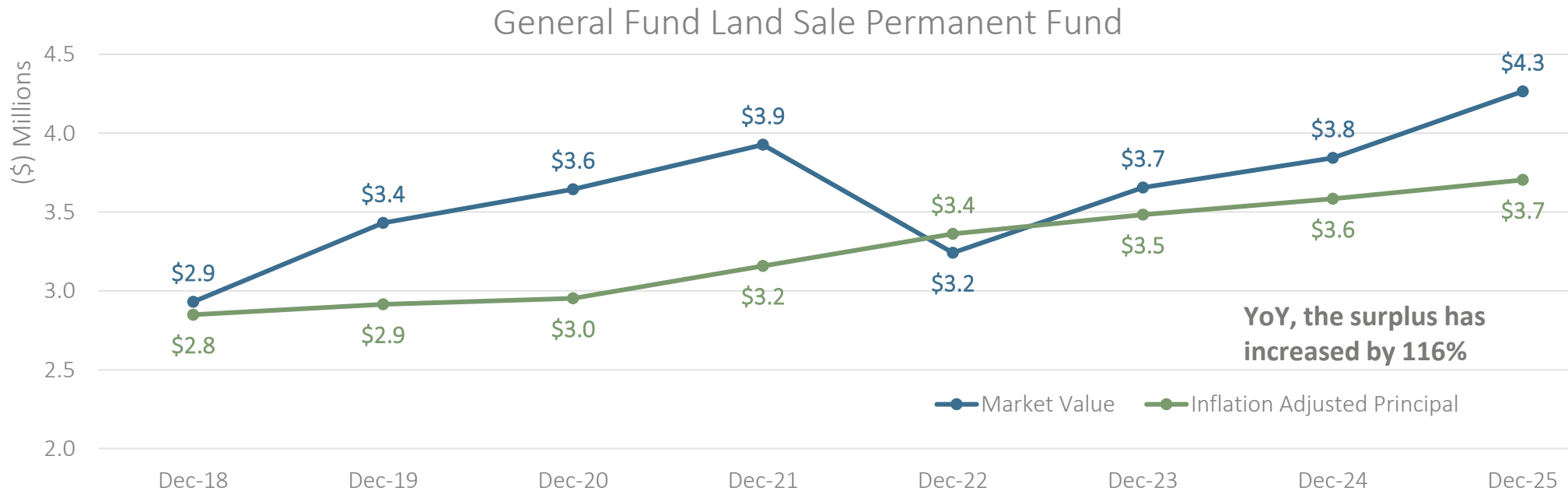
General Fund Land Sale Permanent Fund Inflation and goals

1
Preservation
of
Capital

2
Inflation
Protection

3
Sustain a
4%
withdrawal

Period	Inflation Rate Annualized
Pre Covid Inception – 12/31/2020	1.49%
Post Covid 12/31/2020 - 12/31/2025	4.46%
APCM's Expectation 10 Year Projection	2.50%



General Fund Land Sale Permanent Fund Wealth Simulations 10-year horizon

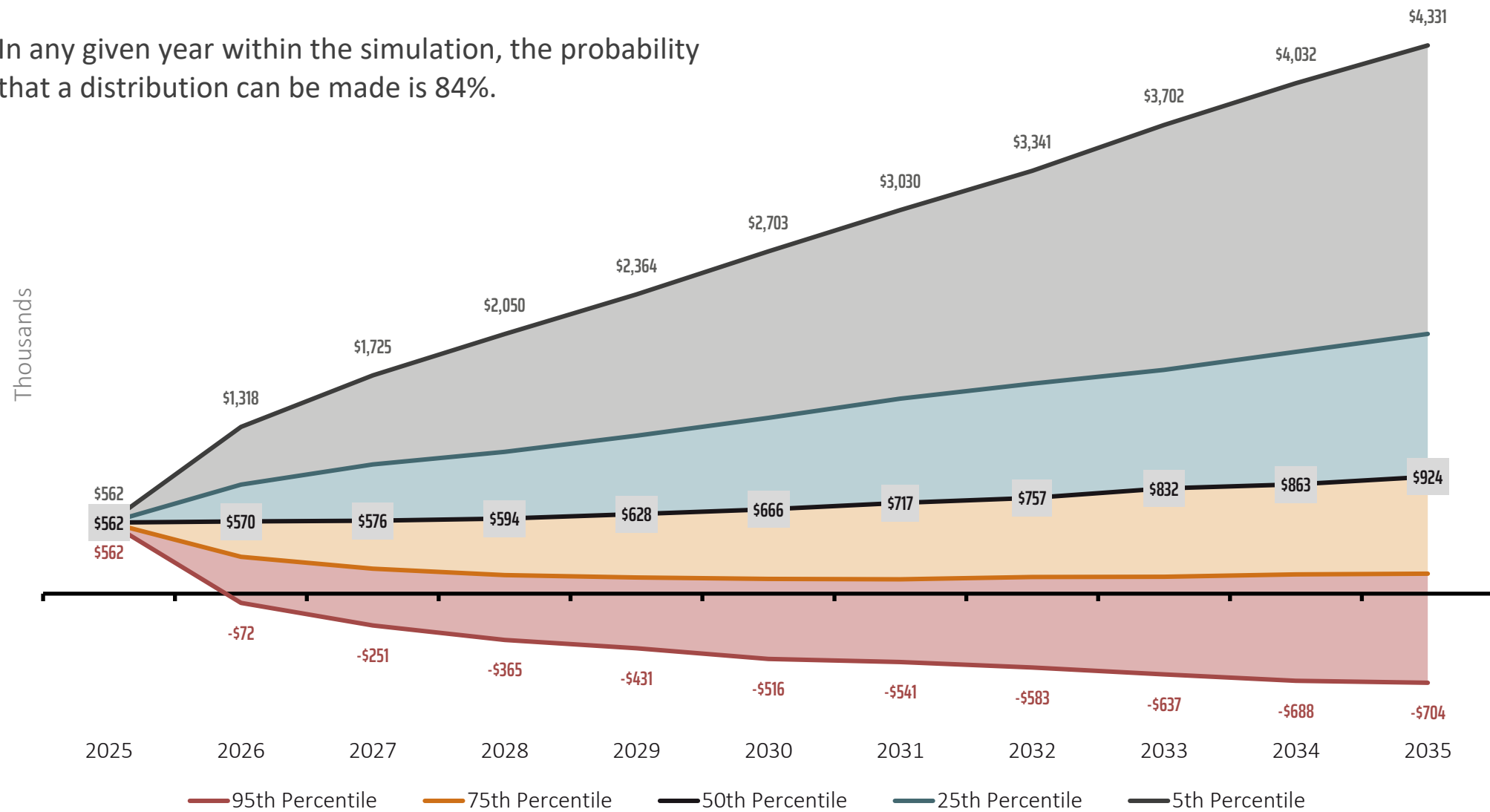
- All simulations utilized a **\$4.3M for the GLSPF**. No contributions were included.
- **Withdrawals for the GLSPF conformed to City of Kenai Municipal Code 7.30.020(6)** using the actual change in CPI-U when available and APCM’s forward-looking CPI expectation of 2.5% for all future dates.
- Per Kenai Municipal Code 7.30.020(6) distributions will be **the lesser of the cumulative earnings at calendar year end for the fund or four percent (4%) of the fund’s fair market value**. “Cumulative earnings” is defined as the market value at calendar year end minus the fund’s inflation adjusted principal balance.
- Utilizing APCM’s records of historical market values and the spending policy **APCM’s calculation of the 2026 GLSPF distribution is \$171K. In any given year within the simulation, the probability that a distribution can be made is 84%.**



Thousands	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Distributions	171	175	179	183	189	194	200	206	214	220
Cumulative Earnings	570	576	594	628	666	717	757	832	863	924

GLSPF cumulative earnings projections 10-year horizon

In any given year within the simulation, the probability that a distribution can be made is 84%.



Delivering value through efficient beta and selective alpha

APCM defines our investment philosophy on two key pillars:
customized asset allocation and controlling expenses.
 Adhering to these concepts is the Firm’s area of specialization and expertise.

Beta (β)		Alpha (α)	
Broad market exposure / market segment		Exposure to emphasize compensated risk premia	Manager driven non-systematic risk
FLEXSHARES STOXX GLOBAL INFRA GLOBAL X DATA CENTER JPM BETABLDRS MSCI US REIT ISHARES CORE MSCI EAFE ETF FIRST TRST NASD CL EDG SGIIF ISHARES CORE MSCI EMERGING SS SPDR P HIGH YIELD ETF SPDR S&P 500 ETF TRUST	ISHARES SEMICONDUCTOR ETF ISHARES CORE S&P MIDCAP ETF ISHARES CORE S&P SMALL-CAP E GLOBAL X CYBERSECURITY ETF	JPMORGAN HEDGED EQUITY ETF NYLI HDG MLT-STR TRC ETF-USD	BLCKRCK SYST MULTI-STR-INST CALAMOS MRKT NEU INC-I VANGUARD HI YLD CORP-ADM

Due to APCM’s overall AUM size, we are able to access institutional share classes of mutual funds for our clients, which typically have lower fees.

Fund Manager	Fund Name	Share Class in Portfolio	Next best share class
Calamos	Market Neutral Income Fund	0.97%	1.22%
Vanguard	High-Yield Corporate Fund	0.12%	0.22%
Blackrock	Systematic Multi-Strategy Fund	0.93%	1.20%

*Employer-sponsored retirement plan exclusive share classes were excluded

Independent manager & strategy selection

An open-architecture approach focused solely on what serves clients best

Global Active Managers

Index Solutions

Factor Strategies

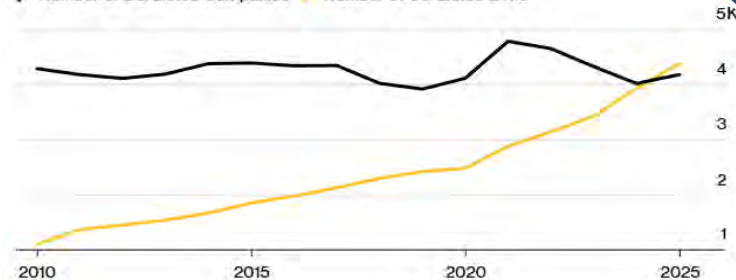
APCM Due Diligence and Portfolio Fit

Risk | Role | Cost |
Correlation | Implementation

Client
Portfolios

There Are Now More ETFs Than Stocks

✓ Number of US-Listed Companies ✗ Number of US-Listed ETFs



Open Investment Universe

- Access to both index-based and active strategies
- Ability to select specialists across asset classes
- **No reliance on proprietary funds or products**

Ongoing Accountability

- Continuous evaluation of managers and strategies
- Willingness to resize, replace, or exit
- **Decisions grounded in risk and forward-looking expectations**

Client-Aligned Decisions

- Strategy selection driven by objectives
- Flexibility as leadership evolves
- **No embedded incentives**



ALASKA PERMANENT
CAPITAL MANAGEMENT

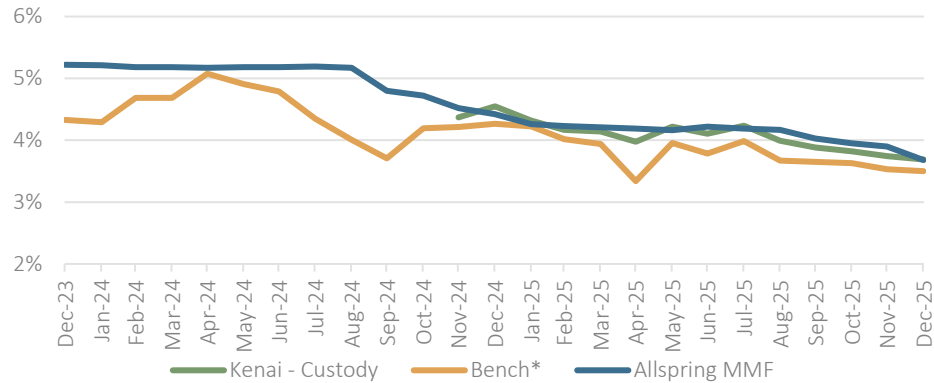
Registered Investment Adviser

City of Kenai – Custody

As of December 31, 2025

City of Kenai – Custody (as of December 31, 2025)

Annual Yield Comparison



*Bench: Bloomberg 1-3 Gov

Summary Statistics

	Kenai - Custody	Bench*	GVIXX
Market Value	\$35,127,630	-	-
Annual Yield **	3.71%	3.50%	3.68%
Average Quality	AA+	AA+	AAA
Average Maturity (Years)	1.72	1.98	-

*Bench: Bloomberg 1-3 Gov **YTM for port/bench, 7-day SEC Yield for GVIXX

Portfolio Review

What has happened:

- As securities mature and cash becomes available for reallocation, we have extended the portfolio's duration the extent possible in US Treasuries and Callable Agencies.
- The portfolio duration (sensitivity to interest rates) now stands at 1.46 years vs the bench at 1.88 years
- There has been no liquidity needs from the portfolio since inception.

Going forward:

- Annual coupon income over the next 12 months is expected to be \$1,062,925 on the current portfolio.
- Work with staff and council to identify possible work session dates to explore options to align liquidity, risk, and recommend changes to the investment policy statement.

Performance

	Gross	Bench*	GVIXX
QTD	1.10%	1.14%	0.97%
1 Year	5.02%	5.17%	4.17%
Since Inception (11/6/2024)	4.63%	4.72%	4.23%

*Bench: Bloomberg 1-3 Yr Gov

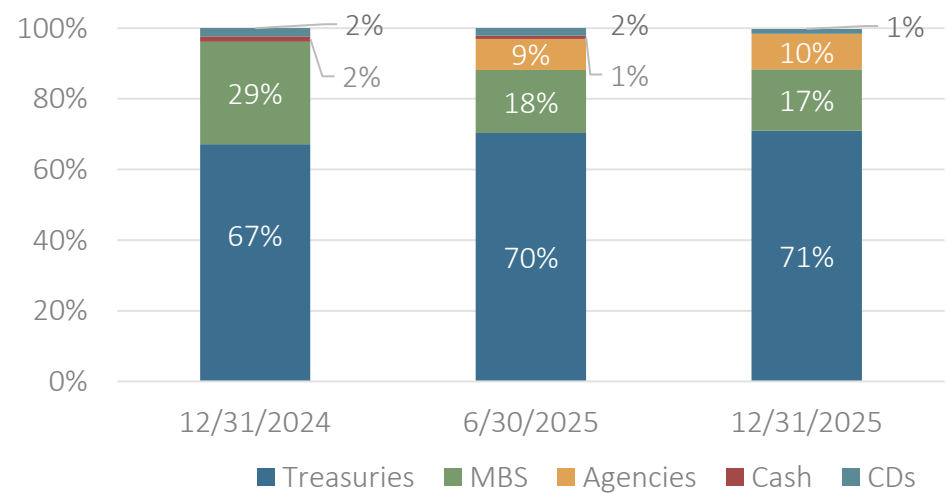
Performance annualized for periods greater than one year.

Time to Maturity	Liquidity %	Market Value
0-1 Years	43.5%	\$15,297,414
1-2 Years	24.0%	\$8,417,490
2-3 Years	10.2%	\$3,568,230
3-5 Years	22.3%	\$7,844,496
Total	100%	\$35,127,630

IPS Constraints and Characteristics of the Portfolio

- Investments shall have maturities less than 5 years
- At least 20% of the portfolio shall be held in maturities of 1-year or less
- No more than 30% of the portfolio may be invested in securities with maturities of longer than 2-years
- Authorized instruments shall be limited to the obligations of the US Government, its agencies, repurchase agreements, and government money market funds

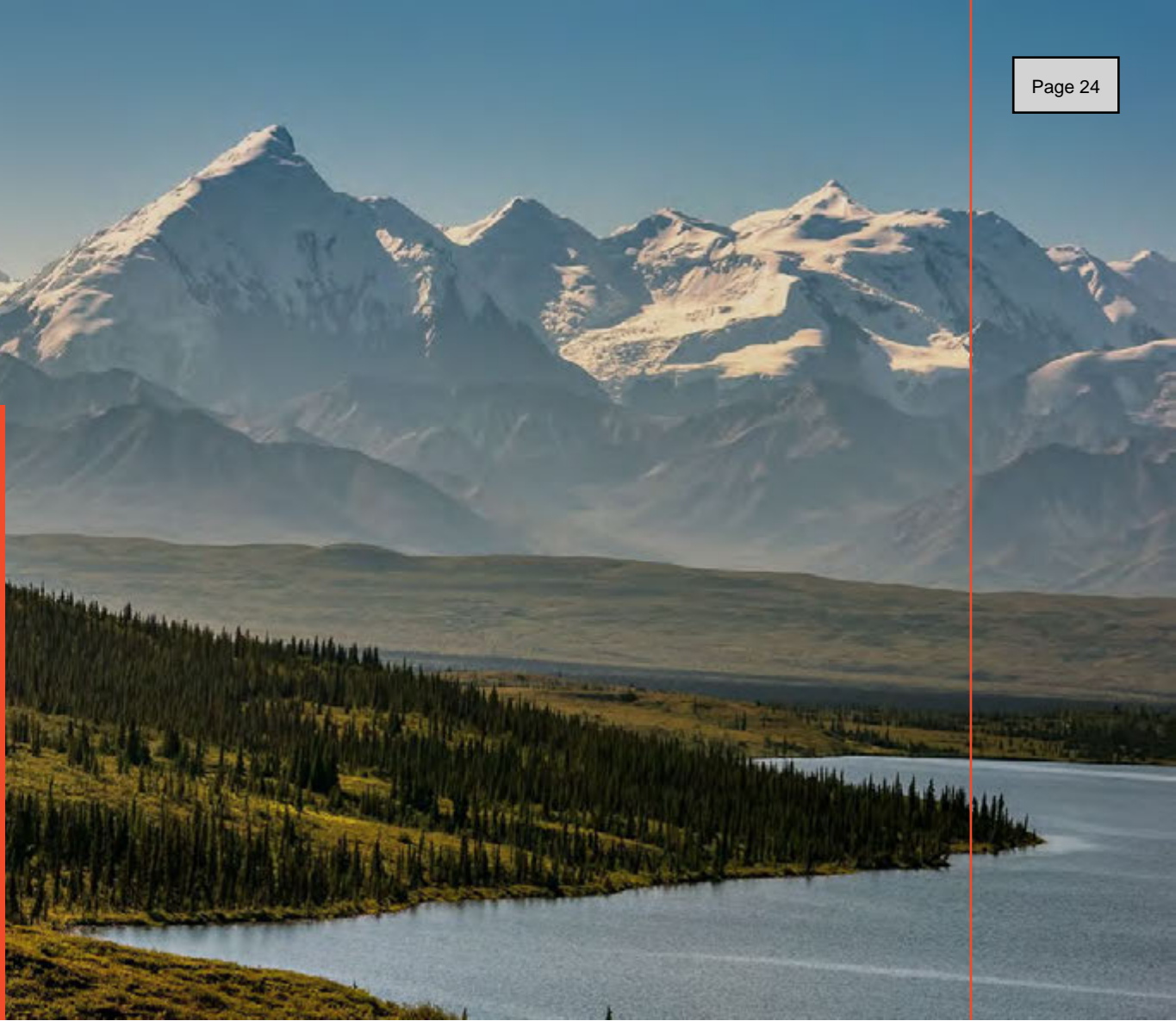
Portfolio Composition



May not add to 100% due to rounding

Interest Rate & Market Outlook

- The Federal Reserve decreased its benchmark rate three times over 2025 to 3.50-3.75%. Fed Fund Futures markets currently price in two rate cuts by end of 2026.
- The FOMC terminal target rate decreases to 3.15% in 2026 and in 2027 stays flat to 3.18%.
- Interest rates steepened across the curve during the quarter. The 2yr decreased by 13 basis points ending December at 3.48%. The 10yr increased 2 by basis points ending December at 4.17%.



Appendix

Important Assumptions

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

Important Legal Information

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

Other Influences on Rates of Return

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

Limitations Inherent in Model Results

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3500-2026**

AN ORDINANCE SUNSETTING THE HARBOR COMMISSION, AMENDING KENAI MUNICIPAL CODE 1.90.010 - GENERAL STANDARDS FOR STANDING ADVISORY COMMISSIONS, REPEALING KENAI MUNICIPAL CODE 1.95.040 - HARBOR COMMISSION, REPEALING KENAI MUNICIPAL CODE 11.20 - LEASING OF TIDELANDS, AMENDING KENAI MUNICIPAL CODE 14.05.010 - DUTIES AND POWERS, ENACTING KENAI MUNICIPAL CODE 22.05.016 - TIDELANDS AVAILABLE FOR LEASING, ENACTING KENAI MUNICIPAL CODE CHAPTER 22.10 - TIDELAND LEASES FOR SHORE FISHERIES, AND AMENDING COUNCIL POLICY 20.020 TO REFLECT THE SUNSETTING OF THE HARBOR COMMISSION.

WHEREAS, the Harbor Commission was originally established as a Port Commission in 1975; and,

WHEREAS, the Harbor Commission has held an instrumental role in planning and developing the City's tideland leases; and,

WHEREAS, within the last several years, due to a lack of agenda items or lack of quorum, the Harbor Commission has cancelled numerous meetings and with the completion of the City's Bluff Erosion Project and few other known Harbor activities in the near future, it is reasonable to expect the Harbor Commission will have few other agenda items; and,

WHEREAS, on November 10, 2025, the Harbor Commission met in a work session and a regular meeting for the purpose of discussing its role, future status and possible sunset of the Commission; and,

WHEREAS, during the regular meeting on November 10, 2025, the Harbor Commission Members unanimously approved a motion to recommend the City Council sunset the Commission; and,

WHEREAS, the City Council during their November 19, 2025, meeting approved a motion directing the Administration to bring forward the legislation necessary to sunset the Commission; and,

WHEREAS, the Harbor Commission during their December 8, 2025, Special Meeting recommended the City Council enact this Ordinance; and,

WHEREAS, the Planning and Zoning Commission during their December 10, 2025, Meeting recommended the City Council enact this Ordinance; and,

WHEREAS, while the Harbor Commission can be reestablished if needed, this Ordinance shifts its prior duties and obligations to other sections of code including the duties of the Planning Commission; and,

WHEREAS, Kenai Municipal Code 1.90.010-Creation, provides that the Council may create or dissolve standing advisory commissions and it is in the best interest of the City to enact this ordinance.

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

Section 1. Amendment of Section 1.90.010 of Kenai Municipal Code: That Kenai Municipal Code, Section 1.90.010 - General Standards for Advisory Commissions, Creation, paragraph (a) is hereby amended as follows:

1.90.010 Creation.

- (a) Standing advisory commissions of the City may be created or dissolved by an ordinance of the City Council. The following standing advisory commissions have been created by the Council:
- (1) Airport Commission, as established in KMC 1.95.010;
 - (2) Beautification Commission, as established in KMC 1.95.020;
 - (3) Council on Aging Commission, as established in KMC 1.95.030;
 - [(4) HARBOR COMMISSION, AS ESTABLISHED IN KMC 1.95.040;]
 - [(5)] (4) Parks and Recreation Commission, as established in KMC 1.95.050.

Section 2. Repeal of Section 1.95.040 of Kenai Municipal Code: That Kenai Municipal Code, Section 1.95.040 - Standard Advisory Commissions, Harbor Commission, is hereby repealed as follows:

1.95.040 HARBOR COMMISSION.

- (A) PURPOSE. THE PURPOSE OF THE HARBOR COMMISSION IS TO ADVISE THE COUNCIL AND ADMINISTRATION ON ISSUES INVOLVING CITY HARBOR FACILITIES AND TIDAL OR SUBMERGED LANDS OWNED BY THE CITY.
- (B) DUTIES AND POWERS. THE HARBOR COMMISSION WILL:
- (1) REVIEW AND PROVIDE RECOMMENDATIONS ON ANY MASTER PLANS FOR THE DEVELOPMENT OF HARBOR OR PORT FACILITIES FOR THE CITY. THIS MAY INCLUDE:
 - (I) DEVELOPMENT OF THE TYPE, LOCATION, AND SEQUENCE OF ALL PUBLIC HARBOR FACILITIES; AND
 - (II) THE RELOCATION, REMOVAL, EXTENSION, OR CHANGE OF USE OF EXISTING HARBOR FACILITIES;
 - (2) ACT IN AN ADVISORY CAPACITY TO THE COUNCIL AND ADMINISTRATION REGARDING MATTERS RELATED TO CITY HARBOR FACILITIES, TIDE OR SUBMERGED LANDS. MAKE RECOMMENDATIONS TO THE COUNCIL AND ADMINISTRATION RELATIVE TO THE CARE, CONTROL, AND DEVELOPMENT OF TIDE AND SUBMERGED LANDS; AND
 - (3) SUBMIT ANNUALLY TO THE CITY MANAGER AND COUNCIL, NOT LESS THAN NINETY (90) DAYS PRIOR TO THE BEGINNING OF THE BUDGET YEAR, A LIST OF THE RECOMMENDED CAPITAL IMPROVEMENTS WHICH, IN THE OPINION OF THE COMMISSION, ARE NECESSARY OR DESIRABLE TO BE CONSTRUCTED DURING THE FORTHCOMING FIVE (5) YEAR PERIOD. SUCH LIST WILL BE ARRANGED IN ORDER OF PREFERENCE, WITH RECOMMENDATIONS AS TO WHICH PROJECTS ARE RECOMMENDED FOR CONSTRUCTION IN WHICH YEAR; AND
 - (4) REVIEW ALL CITY LEASES OF CITY-OWNED TIDE AND SUBMERGED LANDS AND MAKE RECOMMENDATIONS TO THE CITY COUNCIL AND ADMINISTRATION; AND
 - (5) PROVIDE INFORMATION AND RECOMMENDATIONS AS REQUESTED BY THE CITY COUNCIL AND ADMINISTRATION; AND
 - (6) ADVISE AND PROVIDE RECOMMENDATIONS TO THE ADMINISTRATION AS REQUESTED ON THE QUALIFICATIONS FOR A HARBOR MASTER.
- (C) QUALIFICATIONS AND MEMBERSHIP. MEMBERS OF THE HARBOR COMMISSION WILL CONFORM TO THE REQUIREMENTS OF KMC CHAPTER 1.90, EXCEPT THE COMMISSION MAY AT THE DISCRETION OF THE COUNCIL HAVE UP TO TWO (2) NONRESIDENT MEMBERS.]

Section 3. Repeal of Chapter 11.20 of Kenai Municipal Code: That Kenai Municipal Code, Chapter 11.20 - Leasing of Tidelands, is hereby repealed as follows:

[CHAPTER 11.20 LEASING OF TIDELANDS

11.20.020 LANDS AVAILABLE FOR LEASING.

ALL CLASSIFIED TIDE AND CONTIGUOUS SUBMERGED LANDS WITHIN THE LIMITS OF THE CITY TO WHICH THE CITY HOLDS TITLE MAY BE LEASED FOR SURFACE USE ONLY, AND UNDER THE CONDITION THAT SAID LEASE IS SUBJECT AND INFERIOR TO PREFERENCE RIGHT CLAIMS AND SUBJECT TO THE RIGHTS OF EXISTING SET NET HOLDERS WITHIN THE CITY LIMITS.

11.20.650 TIDELANDS CLAIMS.

THE CITY SHALL LEASE THE LAND SUBJECT TO ANY PREFERENCE RIGHTS CLAIMS MADE PURSUANT TO THE PROVISIONS OF ALASKA STATUTES 38.05.820 OR ORDINANCE 455-78, DATED SEPTEMBER 5, 1979, OF THE CITY OF KENAI, ADOPTED PURSUANT THERETO, AND THE LESSEE HOLDS LESSOR HARMLESS FOR ANY DAMAGES, LEGAL EXPENSES, OR COMPENSATION NECESSITATED BY THE RESOLUTION OR SATISFACTION OF SAID TERMS OF SAID CLAIMS, IF ANY.

11.20.660 SUBJECTION TO HARBOR ORDINANCE.

ALL LEASES ARE SUBJECT TO THE TERMS, CONDITIONS, AND REGULATIONS IMPOSED BY TITLE 11, HARBOR AND HARBOR FACILITIES, OF THE 1979 KENAI CODE OF ORDINANCES AS AMENDED OF WHICH THIS SECTION IS PART.

11.20.680 PROVISIONS REGULATING PUBLIC USE PURPOSE.

THE CITY COUNCIL REALIZES THAT ONLY A LIMITED AREA OF TIDELANDS BORDERING NAVIGABLE WATERS IS AVAILABLE WITHIN THE CITY OF KENAI AND WHICH IS OWNED BY THE CITY OF KENAI. IT WOULD BE IN THE PUBLIC INTEREST TO INSURE THAT THESE LANDS DO NOT PASS OUT OF COMMUNITY CONTROL AT LEAST TO THE EXTENT THAT THE PUBLIC WOULD NOT BE DEPRIVED OF HARBOR SERVICES AT REASONABLE RATES IN THE FUTURE. THEREFORE, AREAS OF CITY-OWNED TIDELANDS WHICH ARE DEVELOPABLE FOR THE BONA FIDE PUBLIC PURPOSES AS ENUMERATED BELOW SHALL BE LEASED ONLY WITH THE FOLLOWING COVENANTS DEFINED TO INSURE PUBLIC USE AND ACCESS AT REASONABLE RATES.

11.20.690 PROVISION TO BE INCLUDED IN PUBLIC USE LEASE.

KMC 11.20.700 SHALL BE INCLUDED IN LEASES WHERE HARBOR FACILITIES ARE CONSTRUCTED TO BE UTILIZED ALL OR IN PART FOR BONA FIDE PUBLIC USES.

11.20.700 PUBLIC USE: DEFINED.

- (A) PUBLIC USE SHALL MEAN A USE LIMITED IN PART OR IN WHOLE TO THE FOLLOWING:
 - (1) IN GENERAL, THE LESSEE MAY USE THE DEMISED PREMISES OR PART THEREOF FOR ANY OF THE FOLLOWING PURPOSES ONLY:
 - (I) PUBLIC DOCK FACILITIES.
 - (II) MARITIME COMMERCE.
 - (III) TRANSPORTATION.
 - (IV) FISHING.
 - (V) BOAT HARBOR.
 - (VI) PORT AND WATERFRONT DEVELOPMENT PURPOSES.
- (B) BEFORE LESSEE MAY CONDUCT ANY ACTIVITIES WHICH FALL UNDER THESE GENERAL CRITERIA, BUT ARE NOT SPECIFICALLY MENTIONED ABOVE, LESSEE MUST OBTAIN WRITTEN CONSENT OF THE CITY.

11.20.710 CONTROLLED ACCESS.

LESSEE, FOR ITS OWN PROTECTION, MAY CONSTRUCT OR INSTALL FENCES, GATES, OR OTHER TYPES OF BARRIERS TO RESTRICT ACCESS TO PORTIONS OF THE DEMISED PREMISES THAT ARE NOT DESIGNATED FOR A PUBLIC USE AND MAY PROVIDE REASONABLE CONTROLS FOR ACCESS TO PUBLIC USE AREAS TO ALLOW FOR SECURITY FOR SUCH AREAS WHILE INSURING REASONABLE PUBLIC ACCESS. REASONABLE PUBLIC ACCESS INCLUDES ACCOMMODATIONS MADE FOR FISHING OPERATIONS DURING FISHING SEASON. ANY CONTROLLED ACCESS MEASURES SHALL BE INDICATED ON THE LESSEE'S DEVELOPMENT PLAN.

11.20.720 USE CHARGES.

LESSEE SHALL MAKE REASONABLE AND NONDISCRIMINATORY CHARGES TO THE PUBLIC FOR USE OF ANY OF ITS FACILITIES.

11.20.780 PENALTIES.

- (A) IT IS UNLAWFUL FOR ANY PERSON TO VIOLATE ANY OF THE PROVISIONS OF THIS CHAPTER AND UPON CONVICTION THEREOF SHALL BE FINED AS PROVIDED FOR VIOLATIONS IN KMC 13.05.010. EACH DAY SUCH VIOLATION IS COMMITTED OR PERMITTED TO CONTINUE SHALL CONSTITUTE A SEPARATE OFFENSE AND SHALL BE PUNISHABLE AS SUCH HEREUNDER.
- (B) IN ADDITION TO OR AS AN ALTERNATIVE TO THE ABOVE PENALTY PROVISION, THE CITY MAY IMPOSE A CIVIL PENALTY IN AN AMOUNT AS PROVIDED BY KMC 13.05.010 PER DAY FOR THE VIOLATION OF ANY PROVISION OF THIS CHAPTER AND SEEK INJUNCTIVE RELIEF FOR ANY INFRACTION THEREOF FOR WHICH THE OFFENDING PARTY WILL BE CHARGED FOR REASONABLE ATTORNEY'S FEES AND COSTS INCURRED BY THE CITY AS AWARDED BY THE COURT.
- (C) NOTHING IN THIS SECTION SHALL BE DEEMED TO RESTRICT THE CITY'S EXERCISE OF ANY OF ITS RIGHTS PURSUANT TO THE LEASE AGREEMENT.

11.20.790 TIDELANDS LEASES FOR SHORE FISHERIES.

NOTWITHSTANDING OTHER PROVISIONS OF THE CITY'S CODE OF ORDINANCES, THE ANNUAL MINIMUM RENTAL RATE FOR TIDELAND LEASES USED PRIMARILY FOR SHORE FISHERIES SHALL BE AN ANNUAL FEE AS SET FORTH IN THE CITY'S SCHEDULE OF FEES ADOPTED BY THE CITY COUNCIL. HOWEVER, SHOULD THE STATE OF ALASKA SET AN ANNUAL LEASE RATE HIGHER THAN THAT ESTABLISHED BY THE CITY FOR SIMILAR TIDELAND LEASES FOR SHORE FISHERIES ON LAND OWNED BY THE STATE, THE CITY MAY AMEND THE ANNUAL RENTAL TO A RATE EQUAL TO THAT CHARGED BY THE STATE OF ALASKA.

Section 4. Amendment of Section 14.05.010 of Kenai Municipal Code: That Kenai Municipal Code, Section 14.05.010 - Planning and Zoning Commission, Duties and Powers, is hereby amended as follows:

14.05.010 Duties and Powers.

- (a) The Commission shall be required to perform the following duties:
 - (1) Review and act upon requests for variance permits, conditional use permits, planned unit residential development permits, and other matters requiring consideration under the Kenai Zoning Code.
 - (2) Interpret the provisions of the Kenai Zoning Code and make determinations when requested by the Administrative Official.
 - (3) Review the City of Kenai Comprehensive Plan on an annual basis and conduct a minimum of one (1) public hearing. Said recommendations shall be forwarded to the Council for consideration.

- (4) Promote public interest and understanding of comprehensive planning, platting, zoning, land management, and other issues relating to community planning and development.
- (5) Proposed plans for the rehabilitation or redevelopment of any area or district within the City.
- (6) Perform historic preservation reviews and duties as set forth in KMC 14.20.105.
- (7) Review and provide recommendations on any master plans for the development of harbor or port facilities for the City. This may include:
 - (A) Development of the type, location, and sequence of all public harbor facilities; and
 - (B) The relocation, removal, extension, or change of use of existing harbor facilities;
- (8) Submit annually to the City Manager and Council, not less than ninety (90) days prior to the beginning of the budget year, a list of the recommended capital improvements which, in the opinion of the Commission, are necessary or desirable to be constructed during the forthcoming five (5) year period. Such list will be arranged in order of preference, with recommendations as to which projects are recommended for construction in which year
- (b) The Commission shall act in an advisory capacity to the Kenai City Council regarding the following matters:
 - (1) Kenai Zoning Code and Official City of Kenai Zoning Map amendments.
 - (2) City and airport land lease or sale petitions.
 - (3) Capital Improvements Programming. The Commission shall submit annually to the Council a list of recommended capital improvements which, in the opinion of the Commission, are necessary and desirable to be constructed during the forthcoming three (3) year period. Such list shall be arranged in order of preference, with recommendations as to which projects shall be constructed in which year.
 - (4) Related to City Harbor facilities, tide or submerged lands. Make recommendations to the Council and Administration relative to the care, control, and development of tide and submerged lands.
- (c) The Commission shall act in an advisory capacity to the Kenai Peninsula Borough Planning Commission regarding the following matters:
 - (1) Subdivision plat proposals.
 - (2) Right-of-way and easement vacation petitions.
 - (3) City of Kenai Comprehensive Plan amendments.
- (d) Members of the Planning and Zoning Commission shall be compensated at the rate of one hundred dollars (\$100.00) per month.

Section 5. Enactment of Section 22.05.016 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.016 – Tidelands Available for Leasing is hereby amended as follows:

22.05.016 Tidelands Available for Leasing.

- (a) All classified tide and contiguous submerged lands within the limits of the City to which the City holds title may be leased for surface use only, and under the condition that said lease is subject and inferior to preference right claims. The City will lease the land subject to any preference rights claims made pursuant to the provisions of Alaska Statutes 38.05.820 or Ordinance 455-78, dated September 5, 1979, of the City of Kenai, adopted pursuant thereto, and the lessee holds lessor harmless for any damages, legal expenses, or compensation necessitated by the resolution or satisfaction of said terms of said claims, if any.

- (b) Only a limited area of tidelands bordering navigable waters is available within the City of Kenai and which is owned by the City of Kenai. It is in the public interest to ensure that these lands do not pass out of community control at least to the extent that the public would not be deprived of harbor services at reasonable rates in the future. Therefore, areas of City-Owned tidelands which are developable for the bona fide public purposes as enumerated below will be leased only with the following covenants defined to ensure public use and access at reasonable rates.
- (c) The following will be included in leases where harbor facilities are constructed to be utilized all or in part for bona fide public uses:
 - (1) Public use will mean a use limited in part or in whole to the following:
 - (A) In general, the lessee may use the demised premises or part thereof for any of the following purposes only:
 - (i) Public dock facilities.
 - (ii) Maritime commerce.
 - (iii) Transportation.
 - (iv) Fishing.
 - (v) Boat harbor.
 - (vi) Port and waterfront development purposes.
 - (2) Before lessee may conduct any activities which fall under these general criteria, but are not specifically mentioned above, lessee must obtain written consent of the City.
 - (d) Lessee, for its own protection, may construct or install fences, gates, or other types of barriers to restrict access to portions of the demised premises that are not designated for a public use and may provide reasonable controls for access to public use areas to allow for security for such areas while insuring reasonable public access. Reasonable public access includes accommodations made for fishing operations during fishing season. Any controlled access measures shall be indicated on the lessee's development plan.
 - (e) Lessee shall make reasonable and nondiscriminatory charges to the public for use of any of its facilities.

Section 6. Enactment of Chapter 22.10 of Kenai Municipal Code: That Kenai Municipal Code, Chapter 22.10 – Tideland Leases for Shore Fisheries is hereby enacted as follows:

Chapter 22.10 Tideland Leases for Shore Fisheries

22.10.010 Tideland Leases for Shore Fisheries.

- (a) The annual minimum rental rate for tideland leases used primarily for shore fisheries will be an annual fee as set forth in the City's schedule of fees adopted by the City Council. However, should the State of Alaska set an annual lease rate higher than that established by the City for similar tideland leases for shore fisheries on land owned by the State, the City may amend the annual rental to a rate equal to that charged by the State of Alaska.
- (b) The maximum term of a lease for tidelands used for shore fisheries may not exceed ten (10) years, in accordance with Alaska Statute 38.05.24.
- (c) A Lessee under an existing lease will, upon the expiration or the termination by mutual agreement of said Lease, be allowed a preference right to re-lease those lands previously leased if all other sections of the Kenai Municipal Code are complied with. Re-leasing will not necessarily be under the same terms and conditions of the prior lease. When the lease is offered to the preference right holder, the preference right holder will exercise their right within thirty (30) calendar days after

said lease is offered by the City. Failure to do so will result in forfeiture and cancellation of the preference right. No preference right will inure to a Lessee whose lease has been terminated by cause.

- (d) Lessee with City's written consent, which will not be unreasonably denied, may assign for other than collateral purposes, in whole or in part, its rights as Lessee. Any assignee of part or all of the leased premises will assume the duties and obligations of the Lessee as to such part or all of the leased premises. No such assignment, however, will discharge Lessee from its duties and obligations outlined in the original lease agreement.
- (e) Rent will be paid annually in advance. The City of Kenai's fiscal year beginning July 1st and ending June 30th.
- (f) The lease applicant will execute and return the appropriate lease agreement with the City of Kenai within forty-five (45) days of mailing the agreement to the applicant. The lease agreement will be prepared in accordance with the requirements of this title. Failure to execute and return the lease agreement within the specified period will result in the forfeiture of all leasing rights.
- (g) A Lessee under an existing lease will, upon expiration or the termination by mutual agreement of said Lease, be allowed a preference right to re-Lease those lands previously leased by them if all other sections of the Kenai Municipal Code are complied with. Re-leasing will not necessarily be under the same terms and conditions as the prior lease. When the lease is offered to the preference right holder, they will exercise their right within thirty (30) calendar days after said lease is offered by the City. Failure to do so will result in forfeiture and cancellation of the preference right. No preference right will inure to a Lessee whose lease has been terminated by cause.

22.10.015 Qualifications of Lease Applicants or Bidders.

An applicant or bidder for a lease is qualified if the applicant or bidder:

- (a) Is an individual at least eighteen (18) years of age; or
- (b) Is a legal entity which is authorized to conduct business under the laws of Alaska; or
- (c) Is acting as an agent for another meeting the requirements of subsection (a) or (b) of this section and has qualified by filing with the City a proper power of attorney or a letter of authorization creating such agency.

22.10.020 Initial Lease Application.

All applications for initial leases of lands must be submitted to the City Manager or designee on an application form provided by the City. Applications will be dated on receipt and must include payment of the nonrefundable application fee as set forth in the City's schedule of fees approved by the City Council.

22.10.025 Lease Application Review.

- (a) Applications will be reviewed by City staff for application completeness and conformance with City ordinances.
- (b) Based on the initial review, if the City Manager determines the application is complete, the application will be referred to the Planning and Zoning Commission for review and comment, together with the City Manager's recommendation for approval or rejection.
- (c) Notice of complete applications for new leases, renewals or extensions will be published by the City and posted on the property. The notice must contain the name of the applicant, a brief description of the land, and the date upon which any competing applications must be submitted (thirty (30) days from the date of publication).

- (d) The recommendations of the City Manager and the Planning and Zoning Commission will be provided to the City Council. The City Council shall determine whether the lease, renewal, amendment or extension is consistent with the intent of this chapter and in the best interest of the City. The decision whether or not to lease land or authorize a lease extension, renewal, amendment or assignment rests in the sole discretion of the City Council.
- (e) If the applicant is in default of any charges, fees, rents, taxes, or other sums due and payable to the City or the applicant is in default of a requirement of any lease or contract with the City a lease will not be entered into until the deficiencies are remedied.

22.10.030 Application for Lease Amendment, Assignment, or Renewal

Applications for amendment, assignment, extension or renewal will be processed in accordance with the lease application review provisions of this chapter. Only applications that change the use of the tidelands will be referred to the Planning and Zoning Commission. All others are not subject to review by the Planning & Zoning Commission. The City has no obligation to amend, assign, renew or extend a lease and may decline to do so upon making specific findings as to why a lease amendment, assignment, renewal, or extension is not in the best interest of the City.

22.10.035 Competing Lease Applications

If another application for a initial lease is received for the same property within thirty (30) days from the notice of application publication date by a different applicant, City staff will process the application and forward the application, the City Manager's recommendation and Planning and Zoning Commission recommendations to the City Council for approval of the application anticipated to best serve the interest of the City. The City Council may approve one (1) of the applications, reject all the applications or direct the City Manager to award a lease of the property by sealed bid.

22.10.040 Form of Lease.

When leasing land under this chapter, the City Manager will use a standard lease form that:

- (a) Provides a reasonable basis for the lessee's use of the premises;
- (b) Complies with the intent of this chapter;
- (c) Provides for the best interest of the City;
- (d) Is approved as to form by the City Attorney; and
- (e) Is adopted by resolution of the City Council.

Section 7. That City Council Policy No. 20.020 - Standing Commissions and other Advisory Body Procedures as amended and attached is hereby adopted.

Section 8. 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 9. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect 30 days after enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 4th DAY OF FEBRUARY, 2026.

ATTEST:

Henry H. Knackstedt, Mayor

Michelle M. Saner, MMC, City Clerk

Introduced:	January 21, 2026
Enacted:	February 4, 2026
Effective:	March 6, 2026

CITY COUNCIL – 20.020
STANDING COMMISSIONS AND OTHER ADVISORY BODY PROCEDURES

Effective Date: March 5, 2014

Last Action Date:

June 19, 2024

See Also:

Approved by:

City Council

POLICY – 20.020 Standing Commissions and other Advisory Body Procedures.
Purpose

The purpose of this policy is to establish procedures, other than those provided in KMC 1.90, for Standing Commission and other Advisory Bodies established by the Council.

Scope

This policy applies to all standing commissions or other advisory bodies appointed by the City Council. In addition to this policy the following Kenai Municipal Code (KMC) provisions are applicable:

Airport Commission is also regulated by KMC 1.95.010

Beautification Commission is also regulated by KMC 1.95.020

Council on Aging Commission is also regulated by KMC 1.95.030 and the Council on Aging By-Laws

[HARBOR COMMISSION IS ALSO REGULATED BY KMC 1.95.040]

Parks and Recreation Commission is also regulated by KMC 1.95.050

Planning and Zoning Commission is also regulated by KMC 14.05.

Policy
A. Appointment and Reappointments

1. An application for consideration of appointment or reappointment to a Standing Commission or other Advisory Body of the Council must be submitted to the City Clerk.
2. The Mayor nominates an applicant for appointment or reappointment and by motion, the City Council confirms.

B. Establishing Subcommittees

1. A subcommittee of a Standing Commission or other advisory body may be established for a specific function upon approval of Council.

C. Meeting Schedules

1. Standing Commission schedules are as follows:

Commission / Committee / Council on Aging	Meeting Schedule	Scheduled Meeting Days
Airport Commission	Monthly	Second Thursday of the month
Beautification	Meetings held January, April, May, September and October	Second Tuesday of the month
Council on Aging	Monthly	Second Thursday of the month
[HARBOR COMMISSION	MEETINGS HELD FEBRUARY, MARCH, APRIL, MAY, JUNE, AUGUST, SEPTEMBER AND NOVEMBER	FIRST MONDAY AFTER FIRST COUNCIL MEETING OF THE MONTH]
<u>Harbor Commission (Sunset as of 2026, Ordinance No. 3500-2026)</u>		

Library Commission (*Suspended as of 2015, Ordinance No. 2815-2015*)

Parks & Recreation Commission	Monthly, except for July	First Thursday of the month
Planning & Zoning Commission	Twice monthly	Second & fourth Wednesday

2. All regular meetings will be held in the Kenai City Hall Council Chambers with the exception of the Council on Aging Commission who shall meet at the Senior Center, unless offsite arrangements are approved by the Clerk. Exceptions for subcommittee meetings may be made with the advance notice of the City Clerk.
3. Regularly scheduled meeting times will be approved by Council.
4. Special meetings (for a specific purpose) on an as-needed basis may be scheduled with the Clerk's approval and notification to the Council and City Manager.
5. Meetings may be cancelled or rescheduled by the City Clerk, with notification to Council and the City Manager, if cancellation or rescheduling is warranted, i.e. lack of agenda items, pre-knowledge of lack of a quorum, etc.
6. Any additional commissions or other advisory bodies established by Council will be set and incorporated into the meeting schedule by the City Council.

D. Minutes & Meeting Recordings

1. With exception of the Planning & Zoning Commission, taking notes and electronically recording meetings shall be the responsibility of department liaison to the specific Standing Commission or advisory body. The Clerk's Office shall take notes and record the meeting for the Planning and Zoning Commission.
2. Action minutes will be produced by the Clerk's Office from the department liaisons notes and provided to the City Council as official records of the meetings. Summary minutes will be produced by the Clerk's Office for Planning and Zoning Commission items when the item is quasi-judicial.
3. Meetings shall be electronically recorded retained in accordance with the City of Kenai records management schedule and record retention policy as adopted by the City Council pursuant to KMC 10.30.030.

E. Work Sessions

1. Work sessions may not be held without the approval of the City Clerk unless they occur on the night of and at the time of a regularly scheduled advertised meeting. Notification of scheduled work session shall be provided to City Council and the City Manager. Work session may be requested by Council, the liaison or Chair of the body.
2. During work sessions, only items on the work session agenda may be discussed and no formal actions may be taken.
3. At a minimum, work sessions shall be posted on the Official City Bulletin Board in Kenai City Hall and on the city website at least five days prior to the meeting.

F. Basic Meeting Information

1. All meetings shall be open to the public.
2. At a minimum, meeting notices shall be posted on the Official City Bulletin Board in Kenai City Hall and on the city website at least five days prior to the meeting.
3. Meeting agendas shall be established by the Chair and the department liaison and shall be relevant to the authority of the Standing Commission or other advisory body as designated within the bylaws or Kenai Municipal Code. Items requiring commission action under applicable municipal code prior

to final action by the Council, as distinguished from advisory recommendations, will be referred to the respective body prior to any final Council action. The City Council, by motion, may refer any other item to be placed on an agenda seeking a recommendation from the respective Standing Commission or other advisory body.

4. The department liaison shall submit items for the agenda and supporting documentation to the Clerk's Office one week prior to a meeting, no later than 2:00 p.m. The Clerk's Office will compile meeting material and distribute. The Planning & Zoning Commission is exempt from this requirement as the Planning Department advertises, compiles meeting material and distributes for its commission.
5. Rules of Order: Pursuant to KMC 1.15.120(b) and KMC 1.90.050(c), in all matters of parliamentary procedure, Robert's Rules of Order, as revised shall be applicable and govern all meetings, except as specified in KMC 1.15.060 (Motions), KMC 1.15.100 (Speaking), and KMC 1.15.110 (Voting).
6. Quorum: No meeting may proceed in the absence of a quorum, i.e. a quorum is more than one-half of the board/commission (quorum of the whole).
7. Motion: Pursuant to KMC 1.15.060(k), all motions require a second. A majority of votes is required to pass a motion.
8. Speaking: In a meeting, members should be recognized by the Chair before speaking.
9. When is it a Meeting: If any public business is discussed collectively by four or a majority of members of one body.
10. Representation of the body: Members of a City of Kenai Standing Commissions or other advisory bodies may only speak on behalf of the body when approved to do so by a majority vote of the body; at which time their basic responsibility is to carry out the body's directives identified within the approved motion.

G. Council Participation

1. Any Council Member may attend a meeting or work session of any Standing Commission or other advisory body; however, no more than three Council Members may attend any one meeting without additional public notice.
2. Only the Council Liaison to the respective Standing Commission or other advisory body may speak on behalf of the Council to the relevant body if approved to do so by a majority vote of the City Council. Participation of the Liaison at Standing Commission or other advisory body meetings is limited to updating the body on the actions of the Council and reporting back to the Council the actions of the Commission. The Liaison is a non-voting member and may not participate in the debate of an advisory body.
3. Participation by Council Members (acting as a Council Member) other than the Liaison should be limited to ONE Council Member who is a sponsor of a legislative item to be considered for recommendation from the advisory body. The sponsors participation should be limited to three-minute testimony and answering questions from the body. The sponsor of the legislation may not participate in debate of the advisory body. When speaking to the advisory body as the legislative sponsor the following additional rules apply:
 - a. The legislative sponsor will not testify from the Dais, testimony from the sponsor shall be made from the area designated for public comment.
 - b. If the legislative sponsor is the Liaison to the advisory body, the legislative sponsor will remove themselves from the dais and seat themselves in the public area of the chambers. The legislative sponsor will remain in the public seating area during the discussion, debate and voting on the legislative item in which they sponsored.
4. Exception: Council Members may fully participate in any joint work session or other meeting with a Standing Commission or other advisory body when it has been noticed that the City Council will be in attendance, or there has been a specific delegation of authority by the Council for a member(s) to represent the Council.

Henry H. Knackstedt, Mayor

ATTEST:

Shellie Saner, MMC, City Clerk

Policy History: Action Approval on 08-04-2004; R2017-24; R2018-19; 2019-03; 2023-26; R2024-28; R2025-21; Ordinance 3500-2026
Note: Between 2004 and 2017 other amendments to the policy were made through the action approval process.



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

THROUGH: Lee Frey, Public Works Director

FROM: Kevin Buettner, Planning Director

DATE: January 12, 2026

SUBJECT: **Ordinance No. 3500-2026** - Sunsetting the Harbor Commission and Amending Kenai Municipal Code.

The following sectional analysis is in regards to the code changes recommended in the Ordinance 3500-2026. Comments regarding the changes are in red.

In November 2025, the Harbor Commission approved a motion to sunset, or suspend, the Harbor Commission due to a variety of reasons. Kenai City Council accepted the recommendation and instructed administrative staff to work with the Commissioners to bring forth appropriate legislation. On December 8, 2025, the Harbor Commission approved a motion to recommend adoption of the proposed ordinance. On December 10, 2025, the Planning & Zoning Commission also approved a motion to recommend adoption of the proposed ordinance.

The proposed changes fall under three general categories, outlined below:

- Repeal
 - Removes references to the Harbor Commission in various sections of Kenai Municipal Code
 - Removes Section 11.20 – Leasing of Tidelands from Kenai Municipal Code (KMC), to be enacted in another section, see below.
- Amendment
 - Makes changes to Kenai Municipal Code to remove references to the Harbor Commission in various sections of Kenai Municipal Code
 - Transfers powers and duties from the Harbor Commission to the Planning & Zoning Commission
 - Makes changes to Kenai City Council Policy 20.020 to reflect the sunsetting of the Harbor Commission
- Enactment
 - Enacts KMC 22.10 - Leasing of Tidelands transferring components of KMC 11.20 and aligned the leasing procedures to current practice with other City-owned land, as outlined in KMC 22.05 - Disposition of City Lands.

These changes, as proposed, would streamline the land and tideland leasing and reduces confusion for all parties. By transferring many of the powers and duties to the Planning & Zoning Commission, this puts all City-owned lands under the primary oversight of one commission, with advice and consent from the Airport Commission being sought for decisions regarding airport lands.



Section 1. Amendment of Section 1.90.010 of Kenai Municipal Code: That Kenai Municipal Code, Section 1.90.010 - General Standards for Advisory Commissions, Creation, paragraph (a) is hereby amended as follows:

1.90.010 Creation.

- (a) Standing advisory commissions of the City may be created or dissolved by an ordinance of the City Council. The following standing advisory commissions have been created by the Council:
 - (1) Airport Commission, as established in KMC 1.95.010;
 - (2) Beautification Commission, as established in KMC 1.95.020;
 - (3) Council on Aging Commission, as established in KMC 1.95.030;
 - [(4)] HARBOR COMMISSION, AS ESTABLISHED IN KMC 1.95.040;]
 - [(5)] (4) Parks and Recreation Commission, as established in KMC 1.95.050.

Removes Harbor Commission as a standing advisory commission from Kenai Municipal Code.

Section 2. Repeal of Section 1.95.040 of Kenai Municipal Code: That Kenai Municipal Code, Section 1.95.040 - Standard Advisory Commissions, Harbor Commission, is hereby repealed as follows:

[1.95.040 HARBOR COMMISSION.]

- (A) PURPOSE. THE PURPOSE OF THE HARBOR COMMISSION IS TO ADVISE THE COUNCIL AND ADMINISTRATION ON ISSUES INVOLVING CITY HARBOR FACILITIES AND TIDAL OR SUBMERGED LANDS OWNED BY THE CITY.
- (B) DUTIES AND POWERS. THE HARBOR COMMISSION WILL:
 - (1) REVIEW AND PROVIDE RECOMMENDATIONS ON ANY MASTER PLANS FOR THE DEVELOPMENT OF HARBOR OR PORT FACILITIES FOR THE CITY. THIS MAY INCLUDE:
 - (I) DEVELOPMENT OF THE TYPE, LOCATION, AND SEQUENCE OF ALL PUBLIC HARBOR FACILITIES; AND
 - (II) THE RELOCATION, REMOVAL, EXTENSION, OR CHANGE OF USE OF EXISTING HARBOR FACILITIES;
 - (2) ACT IN AN ADVISORY CAPACITY TO THE COUNCIL AND ADMINISTRATION REGARDING MATTERS RELATED TO CITY HARBOR FACILITIES, TIDE OR SUBMERGED LANDS. MAKE RECOMMENDATIONS TO THE COUNCIL AND ADMINISTRATION RELATIVE TO THE CARE, CONTROL, AND DEVELOPMENT OF TIDE AND SUBMERGED LANDS; AND
 - (3) SUBMIT ANNUALLY TO THE CITY MANAGER AND COUNCIL, NOT LESS THAN NINETY (90) DAYS PRIOR TO THE BEGINNING OF THE BUDGET YEAR, A LIST OF THE RECOMMENDED CAPITAL IMPROVEMENTS WHICH, IN THE OPINION OF THE COMMISSION, ARE NECESSARY OR DESIRABLE TO BE CONSTRUCTED DURING THE FORTHCOMING FIVE (5) YEAR PERIOD. SUCH LIST WILL BE ARRANGED IN ORDER OF PREFERENCE, WITH RECOMMENDATIONS AS TO WHICH PROJECTS ARE RECOMMENDED FOR CONSTRUCTION IN WHICH YEAR; AND
 - (4) REVIEW ALL CITY LEASES OF CITY-OWNED TIDE AND SUBMERGED LANDS AND MAKE RECOMMENDATIONS TO THE CITY COUNCIL AND ADMINISTRATION; AND



- (5) PROVIDE INFORMATION AND RECOMMENDATIONS AS REQUESTED BY THE CITY COUNCIL AND ADMINISTRATION; AND
- (6) ADVISE AND PROVIDE RECOMMENDATIONS TO THE ADMINISTRATION AS REQUESTED ON THE QUALIFICATIONS FOR A HARBOR MASTER.
- (c) QUALIFICATIONS AND MEMBERSHIP. MEMBERS OF THE HARBOR COMMISSION WILL CONFORM TO THE REQUIREMENTS OF KMC CHAPTER 1.90, EXCEPT THE COMMISSION MAY AT THE DISCRETION OF THE COUNCIL HAVE UP TO TWO (2) NONRESIDENT MEMBERS.]

Formally removes Harbor Commission as a standing advisory commission from Kenai Municipal Code. This preserves a record of the Harbor Commission and allows for the reestablishment of the Commission, should City Council decide to do so in the future.

Section 3. Repeal of Chapter 11.20 of Kenai Municipal Code: That Kenai Municipal Code, Chapter 11.20 - Leasing of Tidelands, is hereby repealed as follows:

[CHAPTER 11.20 LEASING OF TIDELANDS

11.20.020 LANDS AVAILABLE FOR LEASING.

ALL CLASSIFIED TIDE AND CONTIGUOUS SUBMERGED LANDS WITHIN THE LIMITS OF THE CITY TO WHICH THE CITY HOLDS TITLE MAY BE LEASED FOR SURFACE USE ONLY, AND UNDER THE CONDITION THAT SAID LEASE IS SUBJECT AND INFERIOR TO PREFERENCE RIGHT CLAIMS AND SUBJECT TO THE RIGHTS OF EXISTING SET NET HOLDERS WITHIN THE CITY LIMITS.

11.20.650 TIDELANDS CLAIMS.

THE CITY SHALL LEASE THE LAND SUBJECT TO ANY PREFERENCE RIGHTS CLAIMS MADE PURSUANT TO THE PROVISIONS OF ALASKA STATUTES 38.05.820 OR ORDINANCE 455-78, DATED SEPTEMBER 5, 1979, OF THE CITY OF KENAI, ADOPTED PURSUANT THERETO, AND THE LESSEE HOLDS LESSOR HARMLESS FOR ANY DAMAGES, LEGAL EXPENSES, OR COMPENSATION NECESSITATED BY THE RESOLUTION OR SATISFACTION OF SAID TERMS OF SAID CLAIMS, IF ANY.

11.20.660 SUBJECTION TO HARBOR ORDINANCE.

ALL LEASES ARE SUBJECT TO THE TERMS, CONDITIONS, AND REGULATIONS IMPOSED BY TITLE 11, HARBOR AND HARBOR FACILITIES, OF THE 1979 KENAI CODE OF ORDINANCES AS AMENDED OF WHICH THIS SECTION IS PART.

11.20.680 PROVISIONS REGULATING PUBLIC USE PURPOSE.

THE CITY COUNCIL REALIZES THAT ONLY A LIMITED AREA OF TIDELANDS BORDERING NAVIGABLE WATERS IS AVAILABLE WITHIN THE CITY OF KENAI AND WHICH IS OWNED BY THE CITY OF KENAI. IT WOULD BE IN THE PUBLIC INTEREST TO INSURE THAT THESE LANDS DO NOT PASS OUT OF COMMUNITY CONTROL AT LEAST TO THE EXTENT THAT THE PUBLIC WOULD NOT BE DEPRIVED OF HARBOR SERVICES AT REASONABLE RATES IN THE FUTURE. THEREFORE, AREAS OF CITY-OWNED TIDELANDS WHICH ARE DEVELOPABLE FOR THE BONA FIDE PUBLIC PURPOSES AS ENUMERATED BELOW SHALL BE LEASED ONLY WITH THE FOLLOWING COVENANTS DEFINED TO INSURE PUBLIC USE AND ACCESS AT REASONABLE RATES.



11.20.690 PROVISION TO BE INCLUDED IN PUBLIC USE LEASE.

KMC 11.20.700 SHALL BE INCLUDED IN LEASES WHERE HARBOR FACILITIES ARE CONSTRUCTED TO BE UTILIZED ALL OR IN PART FOR BONA FIDE PUBLIC USES.

11.20.700 PUBLIC USE: DEFINED.

- (A) PUBLIC USE SHALL MEAN A USE LIMITED IN PART OR IN WHOLE TO THE FOLLOWING:
 - (1) IN GENERAL, THE LESSEE MAY USE THE DEMISED PREMISES OR PART THEREOF FOR ANY OF THE FOLLOWING PURPOSES ONLY:
 - (I) PUBLIC DOCK FACILITIES.
 - (II) MARITIME COMMERCE.
 - (III) TRANSPORTATION.
 - (IV) FISHING.
 - (V) BOAT HARBOR.
 - (VI) PORT AND WATERFRONT DEVELOPMENT PURPOSES.
- (B) BEFORE LESSEE MAY CONDUCT ANY ACTIVITIES WHICH FALL UNDER THESE GENERAL CRITERIA, BUT ARE NOT SPECIFICALLY MENTIONED ABOVE, LESSEE MUST OBTAIN WRITTEN CONSENT OF THE CITY.

11.20.710 CONTROLLED ACCESS.

LESSEE, FOR ITS OWN PROTECTION, MAY CONSTRUCT OR INSTALL FENCES, GATES, OR OTHER TYPES OF BARRIERS TO RESTRICT ACCESS TO PORTIONS OF THE DEMISED PREMISES THAT ARE NOT DESIGNATED FOR A PUBLIC USE AND MAY PROVIDE REASONABLE CONTROLS FOR ACCESS TO PUBLIC USE AREAS TO ALLOW FOR SECURITY FOR SUCH AREAS WHILE INSURING REASONABLE PUBLIC ACCESS. REASONABLE PUBLIC ACCESS INCLUDES ACCOMMODATIONS MADE FOR FISHING OPERATIONS DURING FISHING SEASON. ANY CONTROLLED ACCESS MEASURES SHALL BE INDICATED ON THE LESSEE'S DEVELOPMENT PLAN.

11.20.720 USE CHARGES.

LESSEE SHALL MAKE REASONABLE AND NONDISCRIMINATORY CHARGES TO THE PUBLIC FOR USE OF ANY OF ITS FACILITIES.

11.20.780 PENALTIES.

- (A) IT IS UNLAWFUL FOR ANY PERSON TO VIOLATE ANY OF THE PROVISIONS OF THIS CHAPTER AND UPON CONVICTION THEREOF SHALL BE FINED AS PROVIDED FOR VIOLATIONS IN KMC 13.05.010. EACH DAY SUCH VIOLATION IS COMMITTED OR PERMITTED TO CONTINUE SHALL CONSTITUTE A SEPARATE OFFENSE AND SHALL BE PUNISHABLE AS SUCH HEREUNDER.
- (B) IN ADDITION TO OR AS AN ALTERNATIVE TO THE ABOVE PENALTY PROVISION, THE CITY MAY IMPOSE A CIVIL PENALTY IN AN AMOUNT AS PROVIDED BY KMC 13.05.010 PER DAY FOR THE VIOLATION OF ANY PROVISION OF THIS CHAPTER AND SEEK INJUNCTIVE RELIEF FOR ANY INFRACTION THEREOF FOR WHICH THE OFFENDING PARTY WILL BE CHARGED FOR REASONABLE ATTORNEY'S FEES AND COSTS INCURRED BY THE CITY AS AWARDED BY THE COURT.



- (C) NOTHING IN THIS SECTION SHALL BE DEEMED TO RESTRICT THE CITY'S EXERCISE OF ANY OF ITS RIGHTS PURSUANT TO THE LEASE AGREEMENT.

11.20.790 TIDELANDS LEASES FOR SHORE FISHERIES.

NOTWITHSTANDING OTHER PROVISIONS OF THE CITY'S CODE OF ORDINANCES, THE ANNUAL MINIMUM RENTAL RATE FOR TIDELAND LEASES USED PRIMARILY FOR SHORE FISHERIES SHALL BE AN ANNUAL FEE AS SET FORTH IN THE CITY'S SCHEDULE OF FEES ADOPTED BY THE CITY COUNCIL. HOWEVER, SHOULD THE STATE OF ALASKA SET AN ANNUAL LEASE RATE HIGHER THAN THAT ESTABLISHED BY THE CITY FOR SIMILAR TIDELAND LEASES FOR SHORE FISHERIES ON LAND OWNED BY THE STATE, THE CITY MAY AMEND THE ANNUAL RENTAL TO A RATE EQUAL TO THAT CHARGED BY THE STATE OF ALASKA.

This section is repealed from Title 11 in KMC and moved into a newly enacted KMC Section 22.10 - Leasing of Tidelands, below. Some sections are in a different order in the new chapter to alleviate potential confusion, but all sections are transferred in whole, with the exception of KMC 11.20.660 - Subjection to Harbor Ordinance which is not transferred.

Section 4. Amendment of Section 14.05.010 of Kenai Municipal Code: That Kenai Municipal Code, Section 14.05.010 - Planning and Zoning Commission, Duties and Powers, is hereby amended as follows:

14.05.010 Duties and Powers.

- (a) The Commission shall be required to perform the following duties:
- (1) Review and act upon requests for variance permits, conditional use permits, planned unit residential development permits, and other matters requiring consideration under the Kenai Zoning Code.
 - (2) Interpret the provisions of the Kenai Zoning Code and make determinations when requested by the Administrative Official.
 - (3) Review the City of Kenai Comprehensive Plan on an annual basis and conduct a minimum of one (1) public hearing. Said recommendations shall be forwarded to the Council for consideration.
 - (4) Promote public interest and understanding of comprehensive planning, platting, zoning, land management, and other issues relating to community planning and development.
 - (5) Proposed plans for the rehabilitation or redevelopment of any area or district within the City.
 - (6) Perform historic preservation reviews and duties as set forth in KMC 14.20.105.
 - (7) Review and provide recommendations on any master plans for the development of harbor or port facilities for the City. This may include:
 - (i) Development of the type, location, and sequence of all public harbor facilities;
and
 - (ii) The relocation, removal, extension, or change of use of existing harbor facilities;
 - (8) Submit annually to the City Manager and Council, not less than ninety (90) days prior to the beginning of the budget year, a list of the recommended capital improvements which, in the opinion of the Commission, are necessary or desirable to be constructed



during the forthcoming five (5) year period. Such list will be arranged in order of preference, with recommendations as to which projects are recommended for construction in which year

- (b) The Commission shall act in an advisory capacity to the Kenai City Council regarding the following matters:
 - (1) Kenai Zoning Code and Official City of Kenai Zoning Map amendments.
 - (2) City and airport land lease or sale petitions.
 - (3) Capital Improvements Programming. The Commission shall submit annually to the Council a list of recommended capital improvements which, in the opinion of the Commission, are necessary and desirable to be constructed during the forthcoming three (3) year period. Such list shall be arranged in order of preference, with recommendations as to which projects shall be constructed in which year.
 - (4) Related to City Harbor facilities, tide or submerged lands. Make recommendations to the Council and Administration relative to the care, control, and development of tide and submerged lands.
- (c) The Commission shall act in an advisory capacity to the Kenai Peninsula Borough Planning Commission regarding the following matters:
 - (1) Subdivision plat proposals.
 - (2) Right-of-way and easement vacation petitions.
 - (3) City of Kenai Comprehensive Plan amendments.
- (d) Members of the Planning and Zoning Commission shall be compensated at the rate of one hundred dollars (\$100.00) per month.

Transfers powers and duties from the Harbor Commission in KMC 1.95.040 - Harbor Commission to the Planning & Zoning Commission. The Planning & Zoning Commission is empowered by Kenai City Council to make certain quasi-judicial decisions. As such, the Planning & Zoning Commission is not solely an advisory commission and derives its duties and powers from KMC 14.05.010 - Duties and Powers.

Section 5. Enactment of Section 22.05.016 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.016 – Tidelands Available for Leasing is hereby amended as follows:

Provides specifics for tidelands, and refers to prior legislation authorizing the City to lease tidelands.

22.05.016 Tidelands Available for Leasing.

(a) All classified tide and contiguous submerged lands within the limits of the City to which the City holds title may be leased for surface use only, and under the condition that said lease is subject and inferior to preference right claims. The City will lease the land subject to any preference rights claims made pursuant to the provisions of Alaska Statutes 38.05.820 or Ordinance 455-78, dated September 5, 1979, of the City of Kenai, adopted pursuant thereto, and the lessee holds lessor harmless for any damages, legal expenses, or compensation necessitated by the resolution or satisfaction of said terms of said claims, if any.



Transferred directly from KMC 11.20.020 - Lands Available for Leasing and KMC 11.20.650 – Tidelands Claims

(b) Only a limited area of tidelands bordering navigable waters is available within the City of Kenai and which is owned by the City of Kenai. It is in the public interest to ensure that these lands do not pass out of community control at least to the extent that the public would not be deprived of harbor services at reasonable rates in the future. Therefore, areas of City-Owned tidelands which are developable for the bona fide public purposes as enumerated below will be leased only with the following covenants defined to ensure public use and access at reasonable rates.

Transferred directly from KMC 11.20.680 – Provisions Regulating Public Use Purpose.

(c) The following will be included in leases where harbor facilities are constructed to be utilized all or in part for bona fide public uses.

Transferred directly from KMC 11.20.680 – Provisions to be Included in Public Use Lease.

(A) Public use will mean a use limited in part or in whole to the following:

(i) In general, the lessee may use the demised premises or part thereof for any of the following purposes only:

(i) Public dock facilities.

(ii) Maritime commerce.

(iii) Transportation.

(iv) Fishing.

(v) Boat harbor.

(vi) Port and waterfront development purposes.

(B) Before lessee may conduct any activities which fall under these general criteria, but are not specifically mentioned above, lessee must obtain written consent of the City.

“Lease renewal” means a new lease of property currently under an existing or expiring lease to an existing lessee or a purchaser.

Transferred directly from KMC 11.20.700 – Public Use: Defined.

(d) Lessee, for its own protection, may construct or install fences, gates, or other types of barriers to restrict access to portions of the demised premises that are not designated for a public use and may provide reasonable controls for access to public use areas to allow for security for such areas while insuring reasonable public access. Reasonable public access includes accommodations made for fishing operations during fishing season. Any controlled access measures shall be indicated on the lessee’s development plan.

Transferred directly from KMC 11.20.710 – Controlled Access.

(e) Lessee shall make reasonable and nondiscriminatory charges to the public for use of any of its facilities.

Transferred directly from KMC 11.20.720 – Use Charges.



Section 6. Enactment of Chapter 22.10 of Kenai Municipal Code: That Kenai Municipal Code, Chapter 22.10 – Tideland Leases for Shore Fisheries is hereby enacted as follows:

Chapter 22.10 Tideland Leases for Shore Fisheries

Establishes a chapter dedicated to shore fishery tideland leases. There are noticeable differences between shore fishery tideland leases and other tideland leases within the City. To reduce confusion, this separate chapter is created.

22.15.010 Tideland Leases for Shore Fisheries.

- (a) The annual minimum rental rate for tideland leases used primarily for shore fisheries will be an annual fee as set forth in the City's schedule of fees adopted by the City Council. However, should the State of Alaska set an annual lease rate higher than that established by the City for similar tideland leases for shore fisheries on land owned by the State, the City may amend the annual rental to a rate equal to that charged by the State of Alaska.

Transferred directly from KMC 11.20.790 – Tideland Leases for Shore Fisheries

- (b) The maximum term of a lease for tidelands used for shore fisheries may not to exceed ten (10) years, in accordance with Alaska Statute 38.05.24.
- (c) A Lessee under an existing lease will, upon the expiration or the termination by mutual agreement of said Lease, be allowed a preference right to re-lease those lands previously leased if all other sections of the Kenai Municipal Code are complied with. Re-leasing will not necessarily be under the same terms and conditions of the prior lease. When the lease is offered to the preference right holder, the preference right holder will exercise their right within thirty (30) calendar days after said lease is offered by the City. Failure to do so will result in forfeiture and cancellation of the preference right. No preference right will inure to a Lessee whose lease has been terminated by cause.
- (d) Lessee with City's written consent, which will not be unreasonably denied, may assign for other than collateral purposes, in whole or in part, its rights as Lessee. Any assignee of part or all of the leased premises will assume the duties and obligations of the Lessee as to such part or all of the leased premises. No such assignment, however, will discharge Lessee from its duties and obligations outlined in the original lease agreement.
- (e) Rent will be paid annually in advance. The City of Kenai's fiscal year beginning July 1st and ending June 30th.
- (f) The lease applicant will execute and return the appropriate lease agreement with the City of Kenai within forty-five (45) days of mailing the agreement to the applicant. The lease agreement will be prepared in accordance with the requirements of this title. Failure to execute and return the lease agreement within the specified period will result in the forfeiture of all leasing rights.
- (g) A Lessee under an existing lease will, upon expiration or the termination by mutual agreement of said Lease, be allowed a preference right to re-Lease those lands previously leased by them if all other sections of the Kenai Municipal Code are complied with. Re-Leasing will not necessarily be under the same terms and conditions as the prior lease. When the lease is offered to the preference right holder, they will exercise their right within thirty (30) calendar days after said lease is offered by the City. Failure to do so will result in forfeiture and cancellation of the preference right. No preference right will inure to a Lessee whose lease has been terminated by cause.



Sections (b) through (g) are added to outline specific requirements that apply only to shore fishery leases. There are certain provisions in previous chapters that are not carried over here due to the nature of the use of these specific tidelands.

22.15.015 Qualifications of Lease Applicants or Bidders.

An applicant or bidder for a lease is qualified if the applicant or bidder:

- (a) Is an individual at least eighteen (18) years of age; or
- (b) Is a legal entity which is authorized to conduct business under the laws of Alaska; or
- (c) Is acting as an agent for another meeting the requirements of subsection (a) or (b) of this section and has qualified by filing with the City a proper power of attorney or a letter of authorization creating such agency.

Copied from KMC 22.05.020 - Qualifications of Lease Applicants and Bidders for consistency.

22.15.020 Initial Lease Application.

All applications for initial leases of lands must be submitted to the City Manager or designee on an application form provided by the City. Applications will be dated on receipt and must include payment of the nonrefundable application fee as set forth in the City's schedule of fees approved by the City Council.

Aligned with KMC 22.05.025 - Initial Lease Application for consistency.

22.15.025 Lease Application Review.

- (a) Applications will be reviewed by City staff for application completeness and conformance with City ordinances.
- (b) Based on the initial review, if the City Manager determines the application is complete, the application will be referred to the Planning and Zoning Commission for review and comment, together with the City Manager's recommendation for approval or rejection.
- (c) Notice of complete applications for new leases, renewals or extensions will be published by the City and posted on the property. The notice must contain the name of the applicant, a brief description of the land, and the date upon which any competing applications must be submitted (thirty (30) days from the date of publication).
- (d) The recommendations of the City Manager and the Planning and Zoning Commission will be provided to the City Council. The City Council shall determine whether the lease, renewal, amendment or extension is consistent with the intent of this chapter and in the best interest of the City. The decision whether or not to lease land or authorize a lease extension, renewal, amendment or assignment rests in the sole discretion of the City Council.
- (e) If the applicant is in default of any charges, fees, rents, taxes, or other sums due and payable to the City or the applicant is in default of a requirement of any lease or contract with the City a lease will not be entered into until the deficiencies are remedied.

Aligned with KMC 22.05.040 - Lease Application Review for consistency.



22.15.030 Application for Lease Amendment, Assignment, or Renewal

Applications for amendment, assignment, or renewal will be processed in accordance with the lease application review provisions of this chapter. Only applications that change the use of the tidelands will be referred to the Planning and Zoning Commission. All others are not subject to review by the Planning & Zoning Commission. The City has no obligation to amend, assign, or renew a lease and may decline to do so upon making specific findings as to why a lease amendment, assignment, or renewal is not in the best interest of the City.

Aligned with KMC 22.05.045 – Application for Lease Amendment, Assignment, Extension, or Renewal for consistency. Alaska Statute 38.05.082(c) states, “a lease for setnet fishing may be issued for any period not exceeding [ten] 10 years”. City of Kenai leases are for ten years and are not eligible for extension.

22.15.035 Competing Lease Applications

If another application for an initial lease is received for the same property within thirty (30) days from the notice of application publication date by a different applicant, City staff will process the application and forward the application, the City Manager’s recommendation and Planning and Zoning Commission recommendations to the City Council for approval of the application anticipated to best serve the interest of the City. The City Council may approve one (1) of the applications, reject all the applications or direct the City Manager to award a lease of the property by sealed bid.

Aligned with KMC 22.05.050 – Competing Land Applications for consistency.

22.15.040 Form of Lease.

When leasing land under this chapter, the City Manager will use a standard lease form that:

- (a) Provides a reasonable basis for the lessee’s use of the premises;
- (b) Complies with the intent of this chapter;
- (c) Provides for the best interest of the City;
- (d) Is approved as to form by the City Attorney; and
- (e) Is adopted by resolution of the City Council.

Aligned with KMC 22.05.086 – Form of Lease for consistency.





MEMORANDUM

TO: Mayor Knackstedt and Council Members
FROM: Shellie Saner, City Clerk
DATE: November 12, 2025
SUBJECT: **Action/Approval** - Directing the Administration to Bring Forward the Legislation Necessary to Sunset the City of Kenai Harbor Commission.

On November 10, 2025 the Harbor Commission met in a work session for the purpose of discussing the Commission Role, Future Status and Possible Sunset.

Commission discussion during the work session included the following:

- Over the last two-and-a-half years there was nothing required of the commission; the commission had been trying to create agenda items.
- Numerous meetings cancelled due to lack of a quorum or lack of agenda items.
- Difficulty keeping commissioners.
- Now that the Bluff Stabilization project was complete, there were no foreseeable future project for the commission.
- Activities of the commission overlapped and duplicated activities of other commissions.

During the regular meeting, immediately following the work session the Harbor Commission unanimously approved a motion recommending the City Council sunset the Harbor Commission.

If the Council approves a motion directing the Administration to draft the necessary legislation, the draft legislation will be presented to the Harbor Commission at a Special Meeting for recommendation to Council, and brought forward to Council for final action.

APPROVED BY COUNCIL

Date: 11/19/25

**KENAI HARBOR COMMISSION – REGULAR MEETING
DECEMBER 8, 2025 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR JEANNE KEATON, PRESIDING**

MINUTES

A. CALL TO ORDER

A Special Meeting of the Harbor Commission was held on December 8, 2025, in the Kenai City Council Chambers, Kenai, AK. Chair Reveal called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Chair Keaton led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Reveal, Chair
Zachary Rohr

Lisa Gabriel
Matthew Moffis, Vice Chair

A quorum was present.

Also in attendance were:

Lee Frey, Public Works Director
Kevin Buettner, Planning & Zoning Director
Lisa List, Public Works Administrative Assistant

3. Agenda Approval

MOTION:

Commissioner Moffis **MOVED** to approve the agenda as presented. Commissioner Rohr **SECONDED** the motion.

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

B. SCHEDULED PUBLIC COMMENTS - None.

C. UNSCHEDULED PUBLIC COMMENTS - None.

D. APPROVAL OF MINUTES

1. November 10, 2025 Regular Meeting Minutes

MOTION:

Commissioner Moffis **MOVED** to approve the November 10, 2025 Harbor Commission minutes. Commissioner Rohr **SECONDED** the motion.

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

E. UNFINISHED BUSINESS - None.

F. NEW BUSINESS

1. Action/Approval - Recommending Approval of Proposed Ordinance to City Council Regarding Sunsetting the Harbor Commission

MOTION:

Commissioner Moffis **MOVED** to recommend approval of proposed ordinance to City Council regarding sunseting the Harbor Commission. Commissioner Rohr **SECONDED** the motion.

Planning Director Buettner reported the following:

- November 10, 2025 - The Harbor Commission during a Special Meeting, recommended that the City Council consider sunseting the Harbor Commission.
- November 19, 2025 - The City Council during their Regular Meeting approved a motion directing the Administration to draft the necessary legislation to sunset the Harbor Commission and to present that legislation to the Harbor Commission for recommendation.
- The proposed Ordinance amends Kenai Municipal Code (KMC) to remove reference to the Harbor Commission, repealing provisions related to its duties and powers; moves leasing of tideland provisions to a new chapter; and transfers powers formerly delegated to the Harbor Commission to the Planning and Zoning Commission.

UNANIMOUS CONSENT was requested on the motion.

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

MOTION PASSED.

G. REPORTS

1. Public Works Director Frey

Thanked Commissioners for their time and efforts serving on the Harbor Commission.

2. Commission Chair Keaton

Thanked the City for their support of the Harbor Commission.

3. City Council Liaison - No report

H. ADDITIONAL PUBLIC COMMENTS - None.**I. COMMISSION QUESTIONS AND COMMENTS - None.****J. ADJOURNMENT****K. INFORMATIONAL ITEMS - None.**

There being no further business before the Harbor Commission, the meeting was adjourned at 6:09 p.m.

I certify the above represents accurate minutes of the Harbor Commission meeting of December 8, 2025.

Logan Parks
Deputy City Clerk



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3501-2026**

AN ORDINANCE DETERMINING FOUR CITY-OWNED PROPERTIES IN THE BEAVER LOOP AREA ARE NOT NEEDED FOR A PUBLIC PURPOSE AND AUTHORIZING SALE BY PUBLIC SEALED BID AUCTION.

WHEREAS, the City's Land Management Plan identified City-owned property in the Beaver Loop area for potential disposal, noting that wetlands on the property should be protected, while areas suitable for development may be leased following subdivision; and,

WHEREAS, the City retained an engineering consultant to excavate test holes, confirming the presence of a marketable quantity of gravel on the southern portion of the property; and,

WHEREAS, Ordinance 3431-2024 authorized the purchase of survey services, and a subdivision of the property was completed, creating four parcels with identified gravel resources and one tract consisting primarily of wetlands; and,

WHEREAS, the properties proposed for sale are:

1. KPB Parcel 04901068, Lot 1, Beaver Loop Acres Addn No 3 Subdivision
2. KPB Parcel 04901069, Lot 2, Beaver Loop Acres Addn No 3 Subdivision
3. KPB Parcel 04901070, Lot 3, Beaver Loop Acres Addn No 3 Subdivision
4. KPB Parcel 04901071, Lot 4, Beaver Loop Acres Addn No 3 Subdivision; and,

WHEREAS, the highest and best use of these parcels is gravel extraction; and,

WHEREAS, the parcels are zoned Rural Residential, which allows surface extraction of natural resources by conditional use permit; and,

WHEREAS, these properties are not needed for a public purpose and may be utilized to support community development and generate revenue; and,

WHEREAS, opening these parcels for sale and utilizing the gravel resources represents an efficient use of City assets, supports local construction and infrastructure projects, and encourages private development; and,

WHEREAS, sale by public sealed bid auction is an authorized method of sale pursuant to KMC 22.05.095 (b) (2) (ii); and,

WHEREAS, establishing the minimum bid based on the estimated quantity of gravel above the water table for each parcel, calculated using the State of Alaska's Department of Natural Resources Southcentral Region gravel base price of \$3.50 per unit and discounted over twenty years at a five percent (5%) discount rate, provides a reasonable base value for public sale purposes; and,

WHEREAS, at their regularly scheduled meeting on January 28, 2026, the City of Kenai Planning and Zoning Commission reviewed the proposed sale of the properties and recommended _____ to the City Council; and,

WHEREAS, offering these properties for public sale under the outlined terms will encourage development, generate revenue, and is in the best interest of the City.

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

Section 1. That the Council determines that the following properties are no longer needed for a public purpose and are available for sale:

1. KPB Parcel 04901068, Lot 1, Beaver Loop Acres Addn No 3 Subdivision
2. KPB Parcel 04901069, Lot 2, Beaver Loop Acres Addn No 3 Subdivision
3. KPB Parcel 04901070, Lot 3, Beaver Loop Acres Addn No 3 Subdivision
4. KPB Parcel 04901071, Lot 4, Beaver Loop Acres Addn No 3 Subdivision;

Section 2. The Council authorizes these properties to be sold by public sealed bid auction to the highest bidder and that the minimum bid for each parcel will be based on the estimated quantity of gravel above the water table for each parcel, calculated using the State of Alaska's Department of Natural Resources Southcentral Region gravel base price of \$3.50 per unit and discounted over twenty years at a five percent (5%) discount rate.

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 4TH DAY OF FEBRUARY, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Introduced:	January 21, 2026
Enacted:	February 4, 2026
Effective:	February 4, 2026



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members

FROM: Terry Eubank, City Manager

DATE: December 19, 2025

SUBJECT: **Ordinance No. 3501-2026** - Determining Four City-Owned Properties in the Beaver Loop Area are Not Needed for a Public Purpose and Authorizing Sale by Public Sealed Bid Auction.

The City owns four parcels in the Beaver Loop area that were formerly part of a 320-acre parcel. The City's Land Management Plan identified these lands as suitable for potential disposal, with wetlands protected and developable areas evaluated separately. An engineering consultant completed test holes and confirmed a marketable quantity of gravel on the southern portion of the property.

Pursuant to Ordinance 3431-2024, the City subdivided the property into four parcels containing gravel resources and a separate tract consisting primarily of wetlands, which is not proposed for sale. The highest and best use of the four parcels is gravel extraction, which aligns with the Rural Residential zoning and prior City policy supporting resource development along this corridor.

The proposed public sale would place underutilized City land into productive use, support local construction and infrastructure needs, encourage private investment, and generate revenue. Sale by public sealed bid auction is authorized under Kenai Municipal Code. Establishing the minimum bid based on the estimated quantity of gravel above the water table for each parcel, calculated using the State of Alaska's Department of Natural Resources' Southcentral Region base price of \$3.50 per unit and discounted over twenty years at a 5% discount rate ensures a fair and transparent starting value. Minimum bids would be as follows:

Lot No.	KPB Parcel No.	Acres	Legal Description	Minimum Bid
1	04901068	28.63	T 05N R 11W SEC 03 SEWARD MERIDIAN BEAVER LOOP ACRES ADDN NO 3 SUB LOT 1	\$310,297
2	04901069	28.45	T 05N R 11W SEC 03 SEWARD MERIDIAN BEAVER LOOP ACRES ADDN NO 3 SUB LOT 2	\$343,384
3	04901070	28.45	T 05N R 11W SEC 03 SEWARD MERIDIAN BEAVER LOOP ACRES ADDN NO 3 SUB LOT 3	\$248,983
4	04901071	23.80	T 05N R 11W SEC 03 SEWARD MERIDIAN BEAVER LOOP ACRES ADDN NO 3 SUB LOT 4	\$148,699

If approved, the parcels would be marketed and the sale conducted this spring. The City of Kenai Planning and Zoning Commission is scheduled to review the proposed sale and provide a recommendation to the City Council at its January 28, 2026 meeting.

Exhibit A showing the four proposed parcels is attached for reference.

The Administration recommends this approach as an efficient use of City assets in support of community development and in the best interest of the City.

Your consideration is appreciated.







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MEMORANDUM

TO: Mayor Knackstedt and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Kevin Buettner, Planning Director
DATE: January 29, 2026
SUBJECT: **Ordinance 3501-2026 Requested Amendment**

This memo requests an amendment to Ordinance 3501-2026 which will determine if four City-owned properties in the Beaver Loop Area are not needed for a public purpose and authorizing the sale by public sealed bid auction.

At the regularly scheduled Planning & Zoning Commission meeting of January 28, 2026, the Commission voted to recommend that City Council enact Ordinance 3501-2026.

The following amendment is respectfully requested.

Motion

Amend the eleventh WHEREAS by filling in the blank with “enactment”. The amended WHEREAS, after amendment will read:

WHEREAS, at their regularly scheduled meeting on January 28, 2026, the City of Kenai Planning and Zoning Commission reviewed the proposed sale of the properties and recommended enactment to the City Council; and,

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3502-2026**

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO REIMBURSE ANNUAL LEAVE USED BY FIREFIGHTER GARRICK MARTIN FOR ATTENDING A PARAMEDIC INTERNSHIP PROGRAM.

WHEREAS, Firefighter Garrick Martin recently completed his paramedic certification program; and,

WHEREAS, as part of the certification process, Firefighter Garrick Martin utilized his GI Bill educational benefit, grant funds, approximately \$13,000 of his own funds, and 384 hours of annual leave to attend a paramedic internship at Montgomery County Hospital District in Houston, Texas from October 4, 2025 through November 16, 2025; and,

WHEREAS, the City benefits from having certified paramedics in the Fire Department who provide a higher level of emergency medical service; and,

WHEREAS, as a certified paramedic, Firefighter Martin receives additional compensation; and,

WHEREAS, consistent with past City practice, it is in the best interests of the City to reimburse Firefighter Garrick Martin's leave account for the 384 hours of annual leave used to attend the paramedic internship; and,

WHEREAS, an ordinance is necessary to accomplish this reimbursement, as the City Code does not contain a specific method for reimbursing leave time for this purpose.

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

Section 1. Form: That this is a non-code ordinance.

Section 2. Authorizing the Reimbursement of Leave: That the City Manager is authorized to enter into an agreement to reimburse 384 hours of annual leave utilized by Firefighter Garrick Martin for attending a paramedic internship program over a period of two months.

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 30 days after enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 4TH DAY OF FEBRUARY, 2026.

Henry H. Knackstedt, Mayor

Ordinance No. 3502-2026

Page 2 of 2

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



Introduced:	January 21, 2026
Enacted:	February 4, 2026
Effective:	February 4, 2026



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Stephanie Randall, Human Resources Director

DATE: January 13, 2026

SUBJECT: **Ordinance No. 3502-2026** - Authorizing the City Manager to Reimburse Annual Leave Used by Firefighter Garrick Martin for Attending a Paramedic Internship Program.

This memo provides additional information in support of the referenced ordinance. Firefighter Garrick Martin participated in the Paramedic program through Kenai Peninsula College. The program consisted of classroom sessions, ride-a-longs, labs, hospital clinical rotations and culminated with a 6-week field internship at Montgomery County Hospital District in Houston, Texas.

Firefighter Martin has completed the program as of December 3, 2025 and is a Nationally Registered Paramedic. As a licensed paramedic, Firefighter Martin expands the Kenai Fire Department's advanced life support capabilities and increases the level of emergency medical care the department is able to provide to our community.

Kenai Fire Department firefighters are not required to become paramedics and are not eligible for a leave of absence with pay under KMC 23.40.060 to attend paramedic school since it is not a requirement of their positions. However, in recognition of professional development, personal time, and effort of the individual to achieve the same, a recognition entitlement is paid to Fire Department employees who obtain a paramedic certification as an additional 5% of the employee's current hourly pay.

The City of Kenai has previously reimbursed leave for two other firefighters who used leave when completing paramedic training out-of-state. Reimbursing leave taken to attend paramedic school is also typical of what other similarly-situated departments are doing nationwide. Based upon the recommendation of Fire Chief Jay Teague, the attached Ordinance provides for the City Manager to reimburse Firefighter Garrick Martin for the 384 hours of leave he utilized to attend paramedic training.

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3503-2026**

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE WATER & SEWER CAPITAL PROJECT FUND AND ACCEPTING A LOAN FROM THE STATE REVOLVING FUND PROGRAM FOR THE WATER TREATMENT PUMPHOUSE PROJECT.

WHEREAS, the City of Kenai applied for and received a \$1,200,000 forgivable loan from the State of Alaska Department of Environmental Conservation State Revolving Fund Program for the Water Treatment Pumphouse Project; and,

WHEREAS, the City of Kenai applied for and received an additional \$1,500,000 forgivable loan from the State of Alaska Department of Environmental Conservation State Revolving Fund Program for the Water Treatment Pumphouse Project for a total loan of \$2,700,000; and,

WHEREAS, this project will design and construct a new pumphouse, replace pumps and piping and install a new backup generator and pressure tanks; and,

WHEREAS, the City previously appropriated \$1,200,000 in Water & Sewer funds to the project; and,

WHEREAS, it is in the best interest of the City to accept the forgivable loan funds to complete the 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 forgivable loan from the State of Alaska Department of Environmental Conservation State Revolving Fund Program in the amount of \$2,700,000 and expend the funds in accordance with the provisions of the grant.

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

Water & Sewer Capital Projects Fund:

Increase Estimated Revenues - State Grants -	<u>\$2,700,000</u>
Increase Appropriations - Construction	<u>\$2,700,000</u>

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

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

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 4TH DAY OF FEBRUARY, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



Introduced:	January 21, 2026
Enacted:	February 4, 2026
Effective:	February 4, 2026



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Lee Frey, Public Works Director

DATE: January 12, 2026

SUBJECT: **Ordinance 3503-2026** - Increasing Estimated Revenues and Appropriations in the Water & Sewer Capital Project Fund and Accepting a Loan from the State Revolving Fund Program for the Water Treatment Pumphouse Project.

The memo requests Council's approval to accept a forgivable loan from the State of Alaska Department of Environmental Conservation State Revolving Fund (SRF) Program to complete the Water Treatment Pumphouse Project.

The project will consist of design and construction of a new pumphouse, replacement of pumps and piping and installation of a new backup generator and pressure tanks to maintain system pressure during power outages.

The SRF loan is 100% forgivable and has been reviewed by legal counsel. Accepting this loan is not considered to be causing the City to take on debt. Originally, we received \$1,200,000 from the SRF program. Upon completion of design work, it was determined that additional funding was needed to complete the project and an additional request was submitted. We received an additional \$1,500,000 from the SRF program, totaling a \$2,700,000 forgivable loan for the City.

The City had previously appropriated \$1,200,000 of Utility funds for this project with the intention of forward funding the project and apply to reimburse the original \$1,200,000 loan received. Current designs and cost estimates have increased the scope and the \$1,200,000 is expected to be needed to complete the project. Any remaining unused funds will be returned to the Utility Fund. The Utility Fund is able to handle the funds being used on this project with the Capital Improvement Plan projections.

The Public Works Department recommends accepting the loan from the SRF Program to complete the Water Treatment Plan Improvement Project.



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2026-10**

A RESOLUTION AUTHORIZING THE USE OF THE EQUIPMENT REPLACEMENT FUND FOR THE PURCHASE OF A NEW TRACKLESS MT7 WITH SNOW BLOWER ATTACHMENT.

WHEREAS, the purchase of a new Trackless MT7 with snow blower attachment was previously authorized for the price of \$202,920.48 through Resolution 2025-66; and,

WHEREAS, prior to the purchase being completed additional tariff surcharges were added for this equipment manufactured in Canada; and,

WHEREAS, adequate funding from the Equipment Replacement Fund is available to cover the increased price for this purchase; and,

WHEREAS, the new purchase price inclusive of tariffs is \$205,149.43; and,

WHEREAS, purchase of this Trackless unit will maintain standardization of equipment for use of existing attachments and maintenance and the increase in price related to new tariffs cannot be avoided.

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 with Yukon Equipment, Inc. in the amount of \$205,149.43 for the purchase of a Trackless MT7 with snow blower attachment utilizing Equipment Replacement Funds.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 4TH DAY OF FEBRUARY, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Lee Frey, Public Works Director

DATE: January 26, 2026

SUBJECT: **Resolution No. 2026-10** - Authorizing the Use of the Equipment Replacement Fund for the Purchase of a New Trackless MT7 with Snow Blower Attachment.

This memo requests Council's approval to increase the purchase price of a Trackless MT7 with snow blower attachment with Yukon Equipment, Inc. for the purchase of a new Trackless MT7 with snow blower attachment utilizing the Equipment Replacement Fund. The purchase price has been revised to reflect additional costs due to tariff charges associated with the equipment being manufactured in Canada. The tariffs went into effect prior to completions of the purchase.

The Public Works Department recommends increasing the purchase price for the Trackless MT7 unit with snow blower attachment from Yukon Equipment, Inc. in the amount of \$2,228.95.

Council's approval is respectfully requested.



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2026-11**

A RESOLUTION DESIGNATING THE INVESTMENT AND ALLOCATION PLAN FOR THE CITY'S PERMANENT FUNDS AND ESTABLISHING APPROPRIATE BENCHMARKS TO MEASURE PERFORMANCE FOR CALENDAR YEAR 2026.

WHEREAS, pursuant to KMC 7.30.020 (a) (2) the Council of the City of Kenai annually approves an Asset Allocation Plan for investment of the City's Permanent Funds; and,

WHEREAS, Kenai Municipal Code 7.30.020 (b) permits investment of the Permanent Funds in various asset classes and the Council believes that establishing asset allocation criteria for these various asset classes is in the best interest of the City of Kenai; and,

WHEREAS, the annually approved Asset Allocation Plan provides benchmarks to measure investment performance.

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

Section 1. That the Council adopts the Asset Allocation Plan for calendar year 2026 as follows:

The Asset Allocation Plan and Target Weightings with range restrictions are:

<u>ASSET CLASS</u>	<u>TARGET % WEIGHTING</u>	<u>RANGE %</u>
Cash	3	0-10
Fixed Income:		
Investment Grade Domestic Bonds	26	16-36
High Yield Domestic Bonds	4	0-8
Domestic Equity:		
Large-Cap Domestic Equity	22	12-32
Mid-Cap Equities	10	0-18
Small-Cap Equities	5	0-10
International Emerging Markets	5	0-10
International Equity	8	4-16
Real-estate equities	2	0-4
Infrastructure equities	5	0-10
Alternative Beta	10	0-15

Section 2. The performance of the Fund and investment managers will be measured as follows:

Performance measurement of the Cash allocation will be measured against the target weighting, using the Citi Group 90 Day T-Bill Index as the benchmark.

Performance measurement of the Investment Grade Domestic Bond allocation will be measured against the Target weighting, using the Bloomberg Barclays U.S. Aggregate Bond Index for the benchmark.

Performance measurement of the High Yield Domestic Bond allocation will be measured against the Target weighting, using the Bloomberg Barclays U.S. Corporate High Yield Very Liquid Bond index for the benchmark.

Performance measurement of the Large-Cap Domestic Equity allocation will be measured against the Target weighting, using the Standard & Poor's 500 Index for the benchmark.

Performance measurement of the Mid-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 400 Mid-Cap Index as the benchmark.

Performance measurement of the Small-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 600 Small-Cap Index as the benchmark.

Performance measurement of the International Emerging Markets allocation will be measured against the Target weighting, using the Morgan Stanley Capital International Emerging Markets index as the benchmark.

Performance measurement of the International Equity allocation will be measured against the Target weighting, using the Morgan Stanley Capital International Europe, Australasia and Far East (MSCI EAFE) index for the benchmark.

Performance measurement of the Real-Estate Equities allocation will be measured against the target weighting, using the Standard & Poor's US REIT Index as the benchmark.

Performance measurement of the Infrastructure Equities allocation will be measured against the target weighting, using the STOXX Global Broad Infrastructure Index as the benchmark.

Performance measurement of the Alternative Beta allocation will be measured against the target weighting, using the Wilshire Liquid Alternatives Index as the benchmark.


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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 4TH DAY OF FEBRUARY, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance:  _____



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Dave Swarner, Finance Director

DATE: January 28, 2026

SUBJECT: **Resolution No. 2026-11** - Designating the Investment and Allocation Plan for the City's Permanent Funds and Establishing Appropriate Benchmarks to Measure Performance for Calendar Year 2026.

Pursuant to KMC 7.30.020 the Council annually designates by resolution, the authorized investments and allocation plan for the City's Permanent Funds. Resolution No. 2026-11 establishes the allocation plan and evaluation benchmarks to be used for calendar year 2026. There is no recommended change to the asset allocation from 2025. The portfolio is projected to yield 6.67% on average, a 0.12% decrease from last year. The portfolio is projected to have an annual risk of 10.66% compared to last year's risk of 10.45%. This represents an increase in expected annual risk of 0.21%.

Annual risk is the variation in the expected return of the portfolio at one standard deviation, approximately 68% of all occurrences. The risk of the portfolio is doubled at two standard deviation, 95% of all occurrences. For the proposed portfolio which has an expected annual return of 7.20% and a ten-year expected return of 6.67%, 68% of the time the portfolio should annually return between (3.46)% and 17.86% and 95% of the time the portfolio should return annually between (14.12)% and 28.52%

In addition to no change in the portfolio's asset allocation, there is also no change in the portfolio's benchmarks. Benchmarks are used to evaluate the portfolio's return as compared to the return of the market. The following is the recommended 2026 asset allocation for your review.

	<u>2026 Asset Allocation</u>
Cash	<u>3%</u>
Fixed Income	
Domestic Investment Grade Bonds	26%
High Yield Domestic Bonds	<u>4%</u>
Total Cash and Fixed Income	<u>30%</u>
Domestic Equities	
US Large Cap	22%
US Mid Cap	10%
US Small Cap	5%
International Equities	8%
Emerging Market Equities	<u>5%</u>
Total Equities	<u>50%</u>
Alternative Investments	
Real Estate	2%
Infrastructure	5%
Alternative Beta	<u>10%</u>
Total Alternative Investments	<u>17%</u>
Total Portfolio	<u>100%</u>
Expected Average Annual Return	7.20%
Expected Risk (one Standard Deviation)	10.66%
Return Range	(14.12)% to 28.52%
Long-term Expected Return	6.67%

Your support for adoption of Resolution 2026-11 is respectfully requested.



**KENAI CITY COUNCIL – REGULAR MEETING
JANUARY 21, 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 January 21, 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
Sovala Kisena
Deborah Sounart
Phil Daniel

Victoria Askin, Vice Mayor
Bridget Grieme
Glenese Pettey

A quorum was present.

Also in attendance were:

**Josh Bolling, Student Representative
Terry Eubank, City Manager
Scott Bloom, City Attorney
David Swarner, Finance Director
Kevin Buettner, Planning Director (*remote participation*)
Lee Frey, Public Works Director
Mary Bondurant, Interim Airport Manager
Dave Ross, Police Chief
Ryan Coleman, Police Sergeant
Shellie Saner, City Clerk

3. Agenda and Consent Agenda Approval

Mayor Knackstedt noted the following additions to the Packet:

- Add to item E. 10. **Public Hearing - Resolution No. 2026-09**
- Amendment Memo

MOTION:

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

1. Kenai Municipal Airport Small Community Air Service Development Program (SCASDP) Application, Jack Penning, Managing Partner, Volaire Aviation Consulting.

Mr. Penning provided an update on the air service development efforts for Kenai Municipal Airport, including an analysis of current passenger demand, seat capacity, fare levels and industry conditions; information provided showed a long-term decline in available seats and daily departures. He provided an overview of changes in local air services; national and regional trends affecting small and regional airports, including aircraft shortage, airline consolidation, a shift toward larger aircrafts and higher yield markets; summarized air service development strategies; the use of the Small Community Air Service Development Grant program; airport fee waivers and marketing partnerships with surrounding communities.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS - None.

E. PUBLIC HEARINGS

1. **Ordinance No. 3498-2026** - Increasing Estimated Revenues and Appropriations in the General Fund to Provide Supplemental Funding for Election Costs in Excess of Budgeted Amounts for the Purpose of Conducting a Special Election. (City Clerk)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3498-2026. 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: Askin, Pettey, Kisena, Sounart, Knackstedt, Daniel, Grieme

NAY: None

**Student Representative Bolling: Yea

MOTION PASSED.

2. **Ordinance No. 3499-2026** - Increasing Estimated Revenues and Appropriations by \$6,500 in the General Fund for Expenditures Which Could Influence the Outcome of the City of Kenai Ballot Proposition No. 2026-A at the April 14, 2026 Special Election. (City Clerk)

MOTION:

Vice Mayor Askin **MOVED** to enact Ordinance No. 3499-2026. 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: Pettey, Kisena, Sounart, Knackstedt, Daniel, Grieme, Askin

NAY: None

**Student Representative Bolling: Yea

MOTION PASSED.

3. Resolution No. 2026-02 - Adopting the City's Capital Improvement Plan for Fiscal Years 2027-2031. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-02. 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.**

4. Resolution No. 2026-03 - Adopting Goals to Guide the Preparation of the Fiscal Year 2027 Annual Budget. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-03. 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.

UNANIMOUS CONSENT was requested.

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

5. Resolution No. 2026-04 - Authorizing a Budget Transfer Within the Kenai Recreation Center Improvements Capital Project Fund. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-04. 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 memo as attached to Resolution No. 2026-04 was provided. There was discussion regarding existing projects in the Capital Improvement Plan; funding opportunities; and the need for a drop curtain.

UNANIMOUS CONSENT was requested.

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

6. Resolution No. 2026-05 - Declaring a 20-Foot Pedestrian Easement on Lot 48, Shoreline Heights 2023 Addition (Plat KN 2024-83), and as Set Forth on the Attached Exhibit "A" is Not Needed for a Public Purpose and Consenting to Vacation of The Easement. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-05. 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 memo as attached to Resolution No. 2026-05 was provided.

UNANIMOUS CONSENT was requested.

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

7. **Resolution No. 2026-06** - Scheduling a Special Election for April 14, 2026, for the Purpose of Providing for Submission to the Qualified Voters of the City the Question(s) of Amending Kenai Municipal Charter, Section 10-1 Annual Election - Time. (Askin, Sounart, Daniel, Kisen, Grieme, Pett, Knackstedt)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-06. 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.

An overview of tasks between now and the Special Election was provided.

UNANIMOUS CONSENT was requested.

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

8. **Resolution No. 2026-07** - Providing for Submission to the Qualified Voters of the City of Kenai, at the Special Election to be Held on April 14, 2026, the Question of Amending Kenai Municipal Charter, Section 10-1 Annual Election - Times, to Provide that the Annual Date of the City's General Election is Aligned with the Current Annual Election Date of the Kenai Peninsula Borough. (Askin, Sounart, Daniel, Kisen, Grieme, Pett, Knackstedt)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-07. 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.

Clarification was provided that the Special Election was required due to the date of the City's election being established in Charter; the City of Soldotna was able to move their election to align with the Kenai Peninsula Borough (KPB) because their election date is established in code; holding City elections separately from KPB would increase the cost of City elections.

UNANIMOUS CONSENT was requested.

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

9. **Resolution No. 2026-08** - Providing for Submission to the Qualified Voters of the City of Kenai, at the Special Election to be Held on April 14, 2026, the Question of Amending Kenai Municipal Charter, Section 10-1 Annual Election - Times, to Set the Fixed Date of the City's Annual General Election in 2026 and Thereafter Remove the Fixed Date of the City's Annual General Election and Authorize the City Council to Establish the Annual General Election Date by Ordinance. (Askin, Sounart, Daniel, Kisen, Grieme, Pett, Knackstedt)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-08. 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.

There was Council discussion in support of the two questions being separate; clarification was provided that the first question would align the City election with the KPB election and the second question would align the City election with the KPB for 2026 and allow the Council by ordinance to establish future election dates in municipal code.

UNANIMOUS CONSENT was requested.

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

10. Resolution No. 2026-09 - Authorizing a Contract for Design of a New Approach Procedure for the Temporary Runway to be Used During the Main Runway Rehabilitation Project. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to adopt Resolution No. 2026-09. Council Member Sounart **SECONDED** the motion.

Mayor Knackstedt opened the floor for public comment.

Travis Penrod addressed the Council with concerns regarding the temporary loss of instrument approach during the runway rehabilitation project; the importance of maintaining safe airport access; and general questions related completion of the new approach prior to the start of the runway rehabilitation project.

Alex Agosti addressed the Council with concerns regarding the temporary loss of instrument approach, provided an overview of past weather patterns and the critical need for instrument approaches; and highlighted the potential operational, economic and public safety impacts if there were delays in implementing the new approach.

Garret Block address the Council with concerns regarding the temporary loss of instrument approach, noting the importance of aligning the project timeline with the summer flight schedule; and summarizing the potential disruptions to flights operations and passenger access if the new approach is delayed.

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

MOTION TO AMEND:

Vice Mayor Askin **MOVED** to amend Resolution No. 2026-09 and the attached memo as follows:

Delete the seventh whereas clause to read “[IT IS IN THE BEST INTEREST OF THE CITY TO CONTRACT WITH _____ IN THE AMOUNT OF \$_____ TO DESIGN A NEW APPROACH PROCEDURE FOR THE TEMPORARY RUNWAY.]”

Insert a new seventh whereas clause to read, “it is in the best interest of the City to contract with Hughes Aerospace Corporation in the amount of \$43,850 to design a new approach procedure for the temporary runway as this cost is fair and reasonable based on comparison of the two quotes.”

Section 1 to read, “That the City Manager is authorized to execute a contract with Hughes Aerospace Corporation in the amount of \$43,850 for the design of a new approach procedure for the temporary runway utilizing Airport Improvement Capital Project Funds.”

Attached Memo, first paragraph to read, “This memo requests Council’s approval to contract with Hughes Aerospace Corporation in the amount of \$43,850 for the design of new flight procedures for the temporary runway during the Runway Rehabilitation Project occurring this summer.”

Attached Memo, seventh paragraph to read, “The Public Works Department recommends contracting with Hughes Aerospace Corporation in the amount of \$43,850 for design of new flight procedures for the temporary runway during the Runway Rehabilitation Project.”

Council Member Grieme **SECONDED** the motion amend.

UNANIMOUS CONSENT was requested on the motion to amend.

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

Clarification was provided that in 2008 a sidestep approach was authorized by the FAA, allowing aircraft to transition from runway to taxiway; however, this was no longer allowed by the FAA. He further confirmed that staff would monitor the contractor to ensure the approaches are produced on time; and

noted the potential government shutdown affecting the FAA could delay the project, which was beyond local control.

UNANIMOUS CONSENT was requested on the main motion as amended.

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

F. MINUTES

1. *Regular Meeting of January 7, 2026. (City Clerk)

G. UNFINISHED BUSINESS - None.

H. NEW BUSINESS

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

Approved by the consent agenda.

2. ***Action/Approval** - Purchase Orders and Purchase Order Amendments Requiring Council Approval in Accordance with KMC 7.15.020. (Administration)

Approved by the consent agenda.

3. ***Ordinance No. 3500-2026** - Sunsetting the Harbor Commission, Amending Kenai Municipal Code 1.90.010 - General Standards for Standing Advisory Commissions, Repealing Kenai Municipal Code 1.95.040 - Harbor Commission, Repealing Kenai Municipal Code 11.20 - Leasing of Tidelands, Amending Kenai Municipal Code 14.05.010 - Duties and Powers, Enacting Kenai Municipal Code 22.05.016 - Tidelands Available for Leasing, Enacting Kenai Municipal Code Chapter 22.10 - Tideland Leases for Shore Fisheries, and Amending Council Policy 20.020 to Reflect the Sunsetting of The Harbor Commission. (Administration)

Introduced by the consent agenda and Public Hearing set for February 04, 2026.

4. ***Ordinance No. 3501-2026** - Determining Four City-Owned Properties in the Beaver Loop Area are Not Needed for a Public Purpose and Authorizing Sale by Public Sealed Bid Auction. (Administration)

Introduced by the consent agenda and Public Hearing set for February 04, 2026.

5. ***Ordinance No. 3502-2026** - Authorizing the City Manager to Reimburse Annual Leave Used by Firefighter Garrick Martin for Attending a Paramedic Internship Program. (Administration)

Introduced by the consent agenda and Public Hearing set for February 04, 2026.

6. ***Ordinance No. 3503-2026** - Increasing Estimated Revenues and Appropriations in the Water & Sewer Capital Project Fund and Accepting a Loan from the State Revolving Fund Program for the Water Treatment Pumphouse Project. (Administration)

Introduced by the consent agenda and Public Hearing set for February 04, 2026.

7. **Action/Approval** - Confirmation of Mayoral Nomination for a Partial Term Appointment of Autumn Carlson to the Beautification Commission and the Parks and Recreation Commission. (Knackstedt)

MOTION:

Vice Mayor Askin **MOVED** to confirm the appointment of Autumn Carlson to the Beautification Commission and the Parks and Recreation Commission. Council Member Sounart **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion.

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

- 8. Action/Approval** - Authorizing the Use of City Facility People Counter Cameras for Operational and Safety Purposes. (Administration)

MOTION:

Vice Mayor Askin **MOVED** to authorize the use of City Facility People Counter Cameras for operational and safety purposes. Council Member Daniel **SECONDED** the motion.

It was reported the cameras were installed during the COVID-19 pandemic for the purpose of counting individuals coming into and leaving facilities; Council previously restricted the camera use to counting people only and Council approval was required to expand camera use; and there were licensing requirements associated with the expanded use.

Clarification was provided that staff had created a camera policy which was reviewed by IT, legal and department heads; the cameras would be city hosted, not web based; the cameras could be used in cases of employee discipline; access would be limited to facility manager or Human Resources if applicable, and any public information request would be reviewed by legal.

UNANIMOUS CONSENT was requested on the motion.

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

- 9. Discussion** - International Pacific Halibut Commission (IPHC) Proposed Fishery Regulations Reducing Sport Caught Halibut in Alaska from Two (2) Fish to One (1) Fish a Day. (Grieme, Askin)

There was discussion regarding the recent IPHC meeting; the impact on residents who rely on halibut; the importance of science based decisions, noting the proposal lacked scientific support; and the authority of IPHC to do this was questioned.

I. COMMISSION / COMMITTEE REPORTS

1. Council on Aging Commission

Vice Mayor Askin reported on the January 8, 2026 meeting, next meeting February 12, 2026.

2. Airport Commission

Vice Mayor Askin reported on the January 8, 2026 meeting, next meeting February 12, 2026.

3. Harbor Commission

No report.

4. Parks and Recreation Commission

No report, next meeting February 5, 2026.

5. Planning and Zoning Commission

Council Member Kisena reported on the January 14, 2026 meeting, next meeting January 28, 2026.

6. Beautification Commission

Council Member Grieme reported there was no quorum present.

J. REPORT OF THE MAYOR

Mayor Knackstedt reported on the following:

- Meeting with the Salamatof Tribal Council.

- Thanked the Fire Department for their response to the Cannery Lodge Fire; the Streets Department for maintaining roads considering the recent conditions; and the Clerk for delivering the Special Election legislation.

K. ADMINISTRATION REPORTS

1. City Manager - City Manager Eubank reported on the following:
 - Staffing update: Chandra Mayeux new Building Official starts the first week of February; three conditional offers were made for two utility operator positions and one janitor position; active recruitment for Airport Manager, Firefighter, part time Senior Center driver and additional janitor positions.
 - Recognized Officer of the Year Chad Larson and Dispatcher of the Year Jen Savely.
 - Attending a housing briefing organized by Senator Sullivan.
 - Staff review of multiple lease and purchase applications for potential city developments.
 - Planning Director Buettner is scheduled to present at the Kenai Chamber Business Symposium on February 18, 2026.
 - Received and approved architects quote to analyze the Challenger Center as a potential public safety solution; pending the analysis the Request for Interest has not been released.
 - The Fire Department coordinated with the Streets department for water supply, sand trucks and apparatus movement during the Cannery Lodge fire.
 - Streets and Airport staff were busy maintaining roads and runway conditions during the severe weather events.
2. City Attorney - No report.
3. City Clerk - No report.

L. ADDITIONAL PUBLIC COMMENTS

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

Student Representative Bolling thanked Council Member Grieme for visiting the leadership class; stated because of her visit multiple students have expressed interest in serving on commissions; and provided an update on high school sport activities.

Council Member Grieme stated her appreciation for the ability to attend the Salamatof Tribal Council work session remotely; she was looking forward to this weekend's basketball tournament; and she enjoyed her time with the KCHS leadership class.

Council Member Kisena stated he was sorry he missed the work session with Salamatof Tribal Council; he attended the Voyager Cup tournament last week to cheer for the KPHA 12U Girls Hockey Team, who took third place; stated his appreciation for the road conditions in Kenai; and noted he looked forward to being able to fly directly to Seattle from Kenai in the future.

Council Member Pettey thanked Council Member Grieme for filling in for her at the Beautification Commission meeting; the Clerk for the election legislation; and restated the importance to our community for the implementation of approaches to the airport.

Council Member Sounart thanked the Streets Department for keeping up with the roads; the Clerk for the election legislation; Vice Mayor Askin for filling in at the Airport Commission meeting; and noted the positive outcome from the joint work session with the Salamatof Tribal Council.

Vice Mayor Askin noted the quality of roads in Kenai compared to the conditions in Anchorage; noted the cooperative efforts from the joint work session with the Salamatof Tribal Council; congratulated Officer Larson and Dispatcher Savely; thanked the Administration and Airport Manager for their work on the approach; and thanked the Clerk for the election legislation.

M. EXECUTIVE SESSION - None.

N. PENDING ITEMS - None.

O. ADJOURNMENT

P. INFORMATIONAL ITEMS - None.

There being no further business before the Council, the meeting was adjourned at 8:08 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of January 21, 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: FEBRUARY 4, 2026

VENDOR	DESCRIPTION	DEPARTMENT	ACCOUNT	AMOUNT
PERS	PERS	VARIOUS	LIABILITY	118,981.53
ENSTAR NATURAL GAS	GAS USAGE	VARIOUS	UTILITIES	64,843.63



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3504-2026**

AN ORDINANCE ACCEPTING AND APPROPRIATING AN INCREASE IN THE TITLE III GRANT FROM THE STATE OF ALASKA DEPARTMENT OF HEALTH, DIVISION OF SENIOR AND DISABILITIES SERVICES, FOR NUTRITION, TRANSPORTATION, AND SUPPORT SERVICES.

WHEREAS, annually the City receives a grant from the State of Alaska Department of Health, Division of Senior and Disabilities Services, to provide the Senior Citizen Nutrition, Transportation, and Support Services; and,

WHEREAS, the original Title III Nutrition, Transportation, and Support Services grant amount of \$237,000 was appropriated through Budget Ordinance No. 3471-2025; and,

WHEREAS, additional funds were appropriated by the State of Alaska and dispersed among Title III grantees; and,

WHEREAS, the City of Kenai was awarded an increase of \$72,706.88 to support senior nutrition, transportation, and support services from July 1, 2025, through June 30, 2026; and,

WHEREAS, these additional funds will enhance services that support the health, independence, and well-being of older adults in the Kenai communities; and,

WHEREAS, acceptance of these funds is in the best interest of the City of Kenai.

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 an increase of \$72,706.88 to the FY26 NTS grant from the State of Alaska, Department of Health, Division of Senior and Disabilities Services for the Kenai Senior Center.

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

Senior Citizen Fund:

Increase Estimated Revenues

State Grants

\$72,706.88

Increase Appropriations

Access - Salaries

\$4,664.00

Transportation – Operating & Repair Supplies

6,000.00

Congregate Meals – Operating & Repair Supplies

31,021.44

Home Meals – Operating & Repair Supplies

31,021.44

\$72,706.88

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

New Text Underlined: [DELETED TEXT BRACKETED]

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 18TH DAY OF February, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



Introduced:	February 4, 2026
Enacted:	February 18, 2026
Effective:	February 18, 2026



MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Kathy Romain, Senior Center Director

DATE: January 26, 2026

SUBJECT: **Ordinance 3504-2026** - Accepting and Appropriating an Increase in the Title III Grant from the State of Alaska Department of Health, Division of Senior and Disabilities Services, for Nutrition, Transportation, and Support Services.

The Kenai Senior Center receives a yearly grant from the State of Alaska under the Title III Nutrition, Transportation, and Services (NTS) Program.

The original Title III Nutrition, Transportation, and Support Services (NTS) grant amount of \$237,000 appropriated through Budget Ordinance No. 3471-2025. Our program has been given an increase of \$72,706.88 for services from July 1, 2025, through June 30, 2026 (FY26).

These additional funds will be used to purchase operating supplies for congregate and home-delivered meals, increase the fuel budget, and support salaries associated with Homemaker Services provided through the Title III NTS grant.

The estimated revenues and appropriations would be increased as follows:

Senior Citizen Fund:

Increase Estimated Revenues	
State Grants	<u>\$72,706.88</u>
Increase Appropriations	
Access - Salaries	\$4,664.00
Transportation – Operating & Repair Supplies	6,000.00
Congregate Meals – Operating & Repair Supplies	31,021.44
Home Meals – Operating & Repair Supplies	<u>31,021.44</u>
	<u>\$72,706.88</u>

Your support is greatly appreciated.



KENAI

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

MEMORANDUM

TO: City Council Members

FROM: Henry Knackstedt, Mayor

DATE: January 23, 2026

SUBJECT: **Action/Approval** - Council Confirmation of Mayoral Nominations of Scott Bremer to the Airport Commission.

A vacancy currently exists on the Airport Commission; an application for a partial term on the Lessee seat has been received and is attached for consideration.

Pursuant to Kenai Municipal Code 1.90.010 members are nominated by the Mayor and confirmed by the City Council. Council confirmation of the following appointment is requested:

- Scott Bremer - Airport Commission partial term ending on December 31, 2026.

Your consideration is appreciated.



Commission Application

Application for Appointments to the Airport, Beautification, Council on Aging, Harbor, Parks & Recreation, and Planning and Zoning Commissions

First Name: *

Scott

Last Name: *

Bremer

Name of Spouse:

Primary Phone: *

[REDACTED]

Home Phone:

E-mail *

[REDACTED]

Residence Address: *

Street Number & Street Name.

[REDACTED]

Mailing Address *

Street Address

[REDACTED]

Address Line 2

City

Kenai

State/Province/Region

AK

Postal/Zip Code

99611

Country

USA

Are you a Resident of the City of Kenai? *

☒ Yes ☐ No

If resident, how long?

35 yrs

Name of Employer:

Peninsula Aero Technology, Inc.

Commission Membership Requirements:

Airport Commission: The Airport Commission has four designated seats and three at large seats. *If applying for the Airport Commission, be sure and select the Seat you are applying for in the next column.*

Beautification, Harbor and Parks & Recreation Commissions: May at the discretion of the Council have up to two non-resident members.

Council on Aging Commission: Members need only to reside on the Kenai Peninsula and 51% of whom must be 55-years or older.

Planning & Zoning Commission: May have 1 member that is not a resident of the City if that member has controlling ownership in a business physically located in the City.

Commission in which you are interested: *

Airport Commission

Airport Commission Designated Seats:

Lessee of Airport Lands or Terminal

Why do you want to be involved with this Commission?

I'd like to have input on how the airport is managed, and for future planning of airport development.

List Current Organization Memberships:

List Past Organization Memberships:

What background, experience or other credentials do you possess to bring to the Commission?

I've been working on the airport for over 30 years, I'm a business owner that leases property on the airport as well. My business has been operating on the Kenai airport since 1999.

If appointed, select items approved for publication on City Website:

☐ Primary Phone ☐ Home Phone ☒ Email

MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Dave Swarner, Finance Director

DATE: January 28, 2026

SUBJECT: **Scheduling Work Session with Alaska Permanent Capital Management to Amend Kenai Municipal Code Investment Options**

Alaska Permanent Capital Management (APCM) would like to coordinate with staff and Council to identify a suitable date for a work session focused on aligning the City's investment liquidity, risk profile, and Investment Policy Statement (IPS) with long-term portfolio objectives. The goal of this session is to outline potential enhancements that support continued optimization of the City's investment program.

APCM has managed the City's investment Permanent fund since 2008 and, as of November 2024, assumed management of the Custody account. Over the full period of management, the Custody portfolio has not experienced liquidity needs, providing a strong foundation for evaluating potential adjustments.

Any recommendations presented will continue to uphold the City's established investment objectives:

1. Safety of principal
2. Maintaining sufficient liquidity to meet cash flow requirements
3. Achieving a reasonable, market-average rate of return

During the work session, APCM will outline potential enhancements within three sections of the municipal code:

- 7.22.030 Authorized Investments
- 7.22.040 Maturities
- 7.22.060 Liquidity

Two strategies that may improve yield over a full market cycle include extending the portfolio's maturity profile and broadening the range of permitted investment-grade securities. APCM will provide examples from other Alaska governmental entities to illustrate how similar adjustments have supported stronger long-term outcomes.

APCM looks forward to discussing these opportunities and answering any questions as the City considers potential updates to its investment framework.

Administration respectfully request a work session with APCM on March 18th, 2026 at 4:00 pm. Resolutions will be presented for adoption at a subsequent City Council meeting. Your support in scheduling a work session to discuss the City's investment program is greatly appreciated.

**KENAI PLANNING & ZONING COMMISSION – REGULAR MEETING
JANUARY 14, 2026 – 7:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
VICE CHAIR EARSLEY, PRESIDING**

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MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai Planning & Zoning Commission was held on January 14, 2026, in City Hall Council Chambers, Kenai, AK. Commissioner Keaton called the meeting to order at approximately 7:00 p.m.

1. Pledge of Allegiance

Commissioner Keaton led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Jeanne Keaton

Gwen Woodard

Stacie Krause

Marty Askin (*remote participation*)

Sonja Earsley, Vice Chair (*remote participation*)

Alex Douthit

Diane Fikes

A quorum was present.

Also in attendance were:

Kevin Buettner, Planning Director

Sovala Kisenia, City Council Liaison

Logan Parks, Deputy City Clerk

3. Election of Chair and Vice Chair

Commissioner Fikes nominated Commissioner Douthit as Chair.

Commissioner Woodard nominated Commissioner Keaton as Chair.

A secret ballot vote took place; Commissioner Keaton received four votes and Commissioner Douthit received three votes. Commissioner Keaton was elected Chair.

Commissioner Woodard nominated Commissioner Douthit as Vice Chair. There were no other nominations; and having no objections, Commissioner Douthit was elected Vice Chair.

4. Agenda and Consent Agenda Approval

Chair Keaton noted the following additions to the Packet:

Add to item F.1.

Conditions, Restrictions, and Covenants

- Redoubt Terrace

MOTION:

Commissioner Woodard **MOVED** to approve the agenda and consent agenda with the requested revisions. Commissioner 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 December 10, 2026.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS - None.

E. CONSIDERATION OF PLATS - None.

F. PUBLIC HEARINGS

1. **Resolution PZ2026-01** - Granting a Conditional Use Permit to Operate an Automotive Repair Business on the Parcel Described as Lot 23, Block 3, Redoubt Terrace Subdivision, Located at 1606 Salmo Circle, Within the Suburban Residential (RS) Zoning District.

MOTION:

Commissioner Douthit **MOVED** to approve Resolution PZ2026-01. Commissioner Woodard **SECONDED** the motion.

Chair Keaton opened the floor for public comment.

Troy and Kiersten Consiel, applicants, addressed the commission noting that the application had been revised to address feedback received during the prior meeting, which including limiting the number of vehicles stored on-site; no on street parking to maintaining neighborhood appearance and minimizing disruptions.

In response to questions from the Commission, the applicants clarified the following:

- The one lift in the garage was installed four years ago; inspections on the lift were done regularly by the applicant, not done by an outside inspector; and the lift was installed by a professional.
- Regarding hazard mitigation, there was no drain in the garage floor; spills would be cleaned up with absorbs then stored in containers to be picked up by a provider qualified to handle the materials.
- The homeowner insurance company had not been contacted regarding the home business; there currently was no business insurance in place; however, the applicant was working with a company for shopkeeper insurance.
- The address of the adjacent lot listed in the application was not included in the application.
- Vehicles may be dropped off or picked up outside of business hours established in the Conditional Use Permit.
- The applicant stated they had been doing side work and no complaints were received from neighbors.

MOTION:

Commissioner Douthit **MOVED** to amend the Conditional Use Permit to include the address 1604 Salmo Circle. Commissioner Woodard **SECONDED**.

[Clerk's Note: The vote of the motion to amend was not called; therefore, the motion to amend fell to the floor.]

There was Commission discussion regarding concerns with the increased traffic from vehicle drop off, pick up and hazardous chemical removal; the application had not identified the number of clients per day; no established lift inspection requirements; and the proposed activities would be disruptive to the harmony and quality of life in the residential neighborhood.

There was additional discussion regarding covenant restrictions; and the proposed location was in a cul-de-sac.

Jan Kornstad addressed the Commission in opposition to the conditional use permit, questioning the need of an adequate fire suppression systems for an automotive shop; expressed concerns related to the introduction of a business in a residential subdivision; and the City's role in enforcement on future businesses.

Judy Buffington addressed the Commission in opposition to the conditional use permit, noting concerns with existing traffic patterns and if approved there would be an increase of traffic within the subdivision.

Vern Kornstad addressed the Commission in opposition to the conditional use permit, noting concerns regarding potential impacts on the surrounding property values; and future buyers' perception of purchasing a home in a residential area adjacent to an automotive shop.

MOTION:

Commissioner Fikes **MOVED** to enter into adjudicative session in accordance with Alaska Statutes 44.62.310(d)(1), for the purpose of performing judicial or quasi-judicial functions related to findings of fact, Planning Commissioners and Planning Director Buettner will be included in the adjudicative session. Commissioner Douthit **SECONDED**.

MOTION:

Commissioner Douthit **MOVED** to enter back into regular session. Commissioner Fikes **SECONDED**.

UNANIMOUS CONSENT was requested.

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

[Clerk's Note: Hearing no objections to the motions, the Commission entered into adjudicative session at 7:59 p.m. and reconvened into regular session at approximately 8:25pm.]

Planning Director Buettner read the following findings into the record:

- The proposed use would not meet the requirements of KMC 14.20.150(d)(5); and would be harmful to the public safety, health and welfare due to increased traffic, fire egress, and the location within a cul-de-sac for emergency response.
- The proposed use would not meet the requirements of KMC 14.20.150(d)(4) as the covenants, conditions and restrictions of the neighborhood were still active.

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

[Clerk's Note: Each Commissioner prior to voting stated their vote was based on the findings of fact read into the record by Planning Director Buettner.]

VOTE:

YEA:

NAY: Keaton, Douthit, Krause, Fikes, Woodard

ABSENT: None.

MOTION FAILED TO ADOPT.

Chair Keaton noted the 15-day appeal period.

G. UNFINISHED BUSINESS - None.

H. NEW BUSINESS**1. Discussion/Approval** - Determining End of Year Meeting Schedule.

Commissioners scheduled a Regular Meeting for November 17, 2026 at 7p.m. instead of November 25, 2026.

I. REPORTS**1. Planning Director**

Planning Director Buettner reported on the following:

- End of year 2025 statistics.
- Updates on Conditional Use Permits.
- Overview of code enforcement efforts.

2. Commission Chair - No report.**3. Kenai Peninsula Borough Planning**

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

4. City Council Liaison

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

J. ADDITIONAL PUBLIC COMMENTS - None.**K. NEXT MEETING ATTENDANCE NOTIFICATION**

1. Next Meeting: January 28, 2026

L. COMMISSION COMMENTS AND QUESTIONS

Commissioner Douthit thanked the Commission.

Commissioner Woodard welcomed Commissioner Douthit.

Commissioner Krause thanked Council Member Kisena for attending the government class.

Commissioner Askin welcomed Commissioner Douthit.

Commissioner Earsley welcomed Commissioner Douthit and congratulated the new Chair and Vice Chair.

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 8:41 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of January 14, 2026.

Logan Parks, Deputy City Clerk



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

THROUGH: David Swarner, Finance Director

FROM: Jennifer Anderson, Controller

DATE: January 28, 2026

SUBJECT: Quarterly Financial Report – as of December 31, 2025

Attached is the quarterly financial report for the following funds:

- General Fund
- Personal Use Fishery Fund
- Airport Fund
- Water/Sewer Fund
- Senior Fund

This report is prepared primarily on a cash basis; certain account balances may not appear proportionate at this stage of the fiscal year. For example, within the General Fund, the majority of property tax revenue is collected in September and November. Accordingly, revenue levels will normalize over the remainder of the year as these collections are completed.

Additionally, General Fund Non-Departmental expenses are currently at 72.56% of the total annual budget. This higher percentage is due primarily to the full-year liability insurance expense, which was paid in July 2025. The remaining Non-Departmental expenditures are expected to align with budgeted amounts through the rest of the fiscal year.

State and Federal Revenue:

State and federal revenues are currently below budget across all funds due to the reimbursement nature of City grants and the handling of Public Employees' Retirement System (PERS) aid. The State does not remit PERS funds directly to the City; instead, it makes an "on-behalf" payment to the retirement system. Both the revenue and expenditure entries related to these payments will be recorded at year-end.

Quarterly Expenditure Report
For Quarter Ended December 31, 2025
General Fund - 001

	7/1/2024 6/30/2025	7/1/2025 7/1/2025	7/1/2025 6/30/2026	7/1/2025 12/31/2025		
	FY2025 Actual	Original * FY2026 Budget	Amended Budget	YTD Actual	Variance	%
REVENUES						
Appropriation of Fund Balance	\$ -	\$ 1,718,967	\$ 1,847,028	\$ -	(1,847,028.37)	0.00%
Taxes	15,037,376	15,137,040	15,137,040	8,923,215	\$ (6,213,825)	58.95%
Licenses/Permits and Ambulance	1,881,974	1,494,980	1,494,980	382,606	\$ (1,112,374)	25.59%
State/Federal	741,558	797,941	797,941	67,805	\$ (730,136)	8.50%
Dock/Multipurpose/Miscellaneous	306,151	215,750	215,750	102,463	\$ (113,287)	47.49%
Fines and Forfeitures	75,183	84,200	84,200	58,079	\$ (26,121)	68.98%
Interest and Miscellaneous	1,405,835	1,085,900	1,090,400	1,001,283	\$ (89,117)	91.83%
Transfers/Central Admin Fees	2,171,069	2,082,268	2,082,268	998,950	(1,083,318)	47.97%
Total Revenues	21,619,146	22,617,046	22,749,607	11,534,401	(11,215,206)	50.70%
EXPENDITURES & TRANSFERS						
General Government						
01 City Clerk	\$ 349,137	\$ 389,714	\$ 389,714	\$ 171,973	\$ 217,741	55.87%
11 Legislative	180,960	182,614	182,614	87,230	95,384	52.23%
12 Legal	421,976	466,601	466,601	204,960	261,641	56.07%
13 City Manager	489,431	543,716	543,716	229,752	313,964	57.74%
14 Human Resources	196,666	205,336	205,336	98,471	106,865	52.04%
15 Finance	983,389	1,004,759	1,004,759	464,163	540,596	53.80%
16 Land Administration	67,396	157,652	240,602	80,142	160,460	66.69%
18 Non-Departmental	994,646	1,539,469	1,538,761	1,116,545	422,216	27.44%
19 Planning and Zoning	329,040	253,035	253,035	117,744	135,291	53.47%
20 Safety	2,801	3,650	3,650	461	3,189	87.37%
Total General Government	4,015,442	4,746,546	4,828,788	2,571,441	2,257,347	46.75%
Public Safety						
21 Police	3,756,260	3,959,982	3,959,982	1,860,887	2,099,095	53.01%
22 Fire	3,965,306	4,301,865	4,301,865	1,840,882	2,460,983	57.21%
23 Communications	1,014,424	1,043,376	1,043,376	495,180	548,196	52.54%
29 Animal Control	463,978	492,634	492,634	194,356	298,278	60.55%
Total Public Safety	9,199,968	9,797,857	9,797,857	4,391,305	5,406,552	55.18%
Public Works						
31 Public Works Administration	250,862	237,180	236,781	108,239	128,542	54.29%
32 Shop	694,583	747,828	747,828	305,475	442,353	59.15%
33 Streets	1,025,466	1,298,949	1,317,949	380,172	937,777	71.15%
34 Buildings	412,126	514,267	539,666	146,028	393,638	72.94%
35 Street Lighting	198,469	235,440	235,440	115,360	120,080	51.00%
60 Dock	39,380	54,579	54,579	14,718	39,861	73.03%
Total Public Works	2,620,886	3,088,243	3,132,243	1,069,992	2,062,251	65.84%
Parks and Recreation & Culture						
03 Visitor Center	204,618	201,024	201,732	93,980	107,752	53.41%
40 Library	969,626	1,032,532	1,037,032	453,066	583,966	56.31%
45 Parks, Recreation & Beautification	1,253,763	1,338,821	1,338,821	523,840	814,981	60.87%
Total Parks and Recreation & Culture	2,428,007	2,572,377	2,577,585	1,070,886	1,506,699	58.45%
Total Operating Expenditures	18,264,303	20,205,024	20,336,473	9,103,624	11,232,849	55.23%
Transfer to other funds						
Street Improvement Capital Project Fund	432,257	1,800,000	1,800,000	1,800,000	-	0.00%
Kenai Recreation Center Capital Project Fund	-	-	-	-	-	-
Public Safety Capital Project Fund	140,631	-	1,112	1,112	-	0.00%
Municipal Facility Improvement Cap Proj Fund	-	-	-	-	-	-
Multipurpose Facility Capital Proj. Fund	-	-	-	-	-	-
Visitor Center Improvement Capital Proj. Fund	-	-	-	-	-	-
Information Technology Capital Proj. Fund	-	-	-	-	-	-
City Hall Improvement Capital Proj. Fund	-	75,000	75,000	75,000	-	0.00%
Animal Shelter Capital Project Fund	-	-	-	-	-	-
Public Safety Building Capital Proj. Fund	-	-	-	-	-	-
Kenai Fine Arts Center Imp. Cap. Proj. Fund	-	-	-	-	-	-
Kenai Cemetery Imp. Capital Project Fund	25,000	-	-	-	-	-
Kenai Senior Center Imp. Capital Project Fund	50,000	-	-	-	-	-
Park Improvement Capital Project Fund	144,625	120,000	120,000	120,000	-	0.00%
Senior Citizen Special Revenue Fund	217,467	286,397	286,397	143,199	143,199	50.00%
Debt Service	130,750	130,625	130,625	113,875	16,750	12.82%
Total Transfer to other funds	1,140,730	2,412,022	2,413,134	2,253,185	159,949	6.63%
Total Expenditures & Transfers	19,405,033	22,617,046	22,749,607	11,356,809	11,392,798	50.08%
Net Revenues over(under) Expenditures	\$ 2,214,113	\$ -	\$ -	\$ 177,592	\$ 177,592	

* Note: The original budget includes outstanding encumbrances at 6/30/2025.

Quarterly Expenditure Report
For Quarter Ended December 31, 2025
PU Fisheries - 006

	FY2025	Original *	Amended	YTD		
	<u>Actual</u>	<u>FY2026</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>
		<u>Budget</u>	<u>Budget</u>			
<u>REVENUES</u>				0		
Appropriation of Fund Balance	\$ -	\$ 46,391	\$ 46,391	\$ -	\$ (46,391)	0.00%
Beach Parking	173,592.00	169,755	169,755	180,040	10,285	106.06%
Beach Camping	238,852.00	222,500	222,500	265,757	43,257	119.44%
Dock Launch & Park	88,423.00	95,000	95,000	84,703	(10,297)	89.16%
Dock Parking Only	11,483.00	12,495	12,495	11,773	(722)	94.22%
Participant Drop-off Fee	4,110.00	4,400	4,400	3,831	(569)	87.07%
Interest Earnings	25,066.00	15,000	15,000	-	(15,000)	0.00%
PERS Grant	1,104.00	2,051	2,051	-	(2,051)	0.00%
Credit Card Fees	(11,603.00)	(11,500)	(11,500)	(14,155)	(2,655)	123.09%
Transfer from Other Funds	-	-	-	-	-	0.00%
Total Revenue	<u>531,027</u>	<u>556,092</u>	<u>556,092</u>	<u>531,949</u>	<u>(24,143)</u>	<u>95.66%</u>
<u>EXPENDITURES & TRANSFERS</u>						
Public Safety	\$ 120,245	\$ 148,536	\$ 148,536	\$ 83,982	\$ 64,554	43.46%
Streets	25,440	35,492	35,492	12,199	23,293	65.63%
Boating Facility	34,294	70,086	70,086	45,469	24,617	35.12%
Parks, Recreation & Beautification	<u>229,688</u>	<u>226,978</u>	<u>226,978</u>	<u>157,248</u>	<u>69,730</u>	<u>30.72%</u>
Total Operating Expenditures	<u>409,667</u>	<u>481,092</u>	<u>481,092</u>	<u>298,898</u>	<u>182,194</u>	<u>37.87%</u>
Transfers to Other Funds	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	-	0.00%
Total Expenditures & Transfers	<u>484,667</u>	<u>556,092</u>	<u>556,092</u>	<u>373,898</u>	<u>182,194</u>	<u>32.76%</u>
Net Revenues over Expenditures	<u>\$ 46,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,051</u>	<u>\$ 206,336</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2025.

Quarterly Expenditure Report
For Quarter Ended December 31, 2025
Airport Fund - 008

	FY2025	Original *	Amended	YTD	Variance	%
	<u>Actual</u>	<u>FY2026</u>	<u>Budget</u>	<u>Actual</u>		
		<u>Budget</u>	<u>Budget</u>			
REVENUES						
Appropriation of Fund Balance	\$ -	\$ 1,272,371	\$ 1,272,371	\$ 1,403,073	\$ 130,702	110.27%
State/Federal	27,540	47,167	47,167	-	(47,167)	0.00%
Interest , Leases & Fees	804,808	1,039,116	904,116	559,162	(344,954)	61.85%
Terminal Revenues	1,332,514	1,159,321	1,159,321	550,601	(608,720)	47.49%
Landing Fees	382,293	410,000	410,000	202,631	(207,369)	49.42%
Transfers In	1,094,116	1,099,774	1,099,774	-	(1,099,774)	0.00%
Total Revenues	<u>3,641,271</u>	<u>5,027,749</u>	<u>4,892,749</u>	<u>2,715,467</u>	<u>(2,177,282)</u>	<u>55.50%</u>
EXPENDITURES & TRANSFERS						
Terminal Area	\$ 606,385	\$ 683,755	\$ 548,755	\$ 288,131	\$ 260,624	47.49%
Airfield	1,977,638	2,300,352	2,290,352	871,628	1,418,724	61.94%
Administration	394,359	408,313	418,313	167,521	250,792	59.95%
Other Buildings & Areas	166,686	217,329	217,329	75,275	142,054	65.36%
Training Facility	165,898	152,900	152,900	47,811	105,089	68.73%
Total Expenditures	<u>3,310,966</u>	<u>3,762,649</u>	<u>3,627,649</u>	<u>1,450,366</u>	<u>2,177,283</u>	<u>60.02%</u>
Transfer to other funds						
Airport Improvement Capital Projects	<u>43,237</u>	<u>1,265,100</u>	<u>1,265,100</u>	<u>1,265,100</u>	-	<u>0.00%</u>
Total Transfer to other funds	<u>43,237</u>	<u>1,265,100</u>	<u>1,265,100</u>	<u>1,265,100</u>	-	<u>0.00%</u>
Total Expenditures & Transfers	<u>3,354,203</u>	<u>5,027,749</u>	<u>4,892,749</u>	<u>2,715,467</u>	<u>2,177,282</u>	<u>44.50%</u>
Net Revenues over Expenditures	<u>\$ 287,068</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 0</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2025.

Quarterly Expenditure Report
For Quarter Ended December 31, 2025
WS Fund - 010

	FY2025	Original *	Amended	YTD	Variance	%
	<u>Actual</u>	<u>FY2026</u>	<u>Budget</u>	<u>Actual</u>		
REVENUES		<u>Budget</u>	<u>Budget</u>			
Appropriation of Fund Balance	\$ -	\$ -	\$ 352,550	\$ 583,161	\$ 230,611	165.41%
State/Federal	31,019	45,879	45,879	-	(45,879)	0.00%
Water/Sewer Fees	3,405,450	3,416,136	3,416,136	1,679,358	(1,736,778)	49.16%
Penalty and Interest	43,913	42,588	42,588	19,830	(22,758)	46.56%
Interest and Miscellaneous	604,080	445,000	445,000	186,761	(258,239)	41.97%
Transfers In	155,166	-	-	-	-	0.00%
Total Revenues	<u>4,239,628</u>	<u>3,949,603</u>	<u>4,302,153</u>	<u>2,469,109</u>	<u>(1,833,043)</u>	<u>57.39%</u>
EXPENDITURES & TRANSFERS						
Water	\$ 989,066	\$ 1,136,190	\$ 1,136,190	\$ 458,889	\$ 677,301	59.61%
Sewer	489,442	653,968	653,968	298,797	355,171	54.31%
Wastewater Treatment Plant	1,106,078	1,261,995	1,261,995	461,423	800,572	63.44%
Total Expenditures	<u>2,584,586</u>	<u>3,052,153</u>	<u>3,052,153</u>	<u>1,219,109</u>	<u>1,833,044</u>	<u>60.06%</u>
Transfer to other funds -						
Water & Sewer Capital Projects	<u>652,389</u>	<u>500,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	-	0.00%
Total Transfer to other funds	<u>652,389</u>	<u>500,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	-	0.00%
Total Expenditures & Transfers	<u>3,236,975</u>	<u>3,552,153</u>	<u>4,302,153</u>	<u>2,469,109</u>	<u>1,833,043</u>	<u>42.61%</u>
Net Revenues over Expenditures	<u>\$ 1,002,653</u>	<u>\$ 397,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2025.

Quarterly Expenditure Report
For Quarter Ended December 31, 2025
Senior Fund - 019

	FY2025	Original *	Amended	YTD	Variance	%
	<u>Actual</u>	<u>FY2026</u>	<u>Budget</u>	<u>Actual</u>		
		<u>Budget</u>	<u>Budget</u>			
<u>REVENUES</u>						
Appropriation of Fund Balance	\$ -	\$ 57,569	\$ 57,865	\$ 57,865	\$ -	100.00%
State Grants	237,724	237,492	237,492	133,285	(104,207)	56.12%
Federal Grants	-	-	-	-	-	0.00%
USDA Grant	21,768	22,000	22,000	11,080	(10,920)	50.36%
Choice Waiver	106,394	100,000	100,000	60,287	(39,713)	60.29%
KPB Grant	186,143	186,143	185,846	33,846	(152,000)	18.21%
United Way	-	-	-	-	-	0.00%
Rents & Leases	9,688	8,500	8,500	5,165	(3,335)	60.76%
Miscellaneous Donations	20,818	21,500	21,500	9,157	(12,343)	42.59%
Donations - Senior Connection	121,083	120,000	120,000	1,035	(118,965)	0.86%
Meal Donations	87,752	95,650	95,650	46,336	(49,314)	48.44%
Ride Donations	4,364	6,000	6,000	3,498	(2,502)	58.30%
Transfer from General Fund - Operations	217,467	286,397	286,397	143,199	(143,198)	50.00%
Other	3,110	300	300	(3)	(303)	-1.00%
Total Revenues	<u>1,016,311</u>	<u>1,141,551</u>	<u>1,141,550</u>	<u>504,749</u>	<u>(636,800)</u>	<u>44.22%</u>
<u>EXPENDITURES & TRANSFERS</u>						
Senior Citizen Access	\$ 234,641	\$ 242,178	\$ 242,178	\$ 109,004	\$ 133,174	54.99%
Congregate Meals	194,282	262,330	262,330	128,542	133,788	51.00%
Home Meals	450,112	421,756	421,616	200,586	221,030	52.42%
Senior Transportation	122,149	143,672	143,672	51,838	91,834	63.92%
Choice Waiver	61,692	71,615	71,615	29,359	42,256	59.00%
Total Expenditures	<u>1,062,876</u>	<u>1,141,551</u>	<u>1,141,411</u>	<u>519,329</u>	<u>622,082</u>	<u>54.50%</u>
Total Expenditures & Transfers	<u>1,062,876</u>	<u>1,141,551</u>	<u>1,141,550</u>	<u>519,329</u>	<u>622,082</u>	<u>54.49%</u>
Net Revenues over Expenditures	<u>\$ (46,565)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,580)</u>	<u>\$ (14,718)</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2025.

MEMORANDUM

TO: Mayor Knackstedt and Council Members

FROM: Dave Swarner, Finance Director

DATE: January 29, 2026

SUBJECT: December 2025 Quarterly Investment Report

City of Kenai Investment Portfolio

At December 31, 2025 the City had investments with a market value of \$40,813,782. That is up from \$39,092,674 at September 30, 2025. The City's portfolio is yielding 3.72% that is down from 3.80% at September 30, 2025. The Federal Fund Rate decreased .50% during the quarter with the rate between at 3.50%-3.75%. Fair market value adjustments to the portfolio through September, 2025 are a positive \$297,622. As of June 30, 2025, the portfolios fair market value adjustment was a negative \$298,227. Rates are projected to decrease and further decreasing the negative fair market value adjustment but lower yield for the portfolio will also occur.

City's Investment Portfolio

US Agency Securities	\$34,321,630
AML Investment Pool	4,179,258
Wells Fargo Money Market	43,994
FDIC Insured Certificates of Deposit	488,790
Bank Balance	<u>1,780,110</u>
Total	<u>\$ 40,813,782</u>

Permanent Fund Investments

At December 31, 2025, the portfolio value was \$39,938,702. That is up from \$39,197,882 at September 30, 2025. It is comprised of \$32,909,598, 82.40% Airport Land Sale Permanent Fund, \$4,263,733, 10.67% General Land Sale Permanent Fund monies, \$1,489,489, 3.73% Kenai Senior Connection monies, \$1,013,873, 2.54% Kenai Senior Center Cone Memorial Trust monies, and \$262,009, 0.66% Kenai Community Foundation holdings.

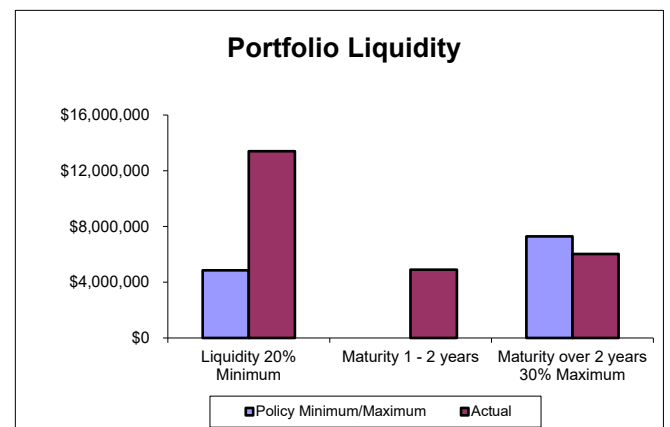
CITY OF KENAI

INVESTMENT PORTFOLIO SUMMARY

December 31, 2025

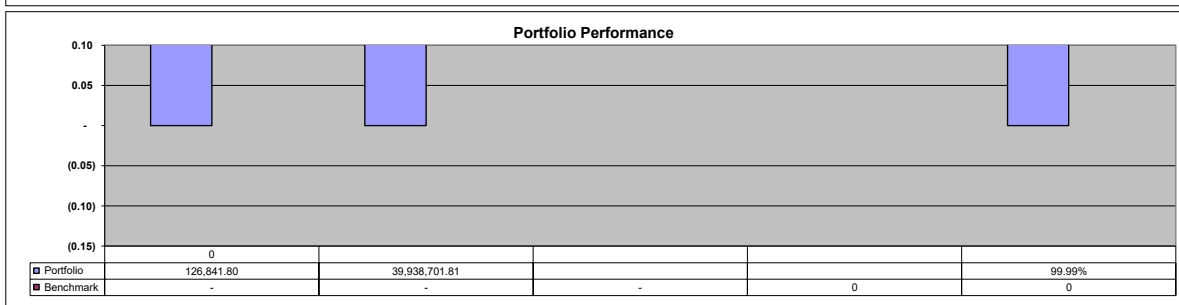
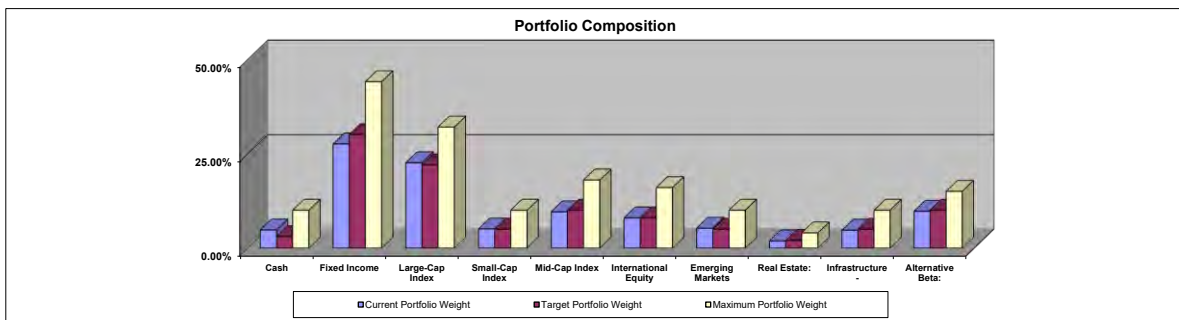
	December 31, 2025	
	Fair Market Value	Current Yield
Cash & Cash Equivalents		
Wells Fargo Checking	\$ 1,780,110	0.01%
Wells Fargo Secured Money Market	43,994	5.05%
FDIC Insured Certificates of Deposit	488,790	3.40%
Alaska Municipal League Investment Pool	<u>4,179,258</u>	<u>5.05%</u>
Total Cash & Cash Equivalents	6,492,152	3.54%
		Average Yield
Government Securities		
Maturities Less than 1 Year	15,120,268	3.84%
Maturities 1 to 2 Years	7,903,899	3.47%
Maturities Greater than 2 Years	<u>11,297,463</u>	<u>3.83%</u>
Total Government Securities	<u>34,321,630</u>	<u>3.75%</u>
Total Portfolio	<u>\$ 40,813,782</u>	<u>3.72%</u>

Investment Portfolio - Purchase Price	\$ 41,112,009
Investment Portfolio - Fair Value 12/31/25	<u>40,813,782</u>
Fair Value Adjustment - 06/30/25	<u>(298,227)</u>
Fair Value Adjustment thru - 12/31/2025	<u>297,622</u>
Cummulative Change in Fair Value	<u>\$ (605)</u>



SECURITY		Expected Call or Maturity	CUSIP	Current year cost or 07/01/25		12/31/25 Market Value	Unrealized Gain or Loss	Accrued Interest	EFFECT. RATE	DATE PURCH.	DATE DUE	Total in months	DAYS FROM TODAY	AT MATURITY (PAR)	Interest	SHARE OF TOTAL	WEIGHTED AVERAGE RATE	Maturity from purch	Maturity from today
				original cost	Market Value														
USTN 3.75 4/15/26	Bullet	91282CVG7	4,582,483.69	4,588,040.00	4,602,162.00	14,122.00	36,964.29	3.750	11/11/2024	4/15/2026	17	105	-	-	11.27%	0.4228			
USTN 3.50 4/30/30	Bullet	91282CQZ8	1,168,452.15	1,161,869.25	1,165,861.78	(6,582.90)	3,500	9/5/2025	4/30/2030	56	1581	-	-	-	2.73%	0.0958			
USTN 4.25 1/31/26	Bullet	91282CJV4	3,048,335.43	2,999,191.47	3,001,200.26	2,008.53	53,355.98	4.250	11/27/2024	1/31/2026	14	31	-	-	7.353%	0.3125			
USTN 4.125 3/31/29	Bullet	91282CKG5	1,001,846.24	1,013,520.00	1,016,560.00	3,040.00	10,539.15	4.125	11/27/2024	3/31/2029	52	1186	-	-	2.491%	0.1027			
USTN 4.00 07/31/2029	Bullet	91282CLC3	501,691.02	504,670.00	506,465.00	1,795.00	8,369.57	4.000	3/27/2025	7/31/2029	52	1308	-	-	1.241%	0.0496			
USTN 4.125 10/31/29	Bullet	91282CLR0	499,528.61	507,150.00	508,555.00	1,405.00	3,532.46	4.125	11/27/2024	10/31/2029	59	1400	-	-	1.240%	0.0514			
USTN 4.125 10/31/26	Bullet	91282CLS8	5,234,292.27	5,244,487.10	5,252,332.10	7,845.00	36,949.52	4.125	11/27/2024	10/31/2026	23	304	-	-	12.869%	0.5308			
USTN 4.125 11/15/27	Bullet	91282CLX7	998,008.02	1,009,260.00	1,011,410.00	2,150.00	5,355.66	4.125	11/27/2024	11/15/2027	36	684	-	-	2.478%	0.1022			
USTN 3.750 5/15/25	Bullet	91282CN09	499,648.44	500,740.00	502,715.00	1,975.00	2,434.39	3.750	5/15/2025	5/15/2028	36	866	-	-	1.232%	0.0462			
USTN 3.625 08/31/2030	Bullet	91282CK05	1,008,095.44	1,008,095.44	996,450.00	(11,645.44)	12,316.99	3.625	12/31/2025	8/31/2030	56	1704	-	-	2.441%	0.0885			
USTN 3.75 9/30/27	Bullet	91282CJL2	1,579,180.75	1,579,180.75	1,587,645.75	8,465.00	1,613.69	3.750	10/21/2025	9/30/2027	23	638	-	-	3.890%	0.1459			
USTN 2.625 05/31/27	Bullet	91282CT4	1,464,609.38	1,464,609.38	1,482,075.00	17,465.62	3,461.54	3.625	7/9/2025	5/31/2027	23	516	-	-	3.631%	0.1316			
USTN 3.50 1/31/30	Bullet	91282CGJ4	1,119,375.00	1,119,375.00	1,118,542.50	(832.50)	16,477.58	3.500	9/5/2025	1/31/2030	53	1492	-	-	2.741%	0.0959			
USTN 3.625 3/31/28	Bullet	91282GT2	1,011,141.21	1,023,237.00	1,027,726.50	4,489.50	9,493.32	3.625	11/27/2024	3/31/2028	40	821	-	-	2.518%	0.0913			
USTN 3.125 11/15/28	Bullet	91282GJH6	984,701.46	1,005,863.25	1,013,550.75	7,087.50	4,156.75	3.125	11/27/2024	11/15/2028	46	1052	-	-	2.453%	0.1117			
FHLM 4.750 12/18/29	Bullet	3134AHV33	474,879.93	477,550.75	476,862.00	(688.75)	814.76	4.750	1/7/2025	12/18/29	59	1448	-	-	1.168%	0.0555			
FHLM	Bullet	3130B6CN4	1,000,000.00	997,900.00	999,680.00	1,780.00	6,645.83	4.125	5/8/2025	5/3/2030	50	1584	-	-	2.449%	0.1010			
FNMA 4.500 09/25/28	Bullet	3136GAVK2	1,008,666.67	1,008,666.67	1,000,380.00	(8,286.67)	9,895.83	3.750	2/14/2025	9/25/2028	33	999	-	-	2.451%	0.0919			
FNMA 4.500 02/28/30	Bullet	3136BZJ	1,008,666.67	1,007,600.00	1,013,110.00	5,510.00	18,375.00	4.500	2/14/2025	2/4/2030	60	1496	-	-	2.462%	0.1117			
FNMA 2017-M1 A2	Bullet	3136ALGJ21	124,793.52	126,490.97	126,490.97	1,705.99	259.21	3.223	6/5/2022	10/25/2026	54	298	-	-	3.010%	0.0100			
FHR 4543 VHL Mtoe	Bullet	3137BMOK8	193,143.36	190,542.70	192,731.95	2,189.25	485.42	3.094	6/15/2022	6/15/2027	60	531	-	-	0.472%	0.0146			
FHMS K057 AM	Bullet	3137BERQ4	1,201,808.86	1,210,905.15	1,224,576.60	13,671.45	2,700.53	3.357	8/16/2022	8/25/2026	48	237	-	-	3.000%	0.1007			
FHMS K064 A2	Bullet	3137BXYD1	1,009,373.93	984,870.00	993,060.00	8,220.00	2,686.67	3.010	5/16/2022	3/25/2027	58	449	-	-	2.433%	0.0732			
FN AN4476	Bullet	3138LGMN1	2,291,290.25	2,159,680.00	2,176,542.96	1,659.16	2,298.02	3.193	2/28/2022	11/20/27	58	366	-	-	3.333%	0.1703			
FN BL4497	Bullet	3140HVTK4	932,970.88	890,015.38	879,778.58	8,250.24	2,038.35	2.137	3/22/2022	11/1/2026	56	305	-	-	2.202%	0.0471			
FN BL5704	Bullet	3140HXSFB	455,750.89	455,452.66	460,400.31	4,947.65	1,000.67	3.158	6/13/2022	21/2027	56	397	-	-	1.128%	0.0356			
G2 512M02	Bullet	36022FVFB	12,853.88	14,539.27	14,727.01	187.74	43.10	0.874	11/16/2021	7/20/2026	56	201	-	-	0.036%	0.0003			
TOTAL				34,321,024.13	34,208,388.46	34,321,629.77	113,241.31	262,770.10	3.562				agreed to w/ trus	-		84.093%			
									3.845				3.47	3.83					
FDIC Insured CD				CD - 12/31/10												0.000%	-		
3.40 CDF 8/10/27		33964	140427JK4	245,000.00	244,876.60	245,901.60	1,225.00	3,296.36	3.400	8/10/2022	8/10/2027	60	587	245,000.00	4.165.00	0.662%	0.0005	0.361695973	3.536654381
3.40 DFC 8/16/27		5649	254673CA1	245,000.00	240,798.25	242,888.10	2,089.85	3,149.42	3.400	8/16/2022	8/16/2027	60	593	245,000.00	4.165.00	0.595%	0.0202	0.357263425	3.529019806
TOTAL FDIC Insured CDs					490,000.00	485,474.85	488,789.70	3,314.85	6,435.78	3.400					490,000.00		0.000%		
WELLS MONEY MKT AML POOL - City ACCT				Agreed to Amplp	43,993.78	43,993.78	43,993.78		2,142.52	5.050			1	1	43,993.78		0.108%	0.0054	
					4,179,258.47	4,179,258.47	4,179,258.47		13,478.51	5.050					4,179,258.47		10.240%	0.5171	0.102398217
				Agreed to GL	39,034,276.38	38,917,555.46	39,033,671.72	116,556.16	284,826.91										
WF Cash				Agreed to WF	178,019.79	1,780,109.79	1,780,109.79		-	0.010			1	1	1,780,109.79		4.362%	0.0004	0.043615409
TOTAL					40,814,386.17	40,697,225.35	40,813,781.51	116,556.16	284,826.91						6,983,362.04		100.000%	3.7207	0.864973025
																	7.211687814	0.019758049	
TOTAL CURRENT YIELD									3.7207%							2,095,008.61			
				Max/Min		Return	Actual	Difference											
Maturity over 2 years 30% Maximum					12,244,134.45	3.8265%	11,297,463	946,671.45	OK										
Liquidity 20% Minimum					8,162,756.30	3.7624%	21,123.630	(12,960,873.54)	OK										
Maturity 1-2 years						3.4731%	8,392,609												
							40,813,782												
							36,179,565.76												

	Fair Market Value					Current or	Current	Target	Portfolio
	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Yield	Weight	Weight	Maximum
Cash									
Cash & Cash Equivalents	1,932,083	1,278,221	1,386,022	1,449,189	1,908,837	4.78%	4.78%	3.00%	10.00%
Fixed Income									
Investment Grade Government & Corporate Securities									
Government Securities	7,069,475	7,485,453	7,354,169	7,583,577	7,619,626	12.29%	19.08%		
Corporate Securities Investment Grade	2,165,812	2,186,555	2,102,590	2,177,904	2,230,868	26.70%	5.59%		
Total Investment Grade Government & Corporate Securities	9,235,287	9,672,008	9,456,759	9,761,481	9,850,494	15.89%	24.67%	26.00%	36.00%
Domestic Fixed Income Exchange Traded Funds -									
Vanguard Short-term TIPS	-	-	-	380,550	376,258		0.00%		
High Yield Domestic -									
SPDR Portfolio High Yield Bonds	-	-	-	-	-		0.00%		
Vanguard Hi Yield Corporate Fund Admiral Shares	1,419,728	1,449,212	1,476,704	1,139,900	1,141,872		2.86%		
Total High Yield Domestic	1,419,728	1,449,212	1,476,704	1,139,900	1,141,872		2.86%	4.00%	8.00%
Total Fixed Income	10,655,015	11,121,220	10,933,463	11,281,931	11,368,624	15.89%	27.53%	30.00%	44.00%
Equities:									
Domestic Equities:									
Large-Cap Index	8,197,973	7,550,527	8,391,392	8,927,829	9,018,817		22.57%	22.00%	32.00%
Small-Cap Index	1,786,564	1,662,186	1,876,359	1,822,377	2,011,332		5.04%	5.00%	10.00%
Mid-Cap Index	3,721,439	3,387,568	3,748,303	3,783,710	3,826,614		9.58%	10.00%	18.00%
Total Domestic Equities	13,705,976	12,600,281	14,016,054	14,533,916	14,856,763		37.19%	37.00%	60.00%
International Equities:									
International Equity	2,925,345	3,057,638	2,947,006	3,105,617	3,182,092		7.97%	8.00%	16.00%
Emerging Markets	1,891,372	1,871,949	1,898,029	2,054,265	2,094,777		5.24%	5.00%	10.00%
Total International Equities	4,816,717	4,929,587	4,845,035	5,159,882	5,276,869		13.21%	13.00%	26.00%
Real Estate:									
JP Morgan Beta Builders MSCI Reit	718,459	742,397	714,313	776,539	753,034		1.89%	2.00%	4.00%
Total Real Estate	718,459	742,397	714,313	776,539	753,034		1.89%	2.00%	4.00%
Infrastructure -									
Flexshares Stoxx Global Broad Infrastructure	1,827,700	1,920,853	1,845,942	2,145,485	1,888,661		4.73%	5.00%	10.00%
Total Equities	21,068,852	20,193,118	21,421,344	22,615,822	22,775,327		57.02%	57.00%	100.00%
Alternative Beta:									
Blackrock Systematic Multi-Strategy	955,055	931,232	911,668	954,513	949,933		2.38%		
IQ Hedge Multi-Strategy Tracker	562,683	1,257,848	1,289,503	1,362,082	1,377,648		3.45%		
JPMORGAN:HEDGED EQ I	958,891	172,454	185,425	193,310	197,563		0.49%		
Calamos Market Neutral	-	1,278,174	1,278,051	1,341,035	1,360,768		3.41%		
Core Alternative ETF	595,823	-	-	-	-		0.00%		
Total Alternative Beta	3,072,452	3,639,708	3,664,647	3,850,940	3,885,912		9.73%	10.00%	15.00%
Total Portfolio	36,728,402	36,232,267	37,405,476	39,197,882	39,938,700	4.69%	99.06%	100.00%	169.00%
Total ALSPF Balance	29,867,144	29,907,651	30,822,214	32,299,161	32,909,598				
Total GLSPF Balance	3,842,103	3,847,313	3,993,293	4,184,645	4,263,732				39,938,702
Total Kenai Community Foundation	267,617	267,980	245,391	257,149	262,009				2
Total Kenai Senior Connection	1,312,757	1,314,537	1,395,014	1,461,861	1,489,490				
Total Cone Memorial Trust Permanent Fund	893,574	894,786	949,565	995,067	1,013,873				





ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

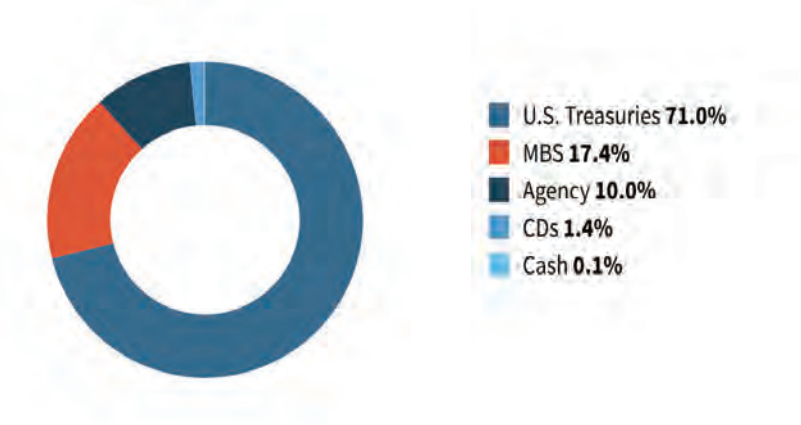
CITY OF KENAI - CUSTODY Investment Report

December 2025

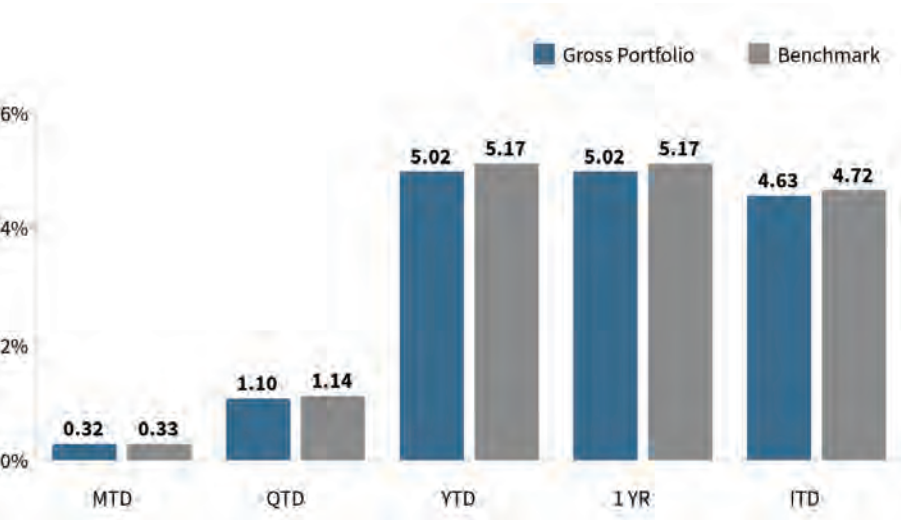
Portfolio Overview

BEGINNING VALUE + ACCRUED	\$35,017,696
TRANSFERS IN/ OUT	-\$434
REALIZED GAINS	\$666
CHANGE IN MARKET VALUE	-\$5,248
INTEREST INCOME	\$114,950
ENDING VALUE + ACCRUED	\$35,127,630

Portfolio Composition



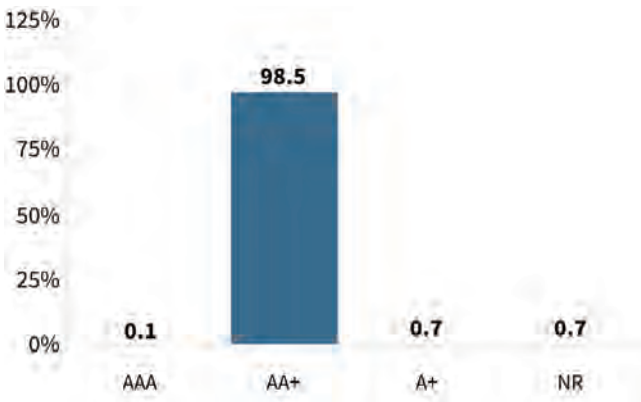
Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins November 06, 2024
Past performance is not indicative of future results.

Risk Management

Credit Rating Exposure



Source: Clearwater Composite Rating

Sector Exposure

	%MV
U.S. Treasuries	71.04%
MBS	17.37%
Agency	10.05%
CDs	1.41%
Cash	0.13%

Duration Exposure (Years)



Top 10 Issuer Concentration

	%MV
United States	71.09%
Federal National Mortgage Association	13.33%
Federal Home Loan Mortgage Corporation	8.23%
Federal Home Loan Banks	5.82%
Capital One Financial Corporation	1.41%
Allspring Group Holdings LLC	0.13%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE
\$34,858,332

BOOK VALUE
\$34,761,221

UNREALIZED GAIN/LOSS
\$97,111

YIELD TO MATURITY
3.68%

COUPON RATE
3.54%

DURATION
1.42

WAL
1.51

MOODY'S RATING
Aa1

Disclosures

S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Net Total Return USD Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

STOXX Global Broad Infrastructure Index Net Return USD

The STOXX Global Broad Infrastructure Index is derived from the STOXX. Developed and Emerging Markets Total Market Index (TMI) and offers a diversified representation of companies that generate more than 50% of their revenue from selected infrastructure sectors. STOXX partnered with Revere Data, which defines 17 subsectors for the infrastructure industry. These 17 subsectors are rolled into five supersectors - Communications, Energy, Government Outsourcing/Social, Transportation and Utilities.

S&P USA REIT USD Total Return Index

The S&P United States REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

Bloomberg Commodity Index Total Return

The Bloomberg Commodity Index provides broad-based exposure to commodities, and no single commodity or commodity sector dominates the index. Rather than being driven by micro-economic events affecting one commodity market or sector, the diversified commodity exposure of the index potentially reduces volatility in comparison with non-diversified commodity investments.

Wilshire Liquid Alternative Total Return Index

The Wilshire Liquid Alternative IndexSM measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. Created in 2014, with a set of time series of data beginning on December 31, 1999, the Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index (WLIQAED).

Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

FTSE 3 Month Treas Bill Local Currency

The FTSE 3 Month US T Bill Index Series is intended to track the daily performance of 3 month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.

Disclosures

Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedge

The Bloomberg US 1-5 year Government/Credit Float-Adjusted Bond Index is a float-adjusted version of the US 1-5 year Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

WisdomTree U.S. SmallCap Dividend Index Total Return

The WisdomTree U.S. SmallCap Dividend Index is a fundamentally weighted index measuring the performance of the small-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the bottom 25% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

Bloomberg U.S. Long Government/Credit Unhedged USD

The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Credit Intermediate Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 1-10 years, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

MSCI ACWI IMI Net Total Return USD Index

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

Bloomberg 1-5 Yr Gov TR Index

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

ICE BofA US 3-Month Treasury Bill Index

The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

Bloomberg U.S. Treasury Bellwethers: 1 Yr

The Bloomberg U.S. Treasury Bellwethers 1 Yr. Index is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 1 years' maturity.



Client Relationship Manager

Blake Phillips, CFA®

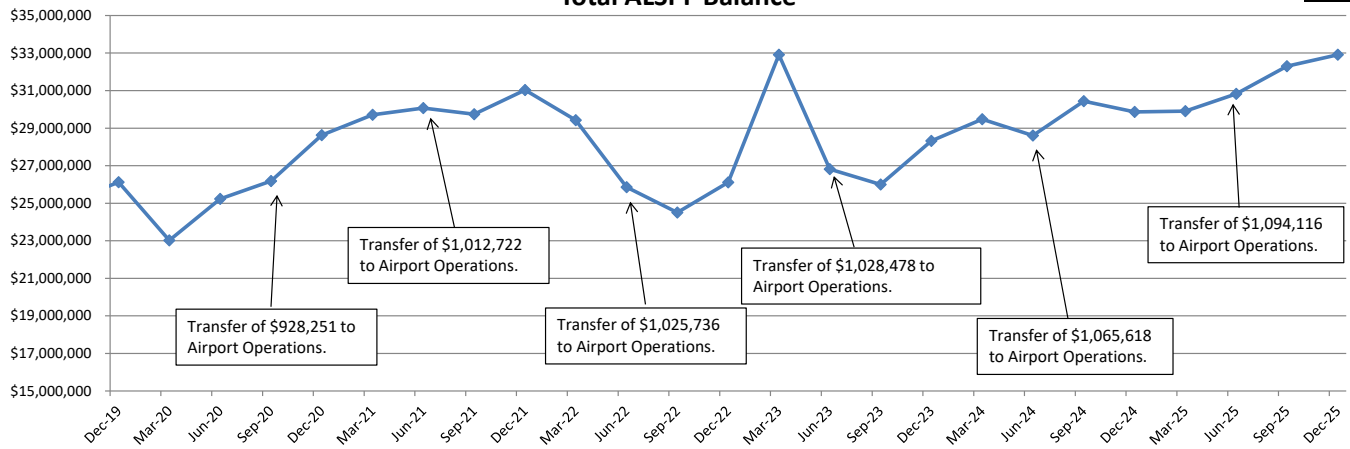
blake@apcm.net

Portfolio Manager

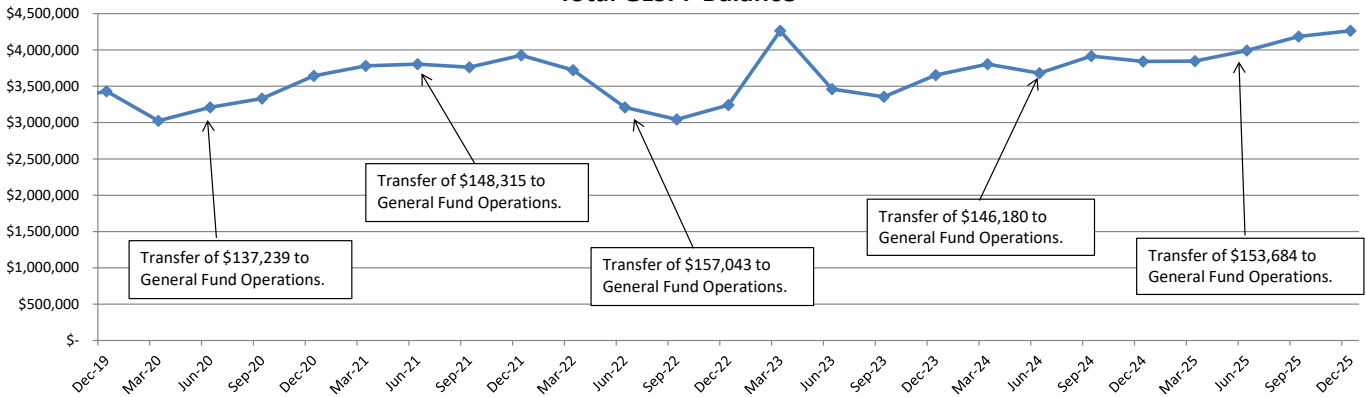
Bill Lierman, CFA®

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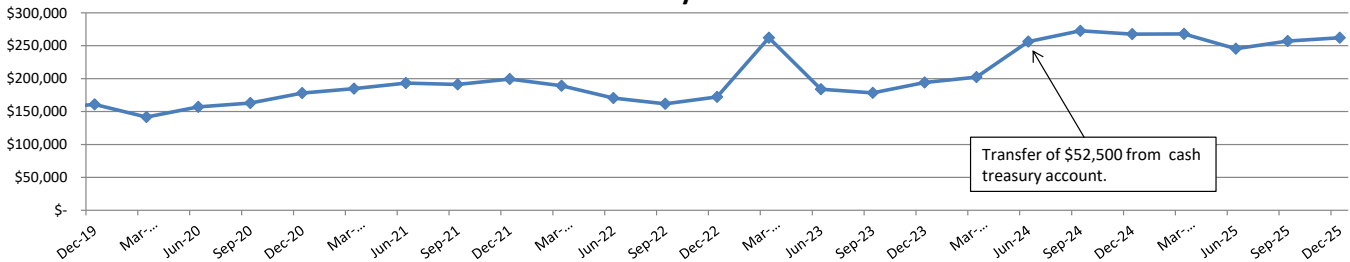
Total ALSPF Balance



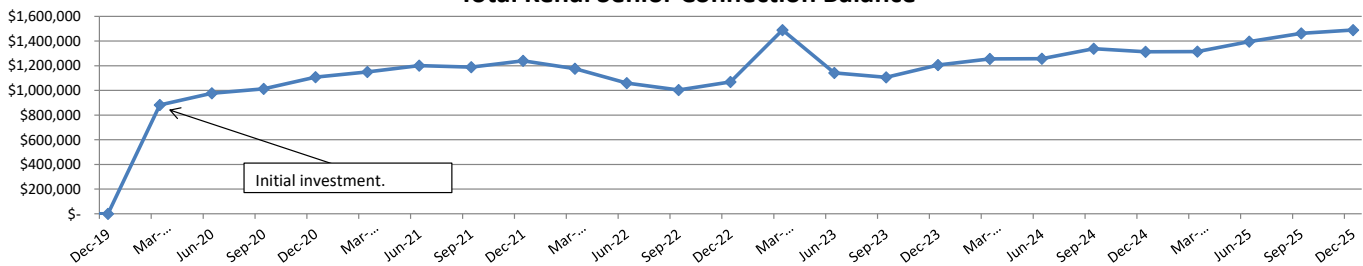
Total GLSPF Balance



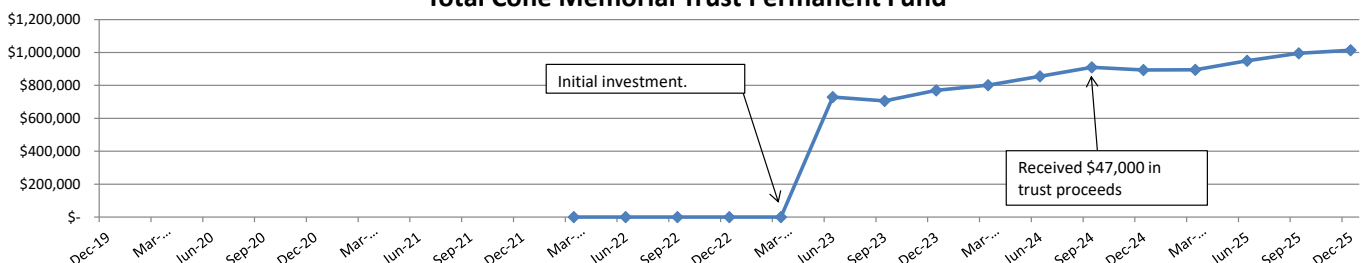
Total Kenai Community Foundation Balance



Total Kenai Senior Connection Balance



Total Cone Memorial Trust Permanent Fund





ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

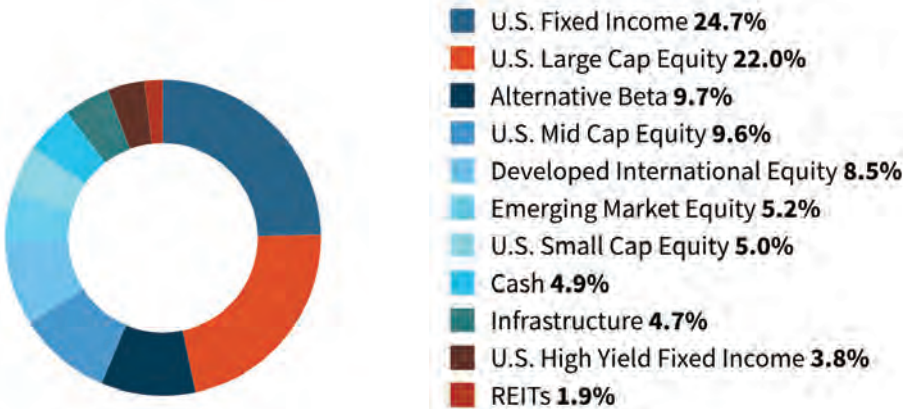
CITY OF KENAI PERMANENT FUNDS Investment Report

December 2025

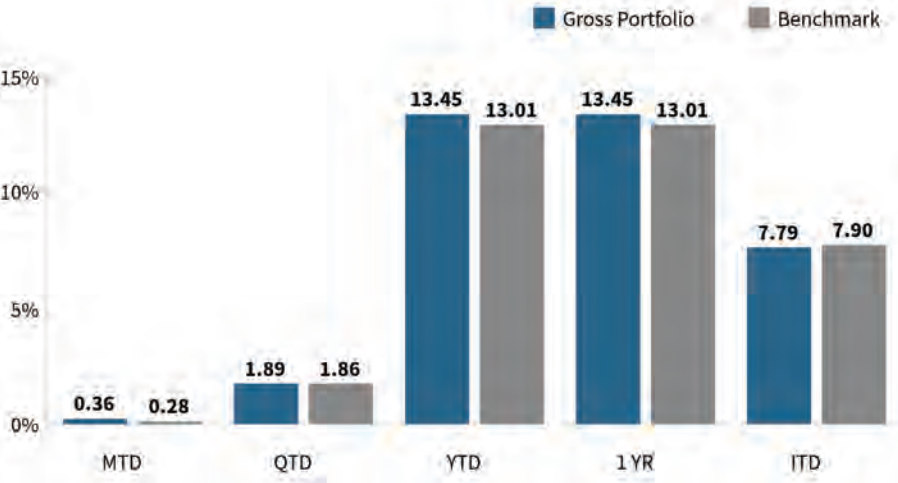
Portfolio Overview

BEGINNING VALUE + ACCRUED	\$39,789,245
TRANSFERS IN/ OUT	-\$476
REALIZED GAINS/ LOSSES	-\$11,748
CHANGE IN MARKET VALUE	-\$185,637
INTEREST INCOME	\$78,288
DIVIDEND INCOME	\$262,243
ENDING VALUE + ACCRUED	\$39,931,916

Portfolio Composition



Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins October 01, 2008
Past performance is not indicative of future results.

Portfolio Summary and Target

	MARKET VALUE (\$)	ASSETS (%)	TARGET (%)	RANGE
RISK CONTROL				
U.S. Fixed Income	9,854,690	24.7%	26%	6% to 36%
Cash	1,960,576	4.9%	3%	0% to 10%
Risk Control Total	11,815,266	29.6%		
RISK ASSET				
U.S. High Yield Fixed Income	1,511,894	3.8%	4%	0% to 8%
U.S. Large Cap Equity	8,790,953	22.0%	22%	12% to 32%
U.S. Mid Cap Equity	3,826,760	9.6%	10%	0% to 18%
U.S. Small Cap Equity	2,011,885	5.0%	5%	0% to 10%
Developed International Equity	3,378,408	8.5%	8%	4% to 16%
Emerging Market Equity	2,094,984	5.2%	5%	0% to 10%
Risk Asset Total	21,614,884	54.1%		
ALTERNATIVES				
REITs	751,815	1.9%	2%	0% to 4%
Alternative Beta	3,865,637	9.7%	10%	0% to 15%
Infrastructure	1,884,314	4.7%	5%	0% to 10%
Alternatives Total	6,501,766	16.3%		
TOTAL PORTFOLIO	39,931,916	100.0%		

We urge you compare the account statement we provide with the account statement you receive from your custodian. We cannot guarantee the accuracy of this information for tax purposes. Please verify all information from trade confirmations.

Past performance is not indicative of future results.

Disclosures

S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Net Total Return USD Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

STOXX Global Broad Infrastructure Index Net Return USD

The STOXX Global Broad Infrastructure Index is derived from the STOXX. Developed and Emerging Markets Total Market Index (TMI) and offers a diversified representation of companies that generate more than 50% of their revenue from selected infrastructure sectors. STOXX partnered with Revere Data, which defines 17 subsectors for the infrastructure industry. These 17 subsectors are rolled into five supersectors - Communications, Energy, Government Outsourcing/Social, Transportation and Utilities.

S&P USA REIT USD Total Return Index

The S&P United States REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

Bloomberg Commodity Index Total Return

The Bloomberg Commodity Index provides broad-based exposure to commodities, and no single commodity or commodity sector dominates the index. Rather than being driven by micro-economic events affecting one commodity market or sector, the diversified commodity exposure of the index potentially reduces volatility in comparison with non-diversified commodity investments.

Wilshire Liquid Alternative Total Return Index

The Wilshire Liquid Alternative IndexSM measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. Created in 2014, with a set of time series of data beginning on December 31, 1999, the Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index (WLIQAED).

Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

FTSE 3 Month Treas Bill Local Currency

The FTSE 3 Month US T Bill Index Series is intended to track the daily performance of 3 month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.

Disclosures

Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedge

The Bloomberg US 1-5 year Government/Credit Float-Adjusted Bond Index is a float-adjusted version of the US 1-5 year Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

WisdomTree U.S. SmallCap Dividend Index Total Return

The WisdomTree U.S. SmallCap Dividend Index is a fundamentally weighted index measuring the performance of the small-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the bottom 25% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

Bloomberg U.S. Long Government/Credit Unhedged USD

The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Credit Intermediate Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 1-10 years, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

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Portfolio Manager

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