



RESOLUTION 2022-21

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON FIRE PROTECTION DISTRICT ADOPTING THE FINAL COMBINED BUDGET FOR REVENUE, OPERATING EXPENDITURES, AND CAPITAL IMPROVEMENT EXPENDITURES FOR FISCAL YEAR 2022-2023

WHEREAS, the Board of Directors of the Kensington Fire Protection District has developed and adopted by Resolution on June 8, 2022 a preliminary Combined Revenue, Operating Expense and Capital Improvement Budget for Fiscal Year 2022-2023; and

WHEREAS, the Board of Directors of the Kensington Fire Protection District has approved or otherwise established the amount budgeted for the annual fee for services from the City of El Cerrito for Fiscal Year 2022-2023; and

WHEREAS, the preliminary Combined Revenue, Operating Expense and Capital Improvement Budget adopted by the Board of Directors of the Kensington Fire Protection District under Resolution 2022-13 is subject to final adoption by the Board of Directors; and

WHEREAS, in conformance with the laws of the State of California, the Kensington Fire Protection District posted notice of a public meeting on the adoption of the Final Budget for Fiscal Year 2022-2023; and

WHEREAS, the laws of the State of California require the Kensington Fire Protection District to adopt a final budget for the 2022-2023 fiscal year, a copy of which is attached to and made part of this resolution.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Kensington Fire Protection District hereby adopts the Combined Revenue, Operating Expense and Capital Improvement Budget of the Kensington Fire Protection District for Fiscal Year 2022-2023, a copy of which is attached to and made part of this resolution.

The foregoing resolution was duly adopted at a regular meeting of the Kensington Fire Protection District on the 14th day of September 2022 by the following vote of the Board.

AYES: Dummer, Kosel, Nagel, Padina, Stein
NOES: None
ABSENT: None
ABSTAIN: None


Janice Kosel, Secretary


Larry Nagel, President



Kensington Fire Protection District Fiscal Year 2022-2023 Final Budget

Presented by
Bill Hansell, General Manager
to the
KFPD Board of Directors
on
September 14th, 2022

Kensington Fire Protection District
Fiscal Year 2022-2023 Final Budget

Table of Contents

| | |
|--------------------------------------|----|
| Budget Message..... | 03 |
| Elected and Appointed Officials..... | 05 |
| Organization Chart..... | 05 |
| Committees..... | 05 |
| Mission..... | 06 |
| District Profile..... | 06 |
| District Services..... | 07 |
| Service Area Map..... | 08 |
| Strategic Planning and Goals..... | 09 |
| Fund Structure..... | 09 |
| Budget Schedule..... | 10 |
| Fire Protection Contract..... | 10 |
| Financial Plan..... | 10 |
| Code Enabling Act..... | 10 |
| Gann Limit..... | 10 |
| Resources..... | 10 |
| Exhibit A: FY 2022-2023 Final Budget | |
| Exhibit B: Cash Reserves | |
| Exhibit C: Capital Funding | |

Budget Message

September 14, 2022

To: Board of Directors,
Kensington Fire Protection District

Dear Directors,

It is my pleasure to present to you the Kensington Fire Protection District (“KFPD”) Final Budget for Fiscal Year 2022-2023. This budget serves as the foundation for KFPD’s commitment to serving the Kensington community in protecting the lives, property, and environment of the community from the disastrous effects of fires, medical emergencies, natural disasters, and other hazardous conditions.

KFPD made significant gains in improving its services over the past fiscal year, including:

- Strategic financial planning for operational, emergency, and capital reserves;
- Completing the design, permitting, contractor selection, and financing for the Public Safety Building Seismic Renovation Project and the Temporary Fire Station 65;
- Furthering emergency preparedness with an evacuation exercise, the expansion of the vegetation management grant program, increasing communications and public information events;
- Participating in the interviews and selection of El Cerrito-Kensington Fire Chief Eric Saylor and welcoming him to his new position; and
- Continuing the cooperative administrative relationship between the KFPD and KPPCSD.

In order to expand on those achievements, the budget for FY 2022-2023 presented herein will enable further improvements while providing responsible stewardship of the district’s resources. In the first quarter of this fiscal year, the following priorities have already been addressed:

- Breaking ground on Temporary Fire Station 65, which is scheduled to be completed by the beginning of October 2022;
- Planning for the relocation to the temporary station and for the admin to move to the KPPCSD modular on San Pablo Avenue;
- Pre-construction planning for the PSB Seismic Renovation Project, which will break ground immediately after relocation and is to be completed by March 2024; and
- Continuing the work of the Emergency Preparedness Coordinator for public outreach via social media and print communications.

We welcome public feedback and suggestions on the budget as it continues to develop over this year of further transitions and growth.

Respectfully submitted,



Bill Hansell
General Manager

Elected and Appointed Officials

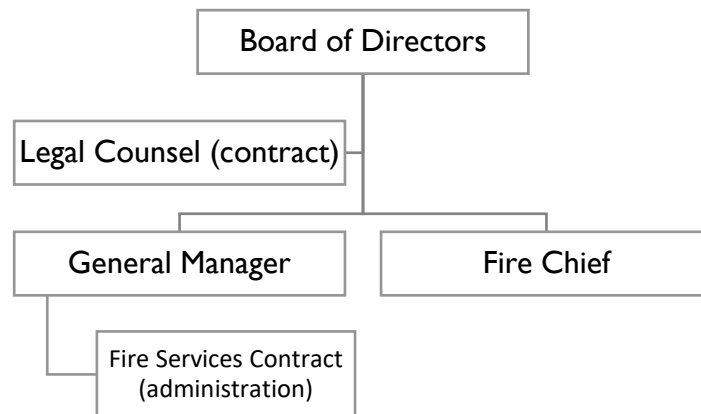
Board of Directors:

Larry Nagel, President
Kevin Padian, Vice President
Janice Kosel, Secretary
Don Dommer
Julie Stein

Appointed:

General Manager Bill Hansell
Fire Chief Eric Saylor

Organization Chart



Committees

Emergency Preparedness Committee:

Directors: Kevin Padian and Larry Nagel
Public Members: Lisa Caronna, Katie Gluck, Peter Guerrero, Peter Liddell, Danielle Madugo, Paul Moss, David Spath

Finance Committee:

Directors: Janice Kosel and Larry Nagel

Mission

Our mission is to provide the highest level of service to Kensington in order to protect the lives, property, and environment of the community from the disastrous effects of fires, medical emergencies, natural disasters, and other hazardous conditions.

District Profile

The unincorporated town of Kensington began a volunteer fire department in 1928. Twenty-four years later, the Kensington Fire Protection District (formed in 1937) hired a staff of professional firefighters under the supervision of a fire chief. The district is organized under the State's Health & Safety Code Section 13800, commonly known as the Bergeson Fire District Law. In 1995, the district entered into a contract with the City of El Cerrito whereby El Cerrito would provide all fire prevention, fire suppression and emergency services within Kensington for an annual fee. As a result, the district's only current employee is its General Manager (GM), Bill Hansell. Salary information for the District's GM can be found at: www.publicpay.ca.gov

The early fire department was housed in a small, quaint English country-style building next to the Chevron Oil gas station on the Arlington. The current public safety building, owned by the district, was constructed in 1970 and substantially renovated in 1999 and 2004. The district owns two fire engines, one specifically engineered for the steep, narrow streets of Kensington and the other a "Type III" or wildland engine for use during high fire season.

In recent years the district embarked on a series of water system improvements by contract with the East Bay Municipal Utility District to enhance the provision of water along the wildland interface and to optimize the placement of hydrants throughout the community. The district initiated paramedic service in 2001. It offers the first engine-based Advanced Life Support service in West Contra Costa County, bringing medications and equipment to a patient's side in under 5 minutes on average.

The district is able to provide a timely and appropriate level of response by active participation with other West Contra Costa County fire agencies in automatic response agreements that use the combined resources of all agencies to serve the area irrespective of jurisdictional lines.

The district operates a Community Emergency Response Team Training (CERT) program. For more information on CERT, see our "CERT Training" tab or at: www.el-cerrito.org/index.aspx?nid=133

Funding for District expenses is provided by property tax revenues as well as a special tax approved by the voters in 1980.

District Services

Kensington Fire Protection District provides emergency medical, fire education, prevention and suppression services to the town of Kensington, California.

Training 2020:

- *Medical - EMS* = 864 Hours
- *Operations* = 10,583 Hours
- *Physical Fitness* = 1,325 Hours
- *Internet-Based Safety Training* = 2,452 Hours

Fire Prevention and Public Education 2020:

- *Fire Inspections (Fire Company)* = 48
- *Mandatory (Schools/Jails/Convalescent)* = 02
- *Self Inspections* = 10
- *Vegetation Management Inspections* = 1,254
- *Vegetation Management Re-Inspections* = 82
- *Construction Plan Checks* = 05
- *Construction Inspections* = 11

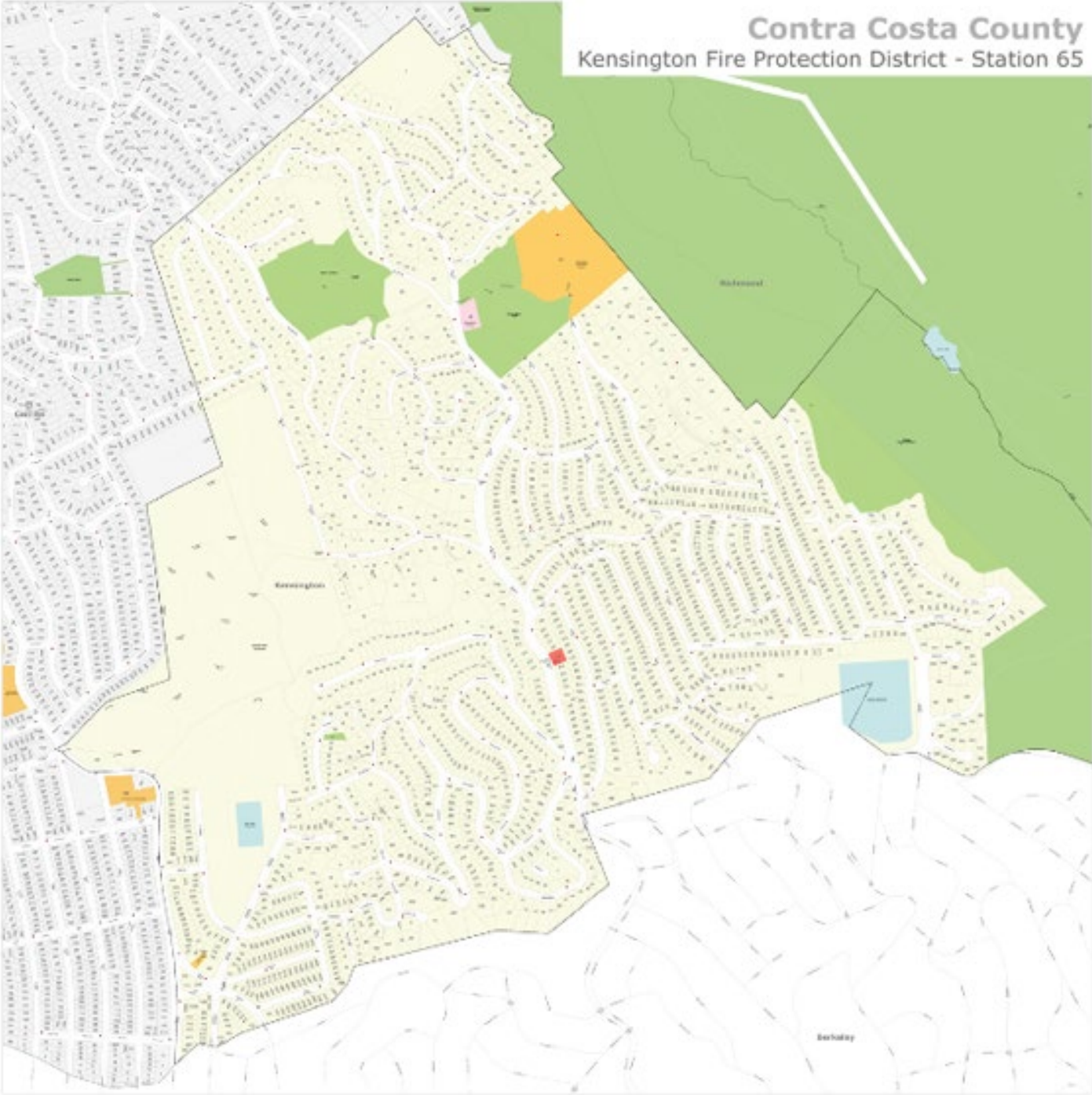
Certifications Currently Held:

- *Chief Officers* = 02
- *Fire Officers* = 19
- *Firefighter II* = 32
- *Firefighter I* = 36
- *Driver Operator* = 32
- *Rescue Systems* = 35
- *Paramedic* = 19
- *Technical Rescue* = 14
- *CERT Instructors* = 08

Community Programs (NOTE: Some postponed due to COVID-19):

- *Car Seat Installation Program*
- *CERT (Community Emergency Response Team)*
- *CPR / First Aid Training*
- *Free Smoke Detectors for Elderly, Disabled and Low-Income Resident*
- *Parking Flyer for Neighbors*
- *Pharmaceutical Drop Off Program*
- *School Tours*
- *Shredding Event (semi-annual)*

Service Area Map



Strategic Planning and Goals

The district's last strategic planning session was held on May 6, 2015 and the following objectives were identified:

1. *Reducing loss of life and property and safeguarding the environment by effectively responding to fire, rescue and medical emergencies, hazardous material incidents and major disasters;*
2. *Helping members of the community reduce the frequency and severity of fires, accidents and natural disasters by providing public education programs;*
3. *Reducing threats to public safety by enforcing laws, codes and ordinances covering fire and life safety and by abating identified fire hazards on City, private and other agencies' property; and*
4. *Maintaining personnel, apparatus, equipment and facilities in a constantly ready condition.*

Fund Structure

District financial activities are recorded in three major governmental funds:

General Fund - Operating fund of the district; Used for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Accounts for the special tax authorized by Section 53978 of the Government Code and approved by the district's electorate on April 8, 1980.

Capital Project Fund - Used to account for financial resources in the acquisition, construction, or rehabilitation of major capital facilities and inventory.

Budget Schedule

In general, the annual budget schedule is as follows:

| Action | When |
|--|---------------------------------|
| <i>Strategic Plan</i> | <i>As determined by the BOD</i> |
| <i>Long-Term Financial Plan (update)</i> | <i>April</i> |
| <i>Review with Finance Committee</i> | <i>May</i> |
| <i>Presentation to BOD</i> | <i>June</i> |
| <i>Approval</i> | <i>June</i> |
| <i>Adoption</i> | <i>September</i> |
| <i>Mid-Year Review</i> | <i>February</i> |
| <i>Monitoring</i> | <i>Ongoing</i> |

Fire Protection Contract

Fire protection is provided pursuant to the contract between the Kensington Fire Protection District and the City of El Cerrito, originally signed in 1995 with updates in 2005, 2009, and 2019. The full contract is available here: [Kensington-El Cerrito Fire Services Contract](#)

Financial Plan

The district engaged NHA Advisors in October 2021 for strategic financial planning of the district's operational, capital, and emergency reserves. The final projection for the Public Safety Building Renovation Project, and associated costs, is attached here.

Code/Enabling Act

California Health & Safety Code Section 13800, commonly known as the Bergeson Fire District Law.

Gann Limit

| | |
|----------------------------------|-------------|
| Fiscal Year 2021-2022 Limit | \$5,142,018 |
| Per Capita Personal Income Ratio | 1.0755 |
| Population % Change Ratio | 0.9959 |
| Fiscal Year 2022-2023 Limit | \$5,507,566 |

Resources

[KFPD District Policies](#)

[Districts Make the Difference](#)

[California Special Districts Association](#)

| | FY2021 Actual | FY2022 Budget | FY2022 Projected | FY2023 Budget | FY2023 Budget Notes: | % of FY2022 |
|---|------------------|------------------|---------------------|------------------|--|----------------|
| REVENUES | | | | | | |
| Property Taxes | 4,525,850 | 4,595,532 | 4,783,334 | 4,739,500 | See Tax Revenue History Supplement | 99.1% |
| Special Taxes | 200,686 | 200,686 | 204,418 | 200,752 | See Tax Revenue History Supplement | 98.2% |
| Other Taxes (HOPTR) | 24,687 | 24,000 | 24,612 | 24,000 | | 97.5% |
| Lease Income | 36,549 | 27,450 | 36,603 | 3,050 | July '22 KPPCSD Rent | 8.3% |
| Investment Income | 32,087 | 30,000 | 26,500 | 20,000 | Review investment options v. cashflow | 75.5% |
| CERBT Disbursement | | 80,000 | 81,190 | 80,000 | | 98.5% |
| Other Revenues | 84,213 | 0 | 388,159 | 0 | Covid State Funding FY2022 Only | 0.0% |
| Grant Revenue | 0 | 0 | 0 | 0 | | |
| Total Revenues | 4,904,072 | 4,957,668 | 5,544,815 | 5,067,302 | | 91.4% |
| EXPENDITURES (Operations) | | | | | | |
| Office Wages & Related | | | | | | |
| Regular Wages | | 160,000 | 134,968 | 144,416 | 7% COLA Placeholder by Finance Committee | 107.0% |
| Longevity Pay | | 0 | 0 | 0 | Not Provided by District | |
| Overtime Wages | | 0 | 0 | 0 | Not Provided by District | |
| Vacation/Holiday/Sick Wages | | 9,500 | 21,665 | 23,182 | 90hrs Vac + 69hrs Hol + 42hrs Sick | 107.0% |
| Medical/dental ins compensation | | 12,000 | 12,000 | 12,000 | Fixed \$1,000 per month | 100.0% |
| Retirement Contribution | | 0 | 0 | 0 | Not Provided by District | |
| Payroll Taxes | | 14,000 | 12,434 | 13,304 | | 107.0% |
| Workers Compensation/Life Ins | | 759 | 759 | 650 | | 85.7% |
| Payroll Processing | | 2,300 | 1,971 | 2,500 | | 126.9% |
| Total Office Wages & Related | 185,137 | 198,559 | 183,796 | 196,052 | | 106.7% |
| Retiree Medical Benefits | | | | | | |
| PERS Medical | | 70,000 | 54,507 | 72,500 | | |
| Delta Dental | | 13,500 | 11,385 | 14,000 | | |
| Vision Care | | 3,900 | 3,877 | 4,100 | | |
| CalPERS Settlement | 24,044 | 12,377 | 18,090 | 0 | Final Payoff Complete | 0.0% |
| Total Retiree Medical Benefits | 24,044 | 99,777 | 87,858 | 90,600 | | 103.1% |
| Outside Professional Services | | | | | | |
| Accounting | | 36,000 | 37,045 | 36,000 | Negotiated max with Maze | 97.2% |
| Actuarial Valuation | | 5,600 | 3,000 | 5,600 | | 186.7% |
| Audit | | 17,500 | 16,000 | 16,000 | | 100.0% |
| Bank Fees | | 0 | 37 | 25 | | 67.6% |
| Contra Costa County Expenses | 34,142 | 35,000 | 53,644 | 38,000 | | 70.8% |
| EI Cerrito Contract Fee | 3,229,643 | 3,525,860 | 3,525,860 | 3,843,483 | See EC Fire Contract Proposal | 109.0% |
| EI Cerrito Reconciliation(s) | 298,738 | 191,060 | 191,050 | 123,165 | See EC Fire Contract Proposal | 64.5% |
| IT Services and Equipment | | 12,000 | 723 | 15,000 | System relocation; Hybrid Mtg Equip | 2075.5% |
| Fire Abatement Contract | 2,450 | 5,000 | 0 | 5,000 | Pending property inspection results | |
| Fire Engineer Plan Review | | 3,000 | 688 | 3,000 | Pending fee schedule to reimburse | 436.0% |
| Risk Management Insurance | 64,529 | 14,420 | 17,240 | 19,000 | | 110.2% |
| LAFCO Fees | 4,254 | 4,254 | 4,254 | 5,000 | | 117.5% |
| Legal Fees | | 24,000 | 6,914 | 20,000 | Budget \$1.7K/mo. Avg | 289.3% |
| Professional Fees | 168,640 | 0 | 0 | 0 | | |
| Operational Consultant | | 0 | 0 | 0 | | |
| Recruitment | | 0 | 0 | 0 | | |
| Temporary Services | | 0 | 0 | 0 | | |

| | FY2021 Actual | FY2022 Budget | FY2022 Projected | FY2023 Budget | FY2023 Budget Notes: | % of FY2022 |
|--|------------------|------------------|---------------------|------------------|--------------------------------------|----------------|
| Water System Improvements | | 10,000 | 0 | 10,000 | Chief's Discretion | |
| Website Development/Maintenance | | 2,750 | 3,928 | 4,500 | | 114.6% |
| Wildland Vegetation Mgmt | 6,500 | 7,600 | 4,000 | 7,600 | Chief's Discretion | |
| Other Outside Professional Services | | 0 | 0 | 0 | | |
| Emergency Preparedness Coordinator | | 100,000 | 100,000 | 105,200 | Board Approved Proposal | 105.2% |
| Grant Writer/Coordinator | | 50,000 | 6,548 | 50,000 | Grant writer + Support consultant | 763.7% |
| Nixle (Everbridge) Fees | | 3,183 | 3,183 | 4,000 | | 125.7% |
| Long-Term Financial Planner | | 30,000 | 30,000 | 5,000 | For plan updates as needed | 16.7% |
| Total Outside Professional Services | 3,808,896 | 4,077,227 | 4,004,113 | 4,315,573 | | 107.8% |
| Community Service Activities | | | | | | |
| Public Education (Emergency Prep) | 3,100 | 28,649 | 17,762 | 30,000 | | 168.9% |
| EP Coord Expense Account | | 1,000 | 0 | 1,000 | | |
| Comm. Pharmaceutical Drop-Off | | 470 | 2,500 | 2,500 | | 100.0% |
| CERT Emerg Kits/Sheds/Prep | | 3,532 | 0 | 4,000 | Replace expired emergency kits | |
| Open Houses | | 1,800 | 0 | 1,800 | | |
| Community Shredder | | 4,465 | 5,608 | 5,000 | | 89.2% |
| DFSC Matching Grants | 24,000 | 0 | 0 | 0 | DFSC not accepting matching grants | |
| Firesafe Planting Grants | | 3,000 | 1,360 | 25,000 | Board approved EPC amount | 1838.2% |
| Demonstration Garden | | 0 | 0 | 0 | | |
| Community Sandbags | | 1,729 | 1,729 | 1,900 | | 109.9% |
| Volunteer Appreciation | | 0 | 0 | 500 | | |
| Community Service - Other | 30,950 | 0 | 450 | 500 | | 111.2% |
| Total Community Service Activities | 58,050 | 44,645 | 29,409 | 72,200 | | 245.5% |
| District Activities | | | | | | |
| Professional Development | | 10,000 | 3,324 | 10,000 | | 300.9% |
| Election | 4,991 | 0 | 0 | 7,500 | CCC to verify | |
| Firefighter's Apparel & PPE | 1,187 | 2,000 | 810 | 2,000 | Chief's Discretion | 246.8% |
| Firefighters' Expenses | | 13,300 | 9,141 | 30,000 | Chief's Discretion | |
| Staff Appreciation | 1,247 | 3,000 | 93 | 3,000 | | 3208.9% |
| Memberships | 7,853 | 8,720 | 7,615 | 9,000 | | 118.2% |
| Total District Activities | 15,278 | 37,020 | 20,983 | 61,500 | | 293.1% |
| Office | | | | | | |
| Office Expense | 7,444 | 5,000 | 3,846 | 5,000 | | 130.0% |
| Office Supplies | | 2,000 | 694 | 2,000 | | 288.0% |
| Telephone | | 7,800 | 8,720 | 8,000 | | 91.7% |
| Office- Other | | 318 | 0 | 500 | | #DIV/0! |
| Office - Equipment | | 64 | 1,697 | 0 | | 0.0% |
| Total Office | 7,444 | 15,182 | 14,958 | 15,500 | | 103.6% |
| Building Maintenance | | | | | | |
| Gardening service | | 5,000 | 2,275 | 4,000 | To be revised for rental/const costs | 175.8% |
| Building alarm | | 1,500 | 1,264 | 1,500 | To be revised for rental/const costs | 118.6% |
| Medical Waste Disposal | | 7,500 | 2,141 | 7,500 | To be revised for rental/const costs | 350.4% |
| Janitorial Service | | 1,400 | 2,208 | 2,000 | To be revised for rental/const costs | 90.6% |
| Miscellaneous Maint. | | 25,000 | 6,592 | 9,000 | Only for costs pre-construction | 136.5% |
| Total Building Maintenance | 62,722 | 40,400 | 14,480 | 24,000 | | 165.7% |
| Building Utilities/Service | | | | | | |
| Gas and Electric | | 12,500 | 11,852 | 13,000 | To be revised for rental/const costs | 109.7% |

| | FY2021 Actual | FY2022 Budget | FY2022 Projected | FY2023 Budget | FY2023 Budget Notes: | % of FY2022 |
|--|------------------|------------------|---------------------|------------------|--------------------------------------|----------------|
| Water/Sewer | | 3,000 | 4,118 | 4,000 | To be revised for rental/const costs | 97.1% |
| Bldg Utilities/Services - Other | | 0 | | | | |
| Total Building Utilities/Service | 0 | 15,500 | 15,970 | 17,000 | | 106.4% |
| Contingency | | | | | | |
| General | | 25,000 | 0 | 25,000 | | |
| Contingency - Other | 0 | 0 | 0 | 0 | | |
| Total Contingency | 0 | 25,000 | 0 | 25,000 | | |
| Total Expenditures (Operations) | 4,161,571 | 4,553,310 | 4,371,568 | 4,817,425 | | 110.2% |
| REVENUE - EXPENDITURES (Operations) | 742,501 | 404,358 | 1,173,248 | 249,877 | | 21.3% |

Note: Estimated Capital Expenditures and Fund Balances are listed on the following page.

| | FY2021 Actual | FY2022 Budget | FY2022 Projected | FY2023 Budget | FY2023 Budget Notes: | % of FY2022 |
|---|------------------|------------------|---------------------|------------------|--|----------------|
| EXPENDITURES (Capital) | | | | | | |
| Capital Outlay (PSB Renovation Soft Costs) | 0 | 484,252 | 475,359 | 73,500 | 50% of remaining Design/Eng/Permits for FY22-23 | |
| Capital Outlay (PSB Renovation Hard Costs) | 0 | 0 | 0 | 2,433,333 | 40% of Bid Award for FY22-23 | |
| Capital Outlay (PSB Renovation Contingency) | | | 0 | 251,000 | 10% of FY22-23 PSB Renovation expenses | |
| Capital Outlay (Temp Facilities Soft Costs) | 0 | 130,000 | 60,219 | 65,000 | Design/Eng/Permits/Inspections | |
| Capital Outlay (Temp Facilities Hard Costs) | 0 | 0 | 0 | 469,462 | Site Work, Mod Inst, Carport, Gates | |
| Capital Outlay (Temp Facilities Lot Rental) | 0 | 0 | 0 | 13,650 | Pkg Lot (\$1,300/mo x 10.5 months) | |
| Capital Outlay (Temp Facilities Modular) | 0 | 0 | 0 | 17,109 | Modular (\$3,753/mo x 9 months) | |
| Capital Outlay (Temp Facilities Admin Sublet) | 0 | 0 | 0 | 24,386 | KPPCSD Sublet (\$2,438.55/mo x 10 months) | |
| Capital Outlay (Temp Facilities Relocation) | 0 | 0 | 0 | 200,000 | Moving and associated expenses estimate | |
| Capital Outlay (Temp Facilities Contingency) | 0 | 0 | 0 | 59,000 | 10% of FY22-23 Temp Facilities expenses | |
| Capital Outlay (Equip & Furniture) | 0 | 0 | 0 | 0 | None planned for FY2022-2023 | |
| Capital Outlay (Rolling Stock) | 0 | 0 | 0 | 0 | None planned for FY2022-2023 | |
| Total Expenditures (Capital) | 566,845 | 614,252 | 535,578 | 3,606,440 | NOTE: Total financial planning for PSB renovation & temp facilities budgeted \$8.70M over multiple fiscal years. | |
| EXPENDITURES (Annual Debt Service) | 0 | 0 | 0 | 0 | Debt Service starts in FY23-24 | |
| EXPENDITURES TOTAL (Ops + CIP + Debt) | 4,728,416 | 5,167,562 | 4,907,146 | 8,423,864 | | 171.67% |
| FUND BALANCE INCREASE OR (DECREASE) | 175,656 | -209,894 | 637,670 | -3,356,562 | | |
| FUND BALANCES (End of Year): | 6/30/2021 | 6/30/2022 | 6/30/2022 | 6/30/2023 | | |
| CC County Funds: | | | | | | |
| General Fund 300700 | 5,176,904 | | 8,380,109 | | EOY Balance pending audit | |
| Fire Special Tax Fund 300900 | 409,440 | | 8,191 | | EOY Balance pending audit | |
| Capital Reserve Fund 303100 | 3,821,952 | | 1,365,042 | | EOY Balance pending audit | |
| CapitalOne Escrow Account | | | 0 | 2,160,000 | Bldg Loan Approved 07/13/2022 | |
| Mechanics Bank Checking Account | 109,801 | | 138,072 | | EOY Balance pending audit | |
| TOTAL FUND BALANCE | 9,518,097 | | 9,891,414 | | Balances pending County EOY report | |
| OPEB Balance: | | | | | | |
| OPEB Asset | 1,459,931 | | 1,425,669 | | Pending new actuarial report | |
| OPEB Liability | 1,072,175 | | 1,005,564 | | Pending new actuarial report | |
| Net OPEB: Liability/(Asset) | (387,756) | | (420,105) | | Liability more than 100% funded | |

KENSINGTON FIRE PROTECTION DISTRICT

FACILITIES FUNDING DISCUSSION UPDATE

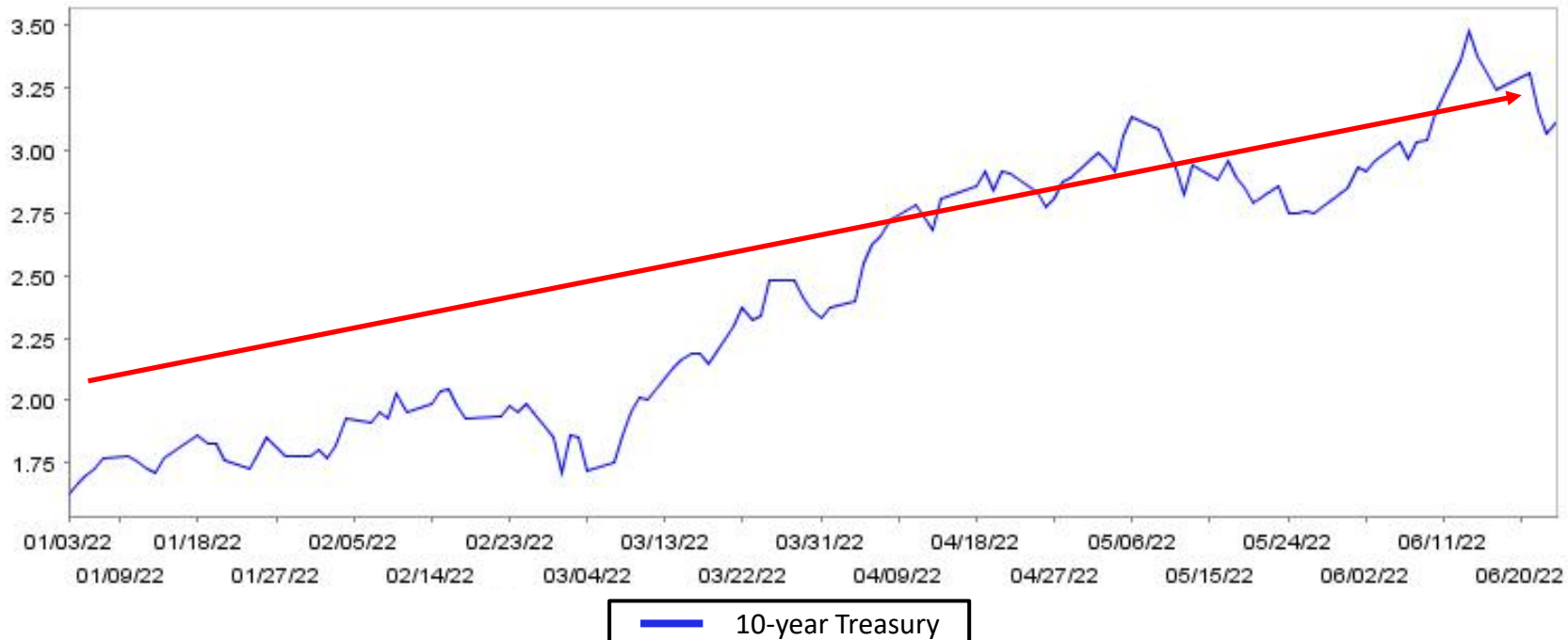


NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

June 29, 2022

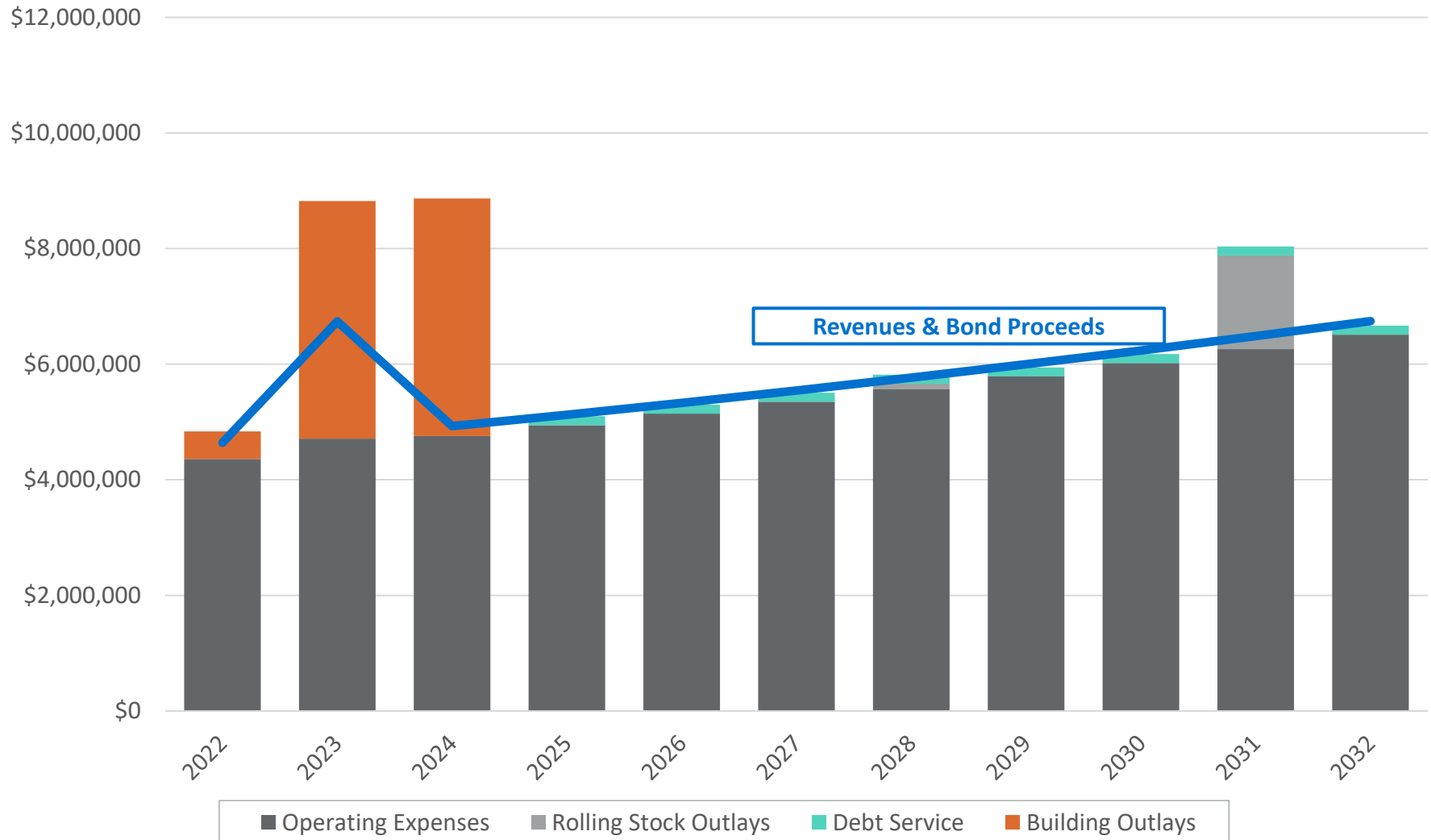
Historical Interest Rates

- ▶ Interest rate volatility persists in 2022
- ▶ It's hard to predict where interest rates may go, but the general trend has been increasing rates
- ▶ The Fed raised its benchmark interest rate by 0.75% to combat rising inflation
 - ▶ Signaled an additional 0.5%-0.75% rate increase in July



Cash Flows – 4.07% (\$147K Annual Debt Service)

- ▶ Capital One has provided a locked interest rate of 4.07% (25-year term)
- ▶ \$147K of annual debt service generates \$2M for projects
- ▶ Final borrowing amount to be determined after construction bids are received



Reserves – 4.07% (\$147K Annual Debt Service)

- ▶ Annual debt service of \$147K would:
 - ▶ Fund \$2M of building projects

