

BOARD OF DIRECTORS MEETING

August 13, 2020

General Manager's Report

President Deppe and Members of the Board:

The following is an update on issues that are not on the agenda but may be of general interest to the Board of Directors and members of the public.

1. Public Safety Building

As you will recall, the architectural firm of RossDrulisCusenbery (RDC) was engaged by the Kensington Fire Protection District (KFPD) to design a necessary renovation of the KFPD Public Safety Building. At its meeting of January 23, 2020, the KPPCSD Board, with the concurrence of the KFPD, approved an agreement with RSC in the amount of \$15,673 for their firm to do an architectural analysis to determine whether a renovation of the Public Safety Building could accommodate space needs of both KFPD and the KPPCSD Police Department. It was understood that there was no guarantee that this work by RDC would result in a feasible design, but the Board majority felt that it was worthwhile to fund this additional analysis.

During the course of the work by RDC, several technical design issues arose that required additional analysis and meeting(s) with the Contra Costa County Building Official. These issues involve accessibility and seismic requirements for the renovated Public Safety Building, and were outside of the original scope of work contracted for by KPPCSD. To continue this architectural analysis, the KPPCSD provided additional funding for an Extra Service Request (ESR 001), with the cost of that ESR split evenly with the Fire District. The cost to each agency is approximately \$13,000.

On July 23rd, RDC reported that they met on July 22nd (along with their structural engineer, IDA) with two Contra Costa County Building Department plan check officials. The key agenda items discussed were:

1. Is there an opportunity to avoid having to add an elevator/lift to serve active-duty staff areas of the project?
2. Is it acceptable to enclose exterior deck areas for use as interior space without violating the "no increase in building size" provision in the Alquist-Priolo seismic legislation?
3. Is the team using the appropriate valuation methodology for establishing the "value of the building," which in turn defines the project budget limit?
4. How does the County address cost contingencies such as property value changes, construction cost-overruns relative to the project cost budget?

Of the four items discussed, Items #3 and #4 received conclusive responses. The replacement value is calculated, consistent with the architect's approach, by estimating the project as though one was building a full-new-building, with a construction date equivalent to the dates of the proposed remodel. In addition, the budget approval occurs at the time of permitting, and is fixed at that time; therefore, cost overruns during construction (as a result of unforeseen circumstances) will *not* negatively impact our permit.

For Items #1 and #2 above, the County officials acknowledged the legitimacy of the collective approach, and reinforced that the architect's methodology was on track. However, they felt that more individuals needed to offer opinions before they could provide conclusive decisions. They agreed that the *unnecessary hardship* argument for the elevator/lift was the right way to go, but could not confirm that it would be approved.

As for enclosing the deck, the Planning Department will be called into the conversation for a ruling. During the meeting, the County acknowledged that they have rarely (if ever) had to rule on Alquist-Priolo legislation-related permitting issues, so they are figuring out internally which departments will be taking the lead on which items.

RDC has now provided all additional background material that the County has requested following that initial meeting. After the County has had the opportunity to review this material, RDC will schedule a follow-up meeting with the hope that they receive conclusive direction soon thereafter.

I will keep you informed of progress on this issue.

2. Proposition 68 Grant

Staff was contacted this week by representatives from the California Department of Parks and Recreation Department indicating that KPPCSD had received a Proposition 68 capital grant in the amount of \$177,952 for which an application was submitted some time ago. The grant requires a 20% match, but the program is very flexible as to how the funds may be used for capital improvements to park and recreation facilities. The program website states that "Funds are available for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis. Grant recipients are encouraged to utilize awards to rehabilitate existing infrastructure and to address deficiencies in neighborhoods lacking access to the outdoors."

Business and Finance Manager Kathryn Korsak attended a required webinar presentation concerning the program and grants administration procedures to maintain the District's eligibility to receive funding. Staff will work with the Board to determine how best to apply these funds, which are allocated on a reimbursement basis and must be spent by 2024.

3. Supplemental Audit Regarding Legal Expenses

As you will recall, KPPCSD's outside auditor, Steven Chang, expanded the scope of his annual audit to conduct a detailed review of the District's legal expenses during FY 2018-19. This issue was discussed during the auditor's presentation to the Board at its meeting of July 9, 2020. The final memorandum from Mr. Chang, with his analysis and recommendations, will be posted on the website. The final billing for the FY 2018-19 audit work included \$3,125 in additional cost for the time spent on this additional review and analysis.

SUBMITTED BY:

Bill Lindsay
Interim General Manager