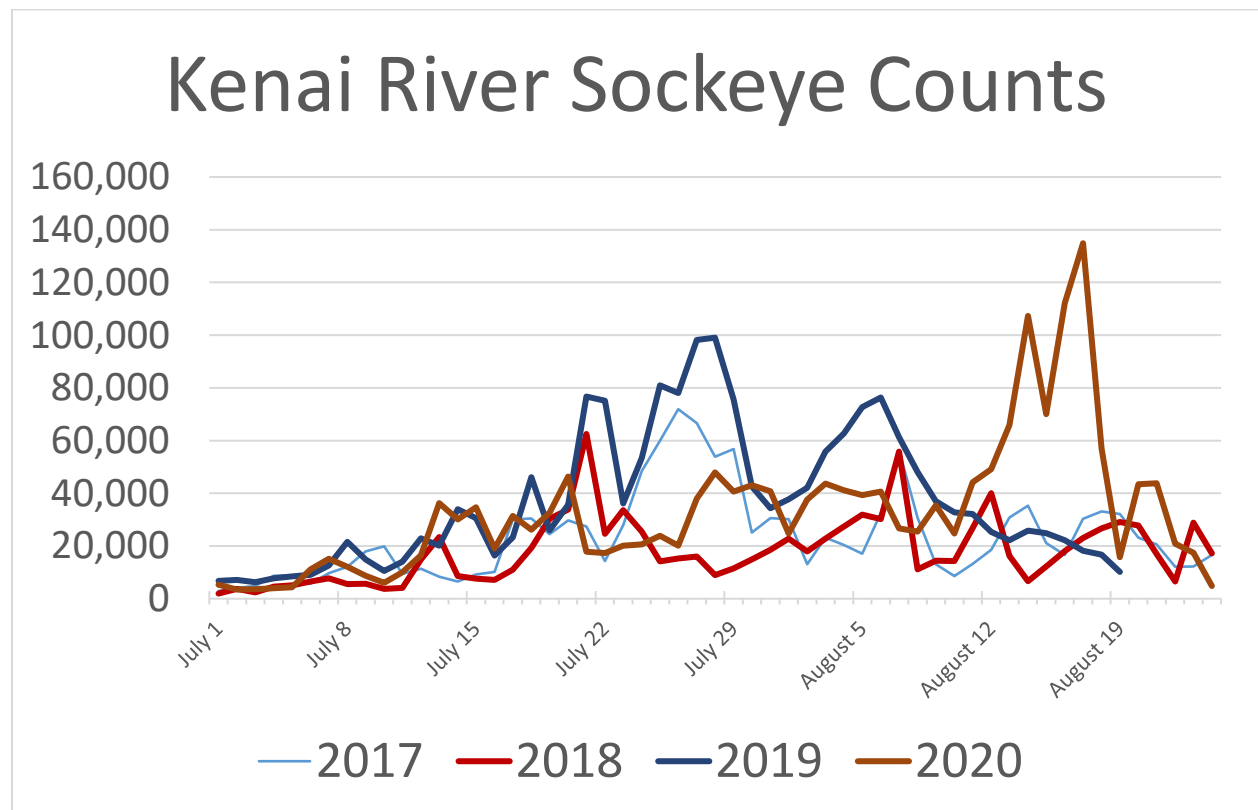


MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
FROM: Paul Ostrander, City Manager
DATE: October 26, 2020
SUBJECT: 2020 Personal Use Fishery (Dip Net) Report

The Personal Use Fishery took place July 10, 2020 through July 31, 2020. In 2020, sockeye escapement to the Kenai River was similar to 2019, although the majority of sockeye were counted in August after the Fishery was closed. Participation was consistently strong during the 21-day Fishery.

The following table depicts the run strength in 2020 relative to the previous three years:



The timing of the 2020 Kenai River sockeye run was delayed – a continuation trend that has been observed over the last number of years. However, the numbers of sockeye counted during August of this year was possibly unprecedented, with over 1.1 million sockeye counted in August compared to only 687,000 sockeye counted in July. Despite the fact that escapement numbers were lower in July than August, Fishery participants reported good fishing.

Operations in 2020

The no-wake zone along approximately 6,000 lineal feet of the Kenai River continued to work extremely well this year from the first day of the Fishery until the last. Fishery participants expressed their appreciation for having a portion of the River in which to fish and not be buffeted by the wake from speeding boats.

It is the Administration's intent to continue to manage the no-wake zone in the same manner in the future.

In previous years, the entrance to the south shore via Old Cannery Road was closed through a temporary section-line access closure permit issued to the City by the Alaska Department of Natural Resources. That section line has now been permanently vacated.

Operational Changes in 2020

There were several operational changes that occurred in 2020 worth noting:

- A new fee shack was constructed for the South Beach entrance along with new traffic gates.
- Due to the COVID-19 public safety emergency, the City moved to only accepting credit cards.
- New signs were placed on the North Beach to slow erosion of the bluffs by encouraging people to stay off of them.
- The dumpsters that have historically been placed on North Beach were removed, and alternatives were placed along Kenai Avenue.

Dip Net App

In 2018, the City built a Dip Net App for iPhone and Android devices, free to download, that provided up-to-date information on the Fishery, including tide information, fish counts, weather, fee calculators, general Fishery information, webcams, and additional information that was relevant and useful for Fishery participants. The App also allowed the City to provide "push notifications" with timely information to improve the experience and safety for anyone who downloaded the App.

Over the last three years, the App has been downloaded over 20,900 times. The City hopes to continually improve the App in future years.



2020 Financial Summary

The Council-adopted budget for the P.U. Fishery included revenues of \$439,513, expenditures of \$490,878, and a lapse of \$15,428, netting to revenues under expenditures of (\$36,937). Revenues are projected at \$517,456, and projected expenses are \$416,236, netting to revenues over expenditures of \$101,220. For the third time, a transfer of \$50,000 was made from the P.U. Fishery Fund to the General Fund to support general operations of the City.

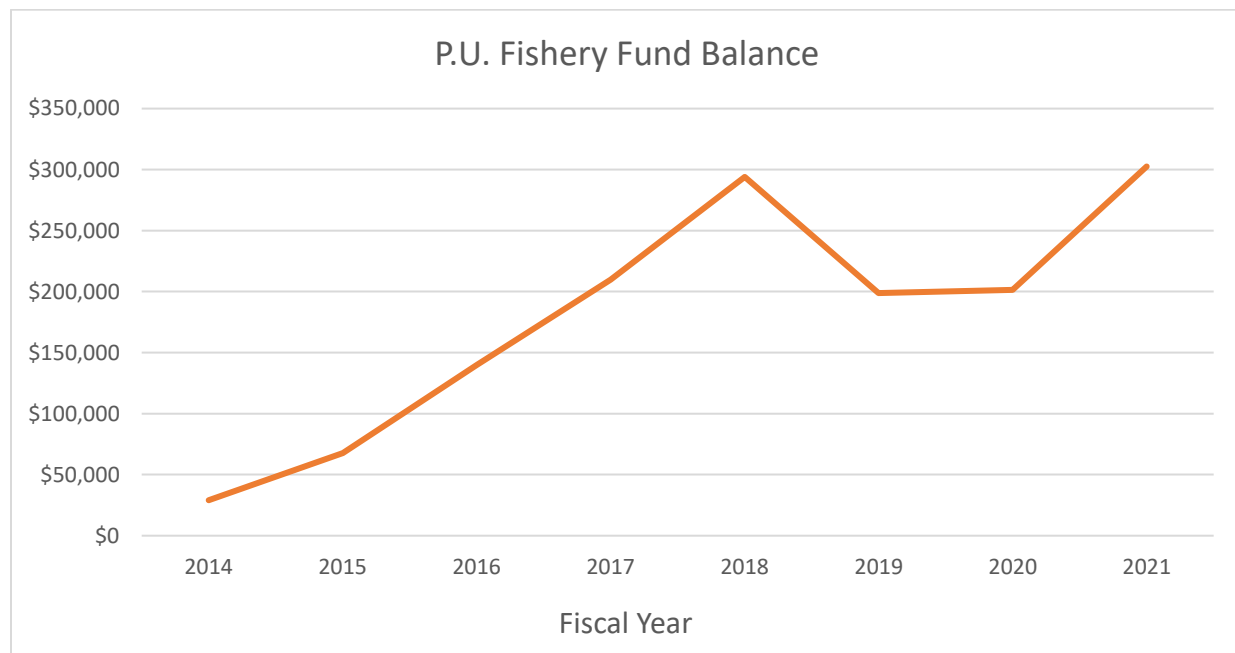
The P.U. Fishery Fund began FY2020 with a fund balance of \$201,322. Given the above, the ending fund balance for FY2021 is projected to be \$302,542.

The purpose of a fund balance is to provide funding for present and future capital expenditures to support City operations during the Fishery and to safeguard the City's General Fund in the event that the Fishery is closed by emergency order and the City is unable to recoup expenditures.

Personal Use Fishery Fund Management

Prior to FY2014, the City had instituted accounting controls so that expenses and revenues associated with the Personal Use Fishery were identified as discretely separate from other City operations. In many ways, this accounting mirrored the manner in which enterprise funds capture financial information.

The creation of the P.U. Fishery Fund provides a funding mechanism where Fund balance can be utilized to provide funding for larger one-time capital expenditures or other purposes deemed appropriate by the Council. Fund balance since inception is shown below:



Administration believes that the Personal Use Fishery Fund balance is sufficient to support capital expenditures to support City operations during the Fishery and protect the City's General



Fund. The continued use of revenues generated from the Fishery to support General Fund capital projects or operations will need to be considered annually during the budget process.

Capital Improvements for the Personal Use Fishery Fund

As the Fishery has evolved, the City of Kenai has responded by creating its overall management plan. A growing component of that plan has been meeting the capital requirements to manage, react, and respond to the needs of the Fishery participants.

The City received a capital grant in 2015 for Kenai River South Beach Dip Net Access, of which there is still an unallocated balance of \$230,934. During the 2019 legislative session, a grant language change was made that allowed the utilization of these funds for improvements on the North Beach as well. During FY2021, Council approved the construction of vault bathrooms on North Beach, construction of permanent restrooms at the Little League Fields, and construction of the fee shack for South Beach. The fee shack was completed, the vault restrooms are nearing completion, and the permanent restrooms at the Little League Fields are slated for construction next year.

Given the State of Alaska's fiscal issues, it is doubtful that the City of Kenai will receive additional State grants for capital improvements to respond to Fishery needs in the foreseeable future.

Proposed Changes to the 2020 Fee Structure

Administration does not recommend any changes to the fee structure for the 2020 Personal Use Fishery.

If you have any questions, please contact me at your convenience.





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Terry Eubank, Finance Director
DATE: October 23, 2020
SUBJECT: 2020 Personal Use Fishery (Dipnet) Summary – Finance

Dipnet Smartphone App

2020 marked the fourth year of the Dipnet Kenai smartphone app. Use of the app was up 22% from last year. This was also the second year without any advertisers on the app.

Improvements

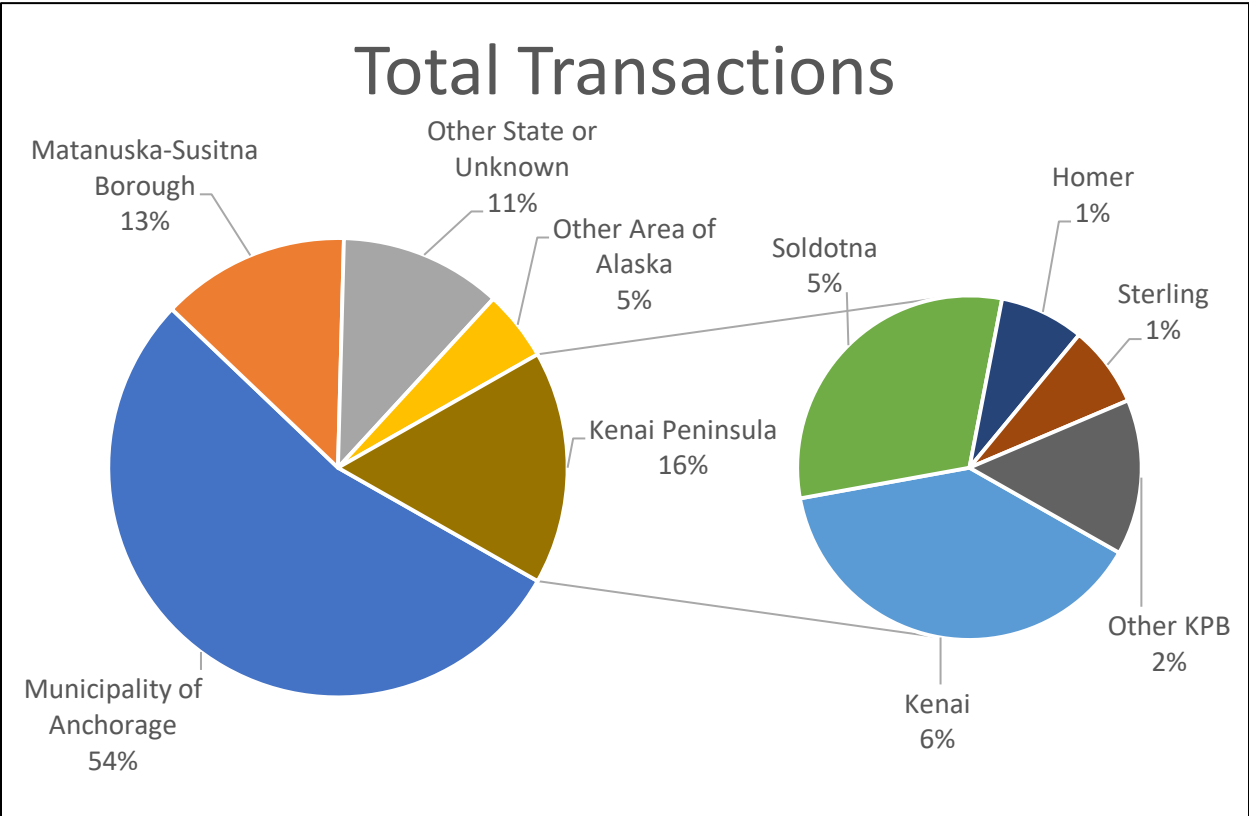
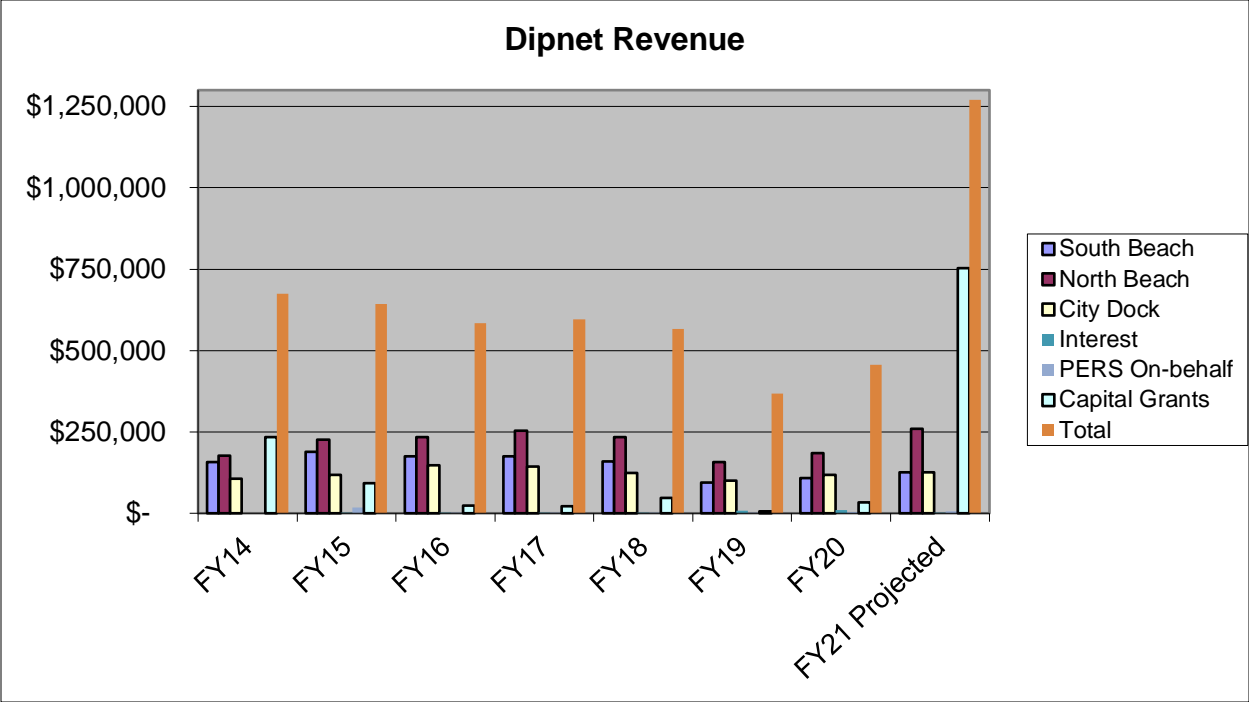
For the 2020 Fishery a new fee shack was installed on South Beach which also included new traffic gates. This new shack was larger, provided more visibility for employees, and had permanent HVAC controls to provide a safer and more comfortable work environment.

Improvements were made at all shack locations to mitigate COVID-19 concerns. This included eliminating cash and going to a self-service credit card system for payment as well as installing intercoms to avoid contact with participants.

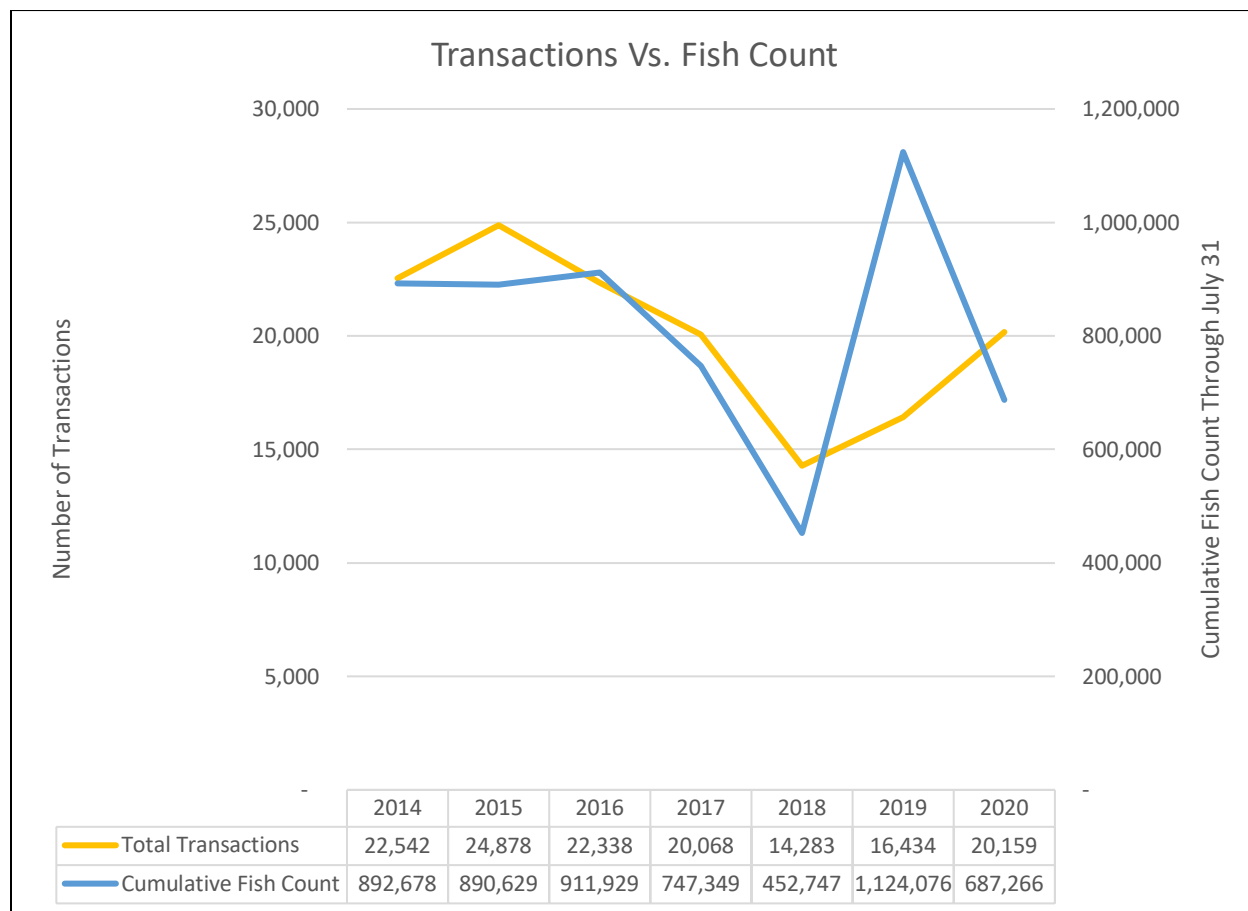
FY21 Revenues

The FY21 fee structure remained the same as that of FY20. FY21 Fishery revenues, not including capital grant revenues and net of sales tax and transaction fees, are projected to be \$517,456, \$78,943 more than budgeted and \$93,744 more than FY20 Fishery revenues. Capital grant revenue is projected to be \$753,511. A comparison of FY21 Fishery revenue to prior years is shown below, the breakdown by site and service for FY14 thru FY21 is based upon actual transactions.

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21 Projected</u>
South Beach	\$157,074	\$189,226	\$174,260	\$175,439	\$158,665	\$93,448	\$109,080	\$126,531
North Beach	177,599	226,221	234,140	253,218	234,298	157,293	185,269	258,689
City Dock	105,899	117,064	146,599	142,901	123,612	101,104	117,172	125,799
Interest	-	680	1,580	671	1,522	7,624	8,836	750
PERS On-behalf	-	17,437	2,167	2,688	1,546	2,743	3,355	5,688
Capital Grants	<u>233,107</u>	<u>92,043</u>	<u>24,494</u>	<u>21,725</u>	<u>46,920</u>	<u>5,770</u>	<u>32,699</u>	<u>753,511</u>
Total	<u>\$673,679</u>	<u>\$642,671</u>	<u>\$583,240</u>	<u>\$596,642</u>	<u>\$566,563</u>	<u>\$367,982</u>	<u>\$456,411</u>	<u>\$1,270,968</u>



Total transactions this year were up 23% from 2019 and were the same as the 6-year average. Transactions on North Beach continue to increase, accounting for 57% of the total this year, up from 50% in 2019. South Beach accounted for 23% and the Dock accounted 21%. Participant numbers were up 30% over the previous year. The percentages of participants from different regions didn't vary significantly from previous years.



Beginning in 2018 the cumulative fish count was monitored to determine if there was a correlation between fish numbers and transaction. In 2019 fish counts were the highest in 20 years, however transaction numbers were down from the average. In 2020, the fish count on July 31st was 687,266, which is lower than 2019 and transactions were up 23%. This seems to indicate that the number of fish has little to do with the total number of transactions.

COVID-19 Response

In an effort to mitigate the COVID-10 pandemic, operational changes in our shacks included a move to only accepting credit cards. Self-serve credit card readers were installed in all shacks and participants swiped their own cards for payment. To limit contact with participants intercoms were installed, permits were passed through mail slots, and credit card signatures were eliminated. Employees were directed to sanitize fee shacks between shacks and staff restrooms



were locked to minimize contact with the public. During the Fishery, three employee days were lost due to COVID-19 quarantining.

The move to only accept credit cards went smoothly, with only a handful of complaints. Removing the cash also reduced the number of overtime hours by shack employees by 31.5 hours as employees no longer had to pick up cash at the beginning of a shift. Daily cash counting and reconciliation time by Finance staff was reduced from approximately 42 to 5.25 an 87.50% decrease. Cash pick-ups activity by Temporary Enforcement Officers was eliminated allowing these individuals to focus on other Fishery related issues. Credit card transaction fees were higher with the increased volume of transaction. Credit card fees in 2020 were \$13,002 compared to \$4,306 in 2019. With minimal participant complaints, the time savings by personnel, the increased safety of personnel, and strengthened internal controls achieved by accepting credit cards only it is the department's recommendation to remain credit card only in future years despite the increase in costs.

Future Considerations

As the number of transactions continues to grow on North Beach it may be necessary to provide a third fee shack at this location. The third shack would be located in the lower parking lot and would serve as an information booth as well as a fee shack. Users could renew their permits or upgrade from drop off passes without having to go up to the top of the hill. This would also provide an extra employee that could be used to backfill other shacks if an employee is sick or resigns. This facility would also serve as an information booth, answering questions, dealing with lost and found items, and could provide a safe location to store the AED.

The cost to provide this third shack would include both capital costs to setup the facility, as well as ongoing costs to cover the employee.

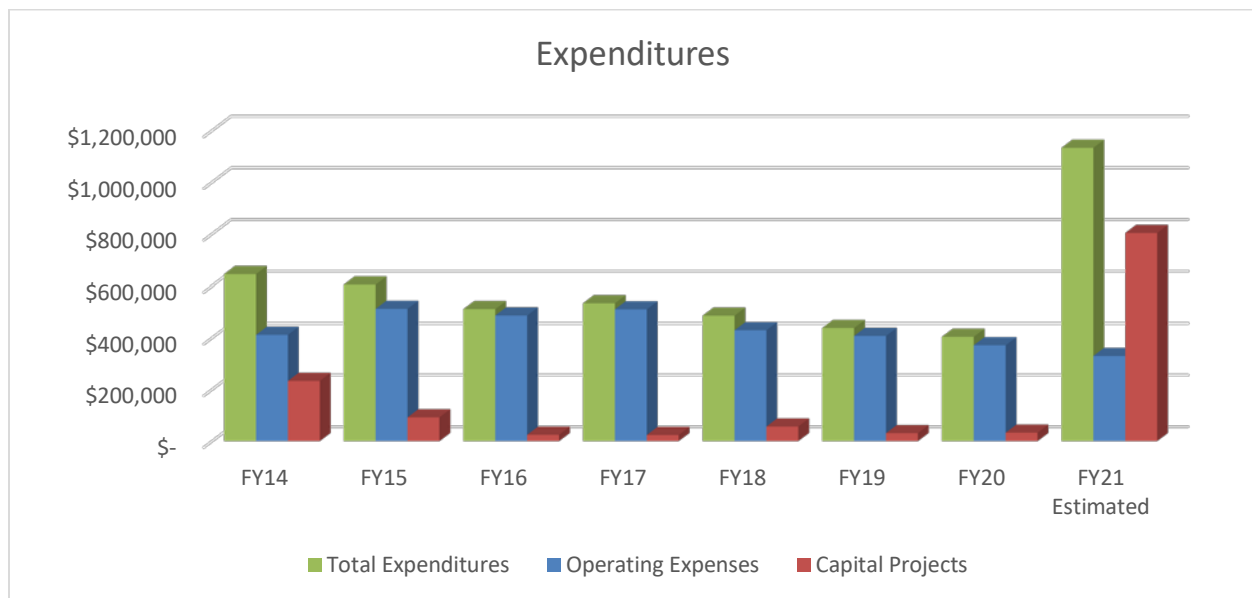


FY21 Projected Expenditures

	Council * Adopted FY 2021	Amended Budget	YTD Actual	FY2021 Projected	Projected Variance	% Available
Revenues						
Beach Parking	\$146,460	\$146,460	\$175,980	\$175,980	\$29,520	20.16%
Beach Camping	164,900	164,900	214,248	214,248	49,348	29.93%
Dock Launch & Park	106,000	106,000	115,623	115,623	9,623	9.08%
Dock Parking Only	12,000	12,000	13,377	13,377	1,377	11.48%
Participant Drop-off Fee	6,715	6,715	4,792	4,792	(1,923)	-28.64%
Interest Earnings	750	750	-	750	-	0.00%
PERS Grant	5,688	5,688	-	5,688	-	0.00%
Credit Card Transaction Fees	<u>(4,000)</u>	<u>(4,000)</u>	<u>(13,002)</u>	<u>(13,002)</u>	<u>(9,002)</u>	<u>0.00%</u>
Total Revenue	<u>438,513</u>	<u>438,513</u>	<u>511,018</u>	<u>517,456</u>	<u>78,943</u>	<u>18.00%</u>
Expenditures						
Public Safety	\$81,211	\$81,211	\$37,458	\$77,468	\$3,743	4.61%
Streets	50,389	50,389	28,176	36,401	13,988	27.76%
Boating Facility	52,126	52,126	42,561	47,290	4,836	9.28%
Parks, Recreation & Beautification	<u>218,428</u>	<u>218,428</u>	<u>143,283</u>	<u>168,568</u>	<u>49,860</u>	<u>22.83%</u>
Total Expenditures	<u>402,154</u>	<u>402,154</u>	<u>251,478</u>	<u>329,727</u>	<u>72,427</u>	<u>18.01%</u>
Transfers Out:						
Transfer - General Fund	50,000	50,000	50,000	50,000	-	0.00%
Transfer - PU Fishery Capital Project Fund	<u>38,724</u>	<u>38,724</u>	<u>36,509</u>	<u>36,509</u>	<u>2,215</u>	<u>5.72%</u>
Total Transfers	<u>88,724</u>	<u>88,724</u>	<u>86,509</u>	<u>86,509</u>	<u>2,215</u>	<u>2.50%</u>
Total Expenditures & Transfers	490,878	490,878	337,987	416,236	74,642	15.21%
Contribution To/(From) Fund Balance:						
	(52,365)	(52,365)	173,031	101,220	153,585	
Projected Lapse	<u>(15,428)</u>	<u>(15,428)</u>	-	-	<u>(15,428)</u>	
Adjusted (Deficit)/Surplus	<u>(36,937)</u>	<u>(36,937)</u>	173,031	101,220	<u>138,157</u>	
Beginning Fund Balance	<u>195,822</u>	<u>201,322</u>	<u>201,322</u>	<u>201,322</u>		
Ending Fund Balance	<u>\$158,885</u>	<u>\$164,385</u>	<u>\$374,353</u>	<u>\$302,542</u>		



\$753,511 remains in a State of Alaska Department of Commerce Community and Economic Development grant. The City successfully, with the assistance of the late Representative Knopp, secured a change in scope making improvements on either the City's north or south beach eligible. Project currently underway which are utilizing these grant funds include construction of additional vault restrooms on the North and South Beaches and construction of a new restroom at the Kenai Little League Fields.





Kenai Police Department | 107 S. Willow St., Kenai, AK 99611 | 907.283.7879 | www.kenai.city

MEMORANDUM

TO: Paul Ostrander, City Manager
FROM: Dave Ross, Police Chief
DATE: September 30, 2020
SUBJECT: 2020 Personal Use Fishery (Dipnet) Report – Police

The 2020 Dipnet Fishery opened on July 10 and ended as scheduled on July 31. In 2020, the City employed five temporary enforcement officers (TEOs) dedicated to Police dipnet operations. Significant 2020 Police dipnet information includes:

- Police handled 108 dipnet-related calls for service during the month of July, which is up about 52% from the prior year. Those calls included a wide variety of issues: 25 (9-1-1) misdials, 12 parking problems, 6 traffic congestion, 6 motor vehicle crashes, 1 theft, 8 lost & found property, 7 traffic offenses, 14 disorderly complaints, 4 boat collisions, 1 lost child, 4 animal problems, and 20 miscellaneous calls for service.
- TEOs wrote 86 Fishery-related citations (primarily for paid parking and other parking-related violations).
- Salmon Frenzy volunteers were not present this year. After initial talks with them, they made a late decision to cancel their involvement due to the COVID-19- related travel restrictions. Along with their involvement at the City Dock and the South Beach in past years, they have played a pivotal role in maintaining the traffic flow on Kenai Avenue on the North Beach. This year TEOs helped ensure Kenai Avenue traffic flow moved smoothly.
- COVID-19 created additional work tasks to include additional cleaning tasks for TEOs.
- The pay shacks did not accept cash this year, which reduced the commitment of time and resources to handle that cash. TEOs did not have to make regular cash pickups at all the various locations and return that cash to a locker at the police department. KPD documented 152 and 144 cash pickups in 2019 and 2018 respectively, which did not have to be done in 2020. This change further reduced both internal and external risks associated with handling cash at various locations with temporary employees.

The 2020 Dipnet Fishery went more smoothly than anticipated, given the lack of volunteers, higher participant turnout, and the COVID-19- related changes and concerns.



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MEMORANDUM

TO: Paul Ostrander, City Manager
FROM: Tony Prior, Fire Chief
DATE: August 19, 2020
SUBJECT: 2020 Personal Use Fishery (Dipnet) Report – Fire

The Fire Department was busier than previous years with dipnet activity in 2020. We started the season with an active burn suspension in place and warm, dry conditions. We conducted three “No Wake” patrols in coordination with KPD. Total overtime hours were 12.25 hours.

The Fire Department had the following service calls for Dip Net season.

Actively dipnetting 8

Here for dipnet but not actively dipnetting 5

Fires 2

Dumpster fire 1

Prescribed Fire 1

EMS calls 7

Trauma 3

Medical 3

Cardiac Arrest 1

Service Calls 4

Tsunami Warning 1

Swamped Boat 2

Standby 1

Boat Patrols 3



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Scott Curtin
DATE: October 23, 2020
SUBJECT: 2020 Personal Use Fishery (Dipnet) Report – Public Works

The Public Works Department provided support services for another successful year of the Fishery. The Streets Division, currently consisting of six full-time employees, recruits additional temporary staff to manage the boat launch and parking at the City Dock Facility. This year five temps were recruited and worked a combined nine hundred hours over the three-week period in support of the Fishery. Additionally, Streets Division Staff prepares for the Fishery annually by performing the following:

- 1) Installing temporary access roads at both North and South Beach locations
- 2) Placement of over 100 jersey barriers for the direction of traffic
- 3) Fee shacks are placed and set up for operation
- 4) Dumpsters and portalets are coordinated with a subcontractor whose services are competitively bid annually
- 5) Temporary signage is installed throughout various locations of the City
- 6) Roads and parking areas are graded and dust control measures placed
- 7) No wake signage and buoys are placed within the river
- 8) City dock parking area is striped
- 9) Removal of the above at the conclusion of the Fishery

The Division relied heavily on Temps this year to effectively manage the process, allowing our full-time staff to work on other City Maintenance Projects. As a result, actual hours worked in support of the Fishery came in under budgeted amounts by almost 25%.

Total transactions for the dock were 4,181. Comprised of 3,473 Boat Launch & Parking Pass, 697 Day Use Passes, and 11 Drop Offs generating approximately \$135,605 in revenue.

This year new fee shacks were constructed by City staff and deployed into service. At the conclusion of the Fishery, the exit road leading out of the City Dock was widened to allow for safer access for Emergency Vehicles in and out of the property next season.

Aerial photos below are a good indication of when the fish are in!



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager

FROM: Robert J. Frates, Parks & Recreation Director

DATE: October 5, 2020

SUBJECT: 2020 Personal Use Fishery (Dipnet) Report – Parks & Rec

The Fishery opened on the traditional start date of July 10 and concluded on July 31. The Alaska Department of Fish & Game (ADF&G) kept to the traditional 12-hour Fishery opening from 6:00 a.m. to 11:00 p.m. each day. The only Emergency Order issued pertaining to the Fishery was the prohibition of king salmon retention.

There were a few operational changes implemented this season, mostly in response to COVID-19. A notable change was made to our fee shack operations, which included going cashless and creating separation between participants and the operators. Thanks to the City's Finance Department, IT Manager, and the Public Works Department, all the fee shacks were reconfigured for the safety of the operators and participants. The hiring and supervision of the shack operators were placed under the purview of the IT Manager, Dan Castimore. This system provided a more streamlined and efficient process for both the shack operations and the department's summer maintenance program.

Other operational changes included moving the dumpsters from the north beach to placing them along Kenai Avenue. This created a much safer environment for both the dumpster operator and participants of the Fishery and had no negative impacts. Additionally, an extra set of portable restrooms were placed along Kenai Ave. near Meeks trail (future location of permanent restrooms). Several portable handwash stations were included both at the south beach and north beach locations as well.

Due to COVID-19, the Alaska Missions and Retreat did not return this year to participate in their annual Salmon Frenzy. It was anticipated that this would put an enormous strain on City staff managing traffic and providing assistance at the various locations. However, this did not materialize to the level anticipated, and City staff were able to manage traffic and parking without too much difficulty.

The following summary highlights the department's contribution toward the 2020 dipnet Fishery:

- Installed and removed approximately 1,600 lineal feet barrier fencing.

- Coordinated with ADF&G on the placement of their educational booth. Booth was staffed by ADF&G and Kenai Watershed Forum on the weekends. Information provided included tide tables, stewardship practices, **water quality**, and regulatory literature.
- Assembled material and supplies for the shack operations.
- Designed, purchased, and installed signage along north beach bluffs encouraging people to stay off.
- Striped the parking lot at the Kenai Little League complex.
- Assisted with the placement of portable restrooms and dumpsters.
- **Conducted beach raking activities on the North & South Beach areas.**
- 198 hours spent patrolling the north and south beach areas.
- 50.50 hours accumulated raking the north and south beaches.
- 103.50 hours waste management (restroom cleaning & trash).
- 102 hours installing & removing signs.
- **17 hours post Fishery clean-up.** This work was supplemented with volunteers from Wal-Mart.
- General Fund equipment hours this season included:
 - PR3 (Fuel Truck) – 103.50 hrs. (refueling, restroom cleaning, trash pick-up and hauling.
 - PR32 (Kubota Tractor) – 6 hours
 - PR22 (John Deere Backhoe) – 20 hours (sign installation, cleaning fire pits)

SPECIFIC OBSERVATIONS & FUTURE CONSIDERATIONS

- 1) Additional fire rings should be provided along the north beach between South Spruce St. and the end of Kenai Ave. These could be set specifically during dipnet and retrieve for storage after the season.
- 2) Consideration should be given in the next couple of years to replacing some of the all-terrain vehicles used on the beach. For the department, this would include one (1) side-by-side and one (1) four-wheeler.
- 3) I believe there may have been some staff turnover recently at the Catholic Church along South Spruce Drive. We should have a meeting with these folks in advance of next year's Fishery.

