



KENSINGTON FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REGULAR MEETING MINUTES

DATE/TIME: October 13th, 2021, 7:00PM

LOCATION: Via Zoom

PRESENT: Directors: President Larry Nagel, Vice-President Kevin Padian, Director Don Dommer, Director Julie Stein, Director Janice Kosel*
* Director Kosel joined at 9:42 p.m.
Staff: GM Bill Hansell, Chief Michael Pigoni, EPC Johnny Valenzuela,
Guests: NHA Guests: Eric Scriven, Craig Hill, Rob Schmidt

1. CALL TO ORDER/ROLL CALL:

President Nagel called the meeting to order at 7:14 p.m. The Board Clerk called roll.

2. PUBLIC COMMENT:

There was no public comment.

3. ADOPTION OF CONSENT ITEMS:

MOTION: M/s Padian/Dommer: Motion to Adopt the Consent Calendar	
VOTE: Ayes: Dommer, Padian, Nagel, Stein - Absent: Kosel	
Motion Passed 4-0-1	Video Time Stamped: 3.36

4. OLD BUSINESS:

NONE

5. NEW BUSINESS:

5a. Introduction of NHA Advisors and Presentation of Financial Analysis and Planning Services:

Eric Scriven from NHA introduced NHA and presented the scope of the study and initial observations. He described the District's objectives and funding sources, which included reserves of \$10.3 million, annual net revenues of \$490k, and potential grant funding. Rob Schmidt of NHA then discussed grants, reserves, and financing. NHA presented examples of financing scenarios, typical financing processes, and a funding schedule for the year 2022.

VP Padian wanted to clarify the following points: The first thing NHA mentioned was the \$6.6 million available for the project. These reserves are what the District expects to contribute to the construction and money must be kept in reserves to fulfill the EC contract. He noted that other expenses need to be covered besides the Public Safety Building. His second point was to clarify the bond financing process statement that was made. He wants to make sure the public is clear that they are not going to ask the public for a tax increase, but that the any loan will fall within

Board of Directors Meeting Minutes of October 13th, 2021

the District's existing means. Rob Schmidt explained that the \$6.6 million was not dedicated to the building so the board can determine how much to allocate. The note was to explain how much the District has available outside of the EC reserves.

Director Stein asked about the borrowing costs and financing, and then inquired about the structure of the NHA contract. Her understanding about a year ago was that the total cost of the PSB project for soft costs was going to be around \$1 million. Then there is the temporary relocation cost about another \$1 million. The Board also stated they would assist the KPPCSD but there was no cost given to that. Then, there are the construction costs for the building, estimated to be \$5.9 million. She asked if it is possible to finance all of those different kinds of costs, and if it is feasible to finance soft costs and police department relocation expenses out of the bond funding, or do those have to be paid for out of the District's cash flow and operating reserve.

Eric Scriven said yes in general, but they will need to verify police department relocation costs with the bond counsel. He explained that soft costs are typically included and recommended that a reimbursement resolution be included as well. Director Stein stated that the \$6.6 million does include the equipment reserve, so the District has about \$4.7 million left over for the PSB. A minimum of \$3-4 million would have to be financed by the District. If they have a \$300k debt service, it would leave them with about \$400k after the debt service. They seem pretty close to having a net operating revenue of \$400K. Additionally, she asked what the cost structure of the engagement between NHA and the Fire District is. GM Hansell explained that RFPs were sent out as approved last year and the costs for the initial portion of this process came to well under \$30k. Craig Hill stated that there was a not-to-exceed limit of \$17,500. Stein asked whether there was a conflict of interest given that El Cerrito is one of NHA's clients. Craig Hill stated that their work with El Cerrito was based on a per-project basis and does not serve in a management capacity or ongoing consulting capacity. They work with them on an annual basis to do a small cash flow financing for them each year. There is no conflict unless they were asked to enter into a negotiation component, which they do not typically do. In his opinion, no further issues will arise.

Public comments were made by Gail Feldman and Jim Watt.

5b. Adoption of Resolution 21-09 Confirming Seismic Vulnerability and Structural Failure and Kensington Public Safety Building Requiring Urgent Remediation:

MOTION: M/s Dommer/Padian: Motion to Adopt Resolution 21-09 Confirming Seismic Vulnerability and Structural Failure of the Kensington Public Safety Building Requiring Urgent Remediation
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VOTE: Ayes: Dommer, Padian, Nagel, Stein - Absent: Kosel
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Motion Passed 4-0-1

Video Time Stamped: 1.07.44

GM Hansell introduced the item. He explained that the District is pursuing grant applications and a resolution confirming the urgency of the project will help establish the project need. From a liability standpoint, all of the information noted in the resolution has been a matter of public record, but the resolution explains the need to do the project. He included a letter from the District's current geotech consultant and her assessment of the building's vulnerability.

Stein asked who drafted the resolution and if legal counsel reviewed it. Hansell responded that he prepared it, and counsel had not reviewed it since the stated information has been published

Board of Directors Meeting Minutes of October 13th, 2021

multiple times in the past. Stein supports the item but would like legal to review the resolution to ensure the District is not exposed to legal action. She asked what the downside would be if they waited for counsel to review it. Hansell said the District is already substantially exposed since an extensive volume of information confirms problems already exist. With the grant applications already submitted, he believes it would be best to provide a resolution stating that the District is working to correct the safety issue as soon as possible. Postponing for a legal review is unnecessary while the District continues to be exposed. The District needs to show it is actively trying to find solutions. This will delay the project, and it is his recommendation to move forward with this resolution. Stein would like to make sure that we are saying this correctly so that the desired outcome will be achieved. Padian agreed they do not want to do anything that binds the District legally, but he doesn't think there is anything legal involved in the resolution. There are deficiencies in the building that were documented and must be remedied. He agrees that something should be on record stating that the work needs to be done as soon as possible since the District is discovering there are more issues every day. Hansell noted that residents can go to the website to the PSB section and look at the documents that are filed there. President Nagel stated there isn't anything in the resolution that has not already been published. Everything is public knowledge, and they have made this resolution to expedite the grant writing and funding process. Stein said her concern is that the District might not be permitted by the Alquist-Priolo Act to move forward with the renovation and that this could have negative consequences for the District. Hansel noted that concern and is going to address it in the next agenda item, since the prior understanding of the Alquist-Priolo Act was either incomplete or incorrect.

5c. Public Safety Building Renovation Progress Update

GM Hansell reviewed the report and said that the architects and engineers were hard at work developing a schematic design package that can be viewed on the District website. He noted that the extensive plans now completed are still only about 15-20% of the documentation work needed for permitting and construction. In order for the building to remain compliant and to prevent it from sliding down the hill, extensive structural changes must be made. He presented diagrams showing the amount of demolition required and all the new structural components that must be included in order to create a code compliant and safe building. All of this recent consultant work was needed in order to update the cost estimate which will be presented next. That estimate, then, was needed for the financial planning to proceed. Next, Hansell explained that he has been working with Contra Costa Planning and Building on the submittal and approval process. He discussed his conversations with the State Geologist and the County which provided new information regarding the Alquist-Priolo Act and how the cost limitations do not apply if the building is renovated within the existing footprint. The final determination will be made by the County but, so far, indications are that the A-P Act will not apply in a renovation scenario. Hansell then pointed out Chief Pigoni's letter stating his approval of the plans and that the documents were shared with the firefighters, although there will be more communication with them on the details that are coming up next.

For the temporary facilities project, Hansell stated that Kappe Architects has been hired as they were more aggressive in their lower pricing, and that they are ready to get started. With all of that work, and further consulting with the grant writer, a revised schedule was shared with the board. Hansell said there are various items that can affect the timeline. The current schedule shows renovation construction work starting in September for a period of 15 months and a completion in the beginning of 2024.

Board of Directors Meeting Minutes of October 13th, 2021

Hansell summarized the updated construction cost estimate with a total of \$5.9M. Comparatively, last year's estimate was \$5.1M, so an \$800K increase with an assumption of 8% annual construction cost inflation. The next update will be provided at the November meeting, and another in December.

Stein asked whether it is correct that the District will proceed with the work as if the fault line exists, and Hansell confirmed that was true. Hansell explained that the prior assumptions about the A-P Act, though, were incorrect. Stein asked if it were true that the District can't build a brand-new building. Hansell explained that, as designed, the District will essentially have a new building with the same footprint. Some walls, roofs, and other components will remain, but everything else would be new. The jeopardy of pursuing a brand-new building is that a full-EIR would be required, which is very lengthy process with the associated construction cost escalation building up and the liability of remaining in the existing building all of that time. Also, the setbacks and height limit would not allow for expansion. Finally, the District would see higher costs and a longer schedule in a new building scenario without more building area. Stein asked about the size of the meeting room and listed reasons why she believes board meetings are better suited to the Community Center. Hansell pointed out that the room was primarily intended for board meetings, but by the need for a DOC, firefighter training, CERT training, committee meetings, and other staff meetings. The room has been planned based on the prior space needs analysis. Chief Pigoni emphasized that the space planning needs to be based on the future and the needs of the next 20-30 years. This room will allow the firefighters to do their training on site rather than to have to travel to other stations to do so. For the administrative space, Hansell explained that it contains all the District's files as well as the computer server, and shared room for the admin staff desks. Padian expressed that he felt the total area was appropriate to the District's needs. He feels that the presentation shows that the seismic situation is worse than anyone realized before and he hopes the public will recognize it will take a lot of work to keep the emergency personnel safe. He also emphasized that the building needs to be brought up to Essential Services Facility standards, and that work triggers all of the other code upgrades. He asked if it is possible to isolate the seismic cost from the total estimate. Hansell answered that you can't separate the line items for just the seismic work since it is so extensive.

6. FIRE CHIEF'S REPORT:

Chief Pigoni presented his report. There were 35 calls for service in the past month, which slightly decreased from the previous month. There were a few close calls to structure fires. The staff continue to perform rapid COVID tests in-house and continue to comply with safety mandates. A few COVID tests came back positive, so the employees were quarantined. The department will be conducting interviews next week to replace one of the two Battalion Chiefs. There has been continued vegetation management, including investigations and inspections and full compliance with the citations that have been issued.

7. EMERGENCY PREPAREDNESS COORDINATOR REPORT

EPC Coordinator Valenzuela summarized his report. New workbooks have been mailed out. He will be handing out extra copies of the new workbooks during Friday's El Cerrito Emergency Supply pick-up. The digital version is available on the website, but the full content library is still in development. On December 6th, he will participate in the Kensington Improvement Club Town Hall to discuss preparedness topics and promote other community events. A paper shredding and pharmaceutical event will be held at Kensington Parking Lot on December 13th, 11AM-2PM, and he will have an information booth there. Other groups have been invited to

Board of Directors Meeting Minutes of October 13th, 2021

attend the town hall with him. The GM wanted to express his appreciation to Johnny for his self-motivation and his great work. VP Padian agreed with Hansell that Valenzuela did a tremendous amount of hard work and accomplishments and wanted to add that he was able to mail out the magnets to everyone, which was a significant accomplishment.

Public comment was made by Anthony Knight.

8. GENERAL MANAGER'S REPORT:

GM Hansell outlined his report. The board can see his allocation of time on the timesheets, and coordination of all the consultants will continue to demand extra time for the next few months. Grant coordination and audit work is also underway. He continues to have a good relationship with the KPPCSD and has a working lunch scheduled as the coordinate on joint operations issues. The first meeting of the East Bay Wildfire Prevention and Vegetation Management JPA formation committee will be meeting in the next few weeks and Hansell will report on that meeting in November.

Motion to Extend the Meeting to 10:15 P.M.

MOTION: M/s Padian/Stein: Motion to Extend the Meeting to 10:15 P.M.	
VOTE: Ayes: Dommer, Padian, Nagel, Stein - Absent: None	
Motion Passed 5-0-0	Video Time Stamped: 2.29.44

9. EMERGENCY PREPAREDNESS COMMITTEE REPORT:

a. Emergency Preparedness Committee Meetings of July 22, 2021 & August 26, 2021

VP Padian provided an update on the committee's last meeting. They discussed the emergency warning systems, and coordination with Zonehaven and the County's system. It is a work in progress. He also talked about the emergency radios and clarification on the National Weather Service bulletins. In Kensington, one needs to find the best frequency that covers Contra Costa County, although most of the information is still weather. A meteorologist with the County clarified some things but the committee is still investigating whether radios will provide the information needed in an emergency. Regarding the evacuation routes, the police and fire departments are still talking to the County officials to figure out what can be done to designate and label routes. With regards to evacuation drill questions, Padian wants to make it clear that the idea was initiated by KFPD over 2 years ago but was postponed. It is up to the police and fire departments to work with the County as to when a drill will occur. Our community wants it but we will get it done when the County approves it.

10. FINANCE COMMITTEE REPORT:

a. Finance Committee Meeting October 1, 2021

Director Kosel said the committee met with Bill and the financial advisors about financing the needs of the agency. He said they will report back as soon as possible about how the Board is doing financially. Additionally, the committee approved the GM's timesheets, and reviewed the budget. Stein asked to clarify KFPD staffing levels reported in the Outlook. Kosel responded that Sasha, who is winding down her duties at the District, will no longer be the Board Clerk, and the EPC position will be for one year and not a full-time, ongoing position. Hansell explained that he believes the GM work during normal years can be accomplished in 24hrs/wk, and that

Board of Directors Meeting Minutes of October 13th, 2021

the functions of a board clerk will require up to 15 hrs/wk. He feels the accounting work will move from a consultant contract to another in-house 15hr/wk position. Stein would like the public to be aware of the staffing level required.

11. OUTSIDE AGENCIES REPORTS:

11a. Contra Costa Special Districts Association

President Nagel reported the last meeting was held on Sept. 20th and the majority of the meeting was a report on the consolidation of the East Contra Costa Fire District with the Contra Costa County Fire District. They explained why consolidating was the best solution. East Contra Costa was under-funded and had terrible response times and required financial aid from Contra Costa County. Now, the East Contra Costa County will no longer be around in the next year or so. Apparently this has been happening a lot around Contra Costa. He did not have the slides to present but will send them to the GM once he receives them. The next meeting will be in November.

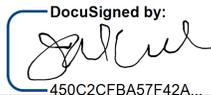
11b. State Professional Development and Membership Services Committees

12. ADJOURNMENT: The meeting adjourned at 10:08 p.m.

MINUTES PREPARED BY: Sasha Amiri-Nair

These minutes were approved at the regular Board Meeting of the Kensington Fire Protection District on November 10, 2021.

Attest:

DocuSigned by:


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Secretary of the Board