



**KENSINGTON FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES**

DATE/TIME: February 9th, 2022, 7:00PM

LOCATION: Via Zoom

PRESENT: Directors: President Larry Nagel, Vice-President Kevin Padian, Secretary Janice Kosel (Note: Kosel joined the meeting at 7:08pm), Director Don Dommer, Director Julie Stein
Staff: GM Bill Hansell, Chief Michael Pigoni, EPC Johnny Valenzuela

1. CALL TO ORDER/ROLL CALL:

President Nagel called the meeting to order at 7:01 p.m. and confirmed the roll call.

2. PUBLIC COMMENT:

Director Kosel commented on three items: 1.) The El Cerrito-Kensington Fire Department is offering First Aid/CPR classes on Sat, 4/11, and Sat, 5/21; 2.) Will Cert training start again? (Chief Pigoni) answered affirmatively; 3.) Are all the directors in compliance for ethics and sexual harassment training? (GM Hansell noted that he is still gathering the more recent certifications to check.) Also, an email was received from George Yamashita regarding his concerns about the spreading of mulch and its potential combustibility. GM Hansell noted that Chief Pigoni provided a response on the issue.

3. ADOPTION OF CONSENT ITEMS (0:04:00):

MOTION: M/s Padian/Dommer: Motion to Adopt the Consent Calendar	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 0:07:20

4. SPECIAL PRESENTATION BY SUPERVISOR JOHN GIOIA (0:08:15):

4a. Presentation on Measure X Funding for Fire Issues and Mental Health Crisis Response.

Prior to his presentation, Supervisor Gioia congratulated Chief Pigoni on his retirement announcement and thanked him for his service during a very challenging time. The Supervisor then reviewed the Measure X funding passed in 2020 which provides \$120M County-wide for gaps in social services, health, and safety. For fire services, there is funding for the Pinole Valley Fire Station, as well as \$4M/yr for wildfire prevention in high-risk areas including \$2.5M for a hand-crew on vegetation management. \$2M/yr is

being allocated for large projects and potentially to work with the Diablo Fire Safety Council on distribution of those funds. There also substantial funding for mental health support and crisis response. For the east County, there is funding to open fire stations which have been closed and currently draw coverage from west County departments. Finally, there is funding for body-worn cameras for the Sheriff's Department. President Nagel and Director Kosel thanked the Supervisor for his update. Director Padian asked why Kensington is not receiving funding for the renovation of the Public Safety Building. Supervisor Gioia said the money is focused on re-opening stations and hiring firefighters, which are higher priorities, especially in under-funded departments. Director Padian then asked if there are other sources of funding coming into the County that will be available to Kensington. Supervisor Gioia reviewed the services provided directly by the County that Kensington residents benefit from. For example, transportation for seniors is getting new funding. Supervisor Gioia mentioned the requirement for all-electric appliances in new construction and the inclusion of gas-shutoffs that reduce fire risk. GM Hansell thanked the Supervisor for his support on the County's planning and building permit review of the PSB Renovation project.

5. OLD BUSINESS: None

6. NEW BUSINESS:

6a. Fiscal Year 2020-2021 Audit (0:29:45):

GM Hansell introduced Brad Bartells, Partner with MUN CPAS to present the audit. Mr Bartells stated that there were no compliance standards issues or material weaknesses discovered. This represents an "unmodified, clean opinion". There are no recommended changes to the accounting policies. There were no disagreements with management during the audit. The audit included two adjustments: the first was the change in OPEB assets and the second was the disposal of a capital asset (in this case, an older fire engine). There were three recommendations to management: the first two recommended reviewing older receivables and accounts payable to see if they need to be cleaned up. The third recommendation was to match the capital asset disposals and additions match the detailed financial statements.

Director Kosel noted that the Finance Committee had reviewed the audit the week before and wanted to highlight that assets increased by \$748,373, and that the Capital Reserves are detailed as well as the Unassigned Reserves. She stated the actuarial work will start again in the summer to review OPEB status. Additionally, she pointed out that LAIF interest income has been lower this year, and the committee has asked the GM to look into the other investment options with the County. Finally, the District uses Quickbooks which is not friendly to fund balance accounting so the ledger corrections are due to that.

GM Hansell said he appreciated working with MUN CPAS and Maze Accounting on the process. He feels we have improved our accounting practices since last year.

Director Stein thanked Mr. Bartells and complimented him on the presentation of the financial information.

MOTION: M/s Kosel/Padian: To	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 0:51:00

6b. Mid-Year Budget Review and Adjustments (0:51:50):

GM Hansell presented an overview of the mid-year budget and recommended changes. The revised actuals from the prior year have been included now that the audit is complete. The reduction in interest, as previously discussed, has been updated. The CERBT reimbursements for retiree health care costs are now included to show the funding is covering expense accounts for those purposes. The revenue section also includes COVID funding from the State that CSDA helped to acquire.

For expenses, there are various corrections due to increases in vendor costs (e.g. payroll) and employee compensation review. The CalPERS settlement expense is nearing completion with about \$10K left to payoff. The largest change is a re-allocation of community services categories that were previously carried over from prior years, but the amounts now reflect actual expenses. A line item for “trading cards” has been added per prior director request. Overall, a net surplus of \$838K is projected for the year. The expenditure of capital costs are now starting to show up and those are listed separately.

GM Hansell shared a separate breakdown of *Community Service Activities* that includes expenses to date as well as planned budgets, and an adjustment of \$42K to \$49K. Chief Pignoni’s Fire Service Budget is also included and the Chief reviewed the adjustments. Director Kosel objected to the naming of some categories as “Emergency Preparedness” items. GM Hansell said they could all be called Community Service Activities if that was more appropriate. Director Stein agreed with Director Kosel’s comment. She asked if the FireSafe Planting Grants have been reduced to \$0. GM Hansell confirmed that it is listed that way because there have been no expenditures for that item. Director Stein said that is due to a lack of advertising, and it should be included in the Preparedness Workbook and the Fire Plug. Stein was also surprised at the cost of the trading cards and thinks sponsorships should be explored or matching funds from the El Cerrito Fire Department. GM Hansell noted that the staff is stretched on time, which is why the EP Coordinator is working on many of the items and why a discussion on priorities would be helpful. For example, given other work the Fire Safe Planting program has not been given any attention. Also, money can be moved between different categories if any individual program has more interest. Separately, acquiring sponsorships for things like the trading cards takes staff time and money.

Director Padian would like to see more funding spent on the Fire Safe Planting grants. He agrees that there should be a separate category for Emergency Preparedness and another one for Public Relations. He does not believe funding nor staff time should be spent on trading cards. GM Hansell stated that the budget category names are driven from prior years and it makes the accounting more difficult if they are changed too drastically, but there will be opportunities in next year’s budget to make improvements. Director Kosel agrees that more advertising is needed for programs.

MOTION: M/s Kosel/Stein: To increase the Fire Safe Planting Grant to \$3,000	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 1:34:45

Public comment was made by Mark Constantini.

MOTION: M/s Padian/Dommer: To remove funding for Firefighter Trading Cards	
VOTE: Ayes: Dommer, Nagel, Padian, Stein Nays: Kosel Abstentions: None Absent: None	
Motion Passed 4-1-0	Video Time Stamped: 1:40:00

MOTION: M/s Padian/Stein: To approve the Mid-Year FY2021/22 Budget as amended.	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 1:40:00

6c. Public Safety Building Renovation Progress Update (1:41:45):

GM Hansell referred to the extensive written report. He noted that the variance request to enclose the deck was presented to the KMAC council, who recommended approval. Hansell discussed the project schedule to date starting with the occupancy decision 10 months ago. He explained the financial analysis and the consideration of potential grant funding versus loans. One thing that has changed in the last month is that the pursuit of grants is now affecting the project delivery timeline. Due to FEMA approvals and associated National Environmental Reviews and Build America standards, the grant option adds \$1M to the project and delays it by 18 to 24 months, or longer. Also, if the grant is not awarded, then the delayed project cost would increase pressure on our reserves and require a larger loan, and might become infeasible. There are now two options: Either continue to pursue the grant with its uncertainties, or focus on reserve/loan funding which has a reliable delivery schedule and affordability. Director Kosel is appalled that the grant writer did not provide the info earlier. GM Hansell answered that CalOES and FEMA have pushed back the schedule. Director Padian agrees with GM Hansell that grant funding is constantly shifting. He wants to note that the term "bond" has been used instead of "loan", but that this does not mean a tax increase is necessary. His concern is that continuing construction inflation is the greatest problem we face, and that it doesn't seem like Kensington is a likely candidate for an award. Hansell confirmed that is correct and, also, that neither bidding nor

construction can begin until the grant award decisions have been made. Director Stein commented that the interest amount should be included in the total project cost. She also asked what FEMA wants to know in the Benefit Cost Analysis, and feels that we may want the information in any case. GM Hansell said FEMA wants to confirm that the seismic improvements are worth the funding. He agrees that he would like the answer although it would probably confirm what the prior geo-tech reports expressed. Director Dommer said that the FEMA process is chaotic and the odds of acceptance are probably low. He feels that GM Hansell has done a wonderful job of laying out the options, and he is ready to move forward with a dependable schedule. President Nagel is also surprised that the FEMA option is not more viable, but he feels that spending more money on it is not worth it.

MOTION: M/s Padian/Dommer: To accept the report with the addition of total cost with interest to be listed in the document.	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 2:30:30

Director Stein commented that the assistance to the KPPCSD in finding a new location has not been addressed. She would like to know what KFPD is going to contribute financially. She would also like the report to reflect the total cost of the project to include the interest paid over the life of the loan. GM Hansell said that can be included. He has tried each month to talk to the KPPCSD but they have not responded.

Public Comment was received from Mark Constantini, Rob Firmin, Sylvia Hacaj, David Spath, and Gail Firmin.

MOTION: M/s Stein/Dommer: To extend the meeting to 10:15PM	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 2:52:45

Director Stein commented that KPPCSD Interim-GM noted that the available funding for capital improvements is \$800K-\$1M, but the estimated improvements for 303 Arlington is \$1.3M.

MOTION: M/s Padian/Dommer: To discontinue the FEMA grant application process due to its uncertainty, and focus on reserves and loan funding for the project.	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 2:57:15

Director Stein asked if a new building could be built on the site. GM Hansell stated that is not correct. The Planning Director stated that if the project is a renovation without expansion, then it is OK to proceed, but a new building would be subject to Alquist-Priolo limitations.

GM Hansell understands that the motion means we will move forward with developing the drawings and schedule targets, and will bring NHA Advisors back to continue tracking the financial strategy.

MOTION: M/s Padian/Stein: To approve \$12K for the funding of the Seismic Risk Evaluation Report.	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 3:04:15

Director Dommer asked why the report is necessary if we are no longer pursuing the FEMA grant. GM Hansell said it would just be another confirmation of the need for the work.

MOTION: M/s Padian/Stein: To adjourn the meeting until Wed, Feb 16 th , 2022, at 7:00PM	
VOTE: Ayes: Dommer, Kosel, Nagel, Padian, Stein Nays: None Abstentions: None Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 3:04:15

11. ADJOURNMENT: President Nagel adjourned the meeting at 10:08 p.m.
The next Board of Directors meeting will occur on February 16th, 2022.

MINUTES PREPARED BY: Bill Hansell

These minutes were approved at the regular Board Meeting of the Kensington Fire Protection District on _____.

Attest:

Secretary of the Board

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