

MINUTES

Regular Board Meeting

October 10, 2023

5:30 p.m.

Location: 631 9th Street, Arcata

Arcata Fire Station Classroom

Board of Directors

Blaine Maynor (Division 1) - President, Eric Loudenslager (Division 4) - Vice President, Jason Akana (Division 5) - Director, Nicole Johnson (Division 2) - Director, Randy Mendosa (Division 3) - Director

CALL TO ORDER

The regular session of the Board of Directors for the Arcata Fire District was called to order by President Blaine Maynor at 5:31 pm.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President Maynor.

ATTENDANCE AND DETERMINATION OF A QUORUM

The meeting continued with a quorum and the following were present: President Blaine Maynor, Vice President Eric Loudenslager, Director Jason Akana, and Director Randy Mendosa. Director Nicole Johnson was absent.

Additional District administrative staff included Fire Chief Justin McDonald, and Board Secretary Becky Schuette.

APPROVAL OF AGENDA

It was moved to approve the agenda.

Motion: Mendosa; Second: Loudenslager

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Absent;** Johnson
Motion Carries

PUBLIC COMMENT

The following member of the public commented:

Joanne McGarity

Director Mendosa had a few responding comments to Ms. McGarity.

Senior Management Group – Nothing to report.

Local 4981 – Captain Marcus Lillard advised the Local was about to begin the annual Toys for Tots drive, this year being led by Engineer Ja'Shawn Fields. The list of locations for the collection will be provided later.

Arcata Volunteer Firefighters Association (AVFA) – Dave White spoke on behalf of Roy Willis. He pointed out that the purchases from the grant funding for the replacement of classroom chairs, blinds, tables, and projector was underway. He then spoke about the Arcata Station lease.

CLOSED SESSION

1. Conference with Real Property Negotiators (Gov. Code Section 54956.8)
Property: APN: 021-041-002-000, 631 9th Street, Arcata
Agency Negotiators: District Counsel, Ryan Plotz
Under Negotiation: Lease Agreement

President Maynor adjourned to closed session at 5:42 pm.

The meeting was reconvened at 6:24 pm.

Report out of closed session by President Maynor; nothing to report out.

DISTRICT BUSINESS

1. Discuss and Consider Approving the Second Amendment to Commercial Lease Agreement for the Downtown Fire Station (631 9th Street, Arcata) and Authorize the Board President to Sign:

President Maynor requested public comment and there were none.

Director Mendosa read written comments aloud and this was followed by him turning them over to the Board Clerk to be included as an attachment to the minutes.

It was moved to approve the Second Amendment Commercial Lease Agreement for the Downtown Fire Station located at 631 9th Street, Arcata and authorize the Board President to sign the agreement on behalf of the Arcata Fire District.

Motion: Loudenslager; Second: Akana

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Nays;** Mendosa.

Absent; Johnson.

Motion Carries

CONSENT CALENDAR

1. Minutes from September 12, 2023 Regular Meeting
2. July 2023 Financial Report
3. August 2023 Financial Report
4. September 2023 Financial Report
5. Draft Purchasing Policy Update
6. Draft Vehicle Replacement Policy Update

Director Loudenslager requested item 5 pulled for discussion.

Director Mendosa requested item 6 pulled for discussion.

It was moved to approve the consent calendar, minus Items 5 & 6.

Motion: Mendosa; Second: Akana

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Absent;** Johnson

Motion Carries

Director Loudenslager pointed out that on Page 66, Item 224.5, the paragraph seemed to be missing words at the end. There was also clarification needed about the amounts of the purchase costs and limits. Both appeared to be formatting issues with the document. Chief McDonald requested the item be pulled to clarify what exactly was missing and needed to be corrected, based on what had been previously received from District Counsel.

Item 6 was pulled at the request of Director Mendosa. There was a lengthy discussion about the use of "may" or "should" in lieu of "shall" throughout the policy document. Several Directors had questions and Captain Lillard commented on behalf of the Local.

It was moved to accept Item 6, the Draft Vehicle Replacement Policy.

Motion: Loudenslager; Second: Akana

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Absent;** Johnson
Motion Carries

DISTRICT BUSINESS - continued

2. Update of the Cal Poly, City of Arcata, and Fire District Working Group and Approval of the Communication to the Cal Poly Procurement Specialist in Response to the Notice of Cancellation: Chief reviewed the staff note, then referenced his draft letter to Cal Poly.

There were several comments and questions from the Directors.

The Board had no substantial objection to the letter nor was there any objection to including Senator McGuire and Assembly Member Wood in being copied on its distribution.

3. Consider the District Administrative Staff Succession Plan Proposal and Authorize the Chief to Proceed with One of the Presented Options:

President Maynor requested a five-minute break at 7:15 pm. The meeting was reconvened at 7:17 pm.

The Chief reviewed the main bullet points of the staff report and explained his PowerPoint presentation included in the packet and displayed at the meeting. A lengthy discussion ensued with numerous questions, and, input and comments on the process from the Board to the Chief.

Captain Marcus Lillard offered input in various places, acting as the representative for the Local.

Based on the discussion, the Chief pointed out that everyone was primarily talking about utilizing option two, with a few minor fixes.

After further discussion, Director Akana made a motion:

1. Direct staff to proceed with Option 2, the in-house recruitment of Fire Chief and set an interview process and test date no later than December.
2. Approve the salary adjustment for the position of Assistant Chief and Fire Chief, as presented according to the range options for both positions.
3. Direct the Chief to develop a Senior Management Group Side Letter and salary schedule for approval at the November meeting.

4. Approve the estimated cost for overlapping positions as outlined in scenario 2 and on page 83 of the meeting packet.
5. Approve the timeline as laid out in scenario 2 for hiring and the promotional processes.

Motion: Akana; Second: Loudenslager

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Absent;** Johnson
Motion Carries

Chief McDonald requested a five-minute recess and President Maynor approved at 8:45 pm. The meeting was reconvened at 8:47 pm.

4. Fiscal Year End 2022-23 Final Report: Chief McDonald reviewed his staff report and explained the information will be moved along to our auditor who is coming later this month.

Upon a query, the Chief advised that the finance committee will regroup later when it is time to do the mid-year budget, but that it was time to bring the information to our Measure F Citizen's Advisory Group. He will begin that process.

This item was for information only. No action was taken.

5. Consideration and Adoption of the Amended Board Policy and Procedures

Manual Providing Accommodations for Broadcast of Board Meetings: Chief McDonald reviewed his staff report, reading aloud Article 7 updates, 7.13 Live Broadcast as well as briefly explaining section 8.3 and changes to minute taking by the Board Secretary. He then reminded the Board about Article 9.

There were no public comments.

It was moved to approve the recommended changes to Articles 7 and 8 of the Board of Directors' Policy and Procedures Manual.

Motion: Mendosa; Second: Akana

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Absent;** Johnson
Motion Carries

6. Consider the Claim for Damages or Money Against the District Filed by Crestview Water Company: The Chief briefly reviewed the topic and what occurred at the fire resulting in the claim. He advised that if the Board approves payment of the claim, the fee becomes a pass-through charge to the property owner as part of the Out of District response recovery costs.

There were no public comments.

It was moved to approve the payment of the claim.

Motion: Mendosa; Second: Loudenslager

Roll Call: Ayes; Akana, Loudenslager, Mendosa and Maynor. **Absent;** Johnson
Motion Carries

CORRESPONDENCE & COMMUNICATIONS

1. Public Correspondence – President Maynor referred to the packet if anyone wanted to view the correspondence.
2. Committee Reports: There are no active committees.

3. Fire Chief's Monthly Report – The Chief reviewed the Administrative Report section of his staff note aloud. Director Mendosa believes he may have a conflict of interest on the topic of the City of Arcata Successor Agency Compensation Agreement. In the future, he will recuse himself from any decision making if needed.

4. Director Matters – Director Loudenslager reported that he attended two joint study sessions between the Planning Commission and the City Council about Gateway. He added that he and the Chief had met with the City of Arcata Mayor, Sarah Schaefer, and (City Manager) Karen Diemer and a separate meeting with (Vice Mayor) Meredith Matthews to provide clarification about the Fire District's concerns.

Director Mendosa and the Chief are having a Zoom meeting with the Executive Director of the Humboldt Area Foundation regarding the Orva May Emmerson endowment and request them to assist the District with the possible purchase of a new fire engine.

President Maynor directed staff to setup a joint meeting (workshop) and invite the AVFA, and the Local 4981 to meet with the District staff and Board to set the guidelines for strategic planning for the District.

He is also requesting staff to establish an Ad Hoc Committee for fire station strategic planning. This will consist of two board members who will work with the Chief to explore long-term options for future fire stations.

ADJOURNMENT

President Maynor adjourned the meeting at 9:21 pm.

The next Regular Meeting is scheduled for **November 14, 2023, at the Arcata Downtown Station Classroom, 631 9th Street in Arcata at 5:30 pm.**

Respectfully submitted,



Becky Schuette,
Clerk of the Board

October 10, 2023

I would appreciate having a few minutes to communicate my concerns about the proposed building lease between the Arcata Volunteer Fire Association (AVFA) and the Arcata Fire District. It's never been my practice to read from a prepared text in public. However, in this case, it's extremely important to avoid any possible misunderstandings. I have therefore prepared my comments in written form, which I will turn over to the Clerk of the Board for the public record.

When I joined the Board of Directors in 2017, the Fire District was renting the Arcata Station from the AVFA for approximately \$8,000 per month. The rental fees are now close to \$10,000 per month, an increase of \$24,000 per year. This brings the total annual cost to the Fire District at \$120,000 per year.

I recall a particular meeting with the AVFA leadership that took place I believe sometime around 2021. I was on a road trip and pulled over to the side of Highway 101 to participate in the meeting via cell phone. This was a remarkable meeting as the AVFA leadership stated they were in favor of a nominal amount sale that would transfer ownership of the Arcata Station to the Fire District. The plan was for the Fire District to take over the debt service on the principal sum of the \$1.7 Million construction / remodel commercial bank loan. The AVFA leaders said they would take the issue to their general membership.

That was very welcome news, as interest rates at the time were very low. The Fire District was in an excellent position to obtain public agency bond financing that would have enabled paying off the loan at fixed interest rates with lower payments than what the AVFA could ever obtain through a commercial bank loan.

Unfortunately, the sale of the Arcata Station to the Fire District did not happen. Interest rates on loans have since increased to percentage rates higher than we have seen for many years. Since the AVFA applies the collected rents to the commercial bank loan, it seems likely future rents charged to the Fire District will continue to increase along with the fluctuating interest rates.

Tonight, our Board is being asked to enter into a new lease with AVFA, with rental fees that are still based on the commercial bank loan. Future interest rate increases will likely occur and be passed on to the Fire District through even higher rental fees.

No one can accurately project how much **the** interest rates will fluctuate over the term of AVFA's **commercial** bank loan. These uncertainties **will always** make it difficult for the Fire District to **plan long-term budgets** for major expenses such as replacing aging fire engines that cost \$800,000,00 each, and hiring additional firefighters to meet the **rapidly increasing** needs of our growing community.

As a Fire Protection District, we must always focus our limited resources on the core mission, which is to provide public safety fire-rescue services, to protect the lives, environment and property of the five communities we serve.

As a suggestion to the AVFA, I believe a different lease could be beneficial for both parties if the construction loan principal were to be lower, so the monthly rents charged to the Fire District would be lower and sustainable over the long-term of the construction loan.

I hope it can go without saying that my admiration and appreciation for Arcata Fire volunteers extends back many years to the early 1980's when I first arrived in Arcata and started working with local emergency service agencies. I have always been proud to tell people, that the long-standing special partnership between the AVFA and the Fire District is something other fire districts can only dream about. It's like the Fire District has its own booster club! Regardless of what happens with the building lease issue, I will always have great appreciation for the outstanding service the AVFA provides to the Fire District and to our community.

To conclude: It feels like the Arcata Station is becoming a legacy project with a financial burden the Fire District cannot afford over the long term of the current commercial bank loan. The Fire District is a business. Our Board is responsible to ensure the Fire District operates under sound business principals. I feel this particular lease is not a good business deal for the taxpayers I am here to represent. It would be tragic for both the Fire District and the AVFA, if we "kicked the can" down the road for our successors to endure the repercussions of a deficient business deal that we created.

Respectfully Submitted,



Randy Mendosa
Director Division 3