

# Fiscal Study Overview: Community Townhall



January 11, 2025



Municipal Advisory | Pension Cost Optimization | Financial Planning



**Kensington Police  
Protection and  
Community  
Services District**

**Kensington Fire  
Protection  
District**

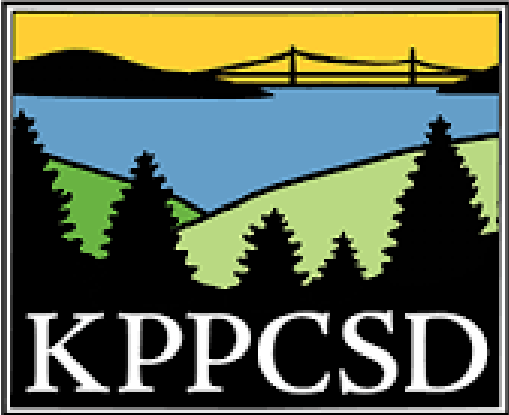


# Project History



- **Individual District Fiscal Analysis Presentations:**
  - Aug 8, 2024 – KPPCSD
  - Sep 18, 2024 – KFPD
  
- **Consolidated Fiscal Analysis Presentation:**
  - Nov 7, 2024 – Joint Board Meeting of Both Districts

# Kensington Police Protection and Community Facilities District



## District Fiscal Analysis Summary

# Fund-Level Overview



**General Fund** generates annual operating surplus



**Police Fund** runs operating deficit, covered by General Fund



**Parks Fund** runs operating deficit, covered by General Fund

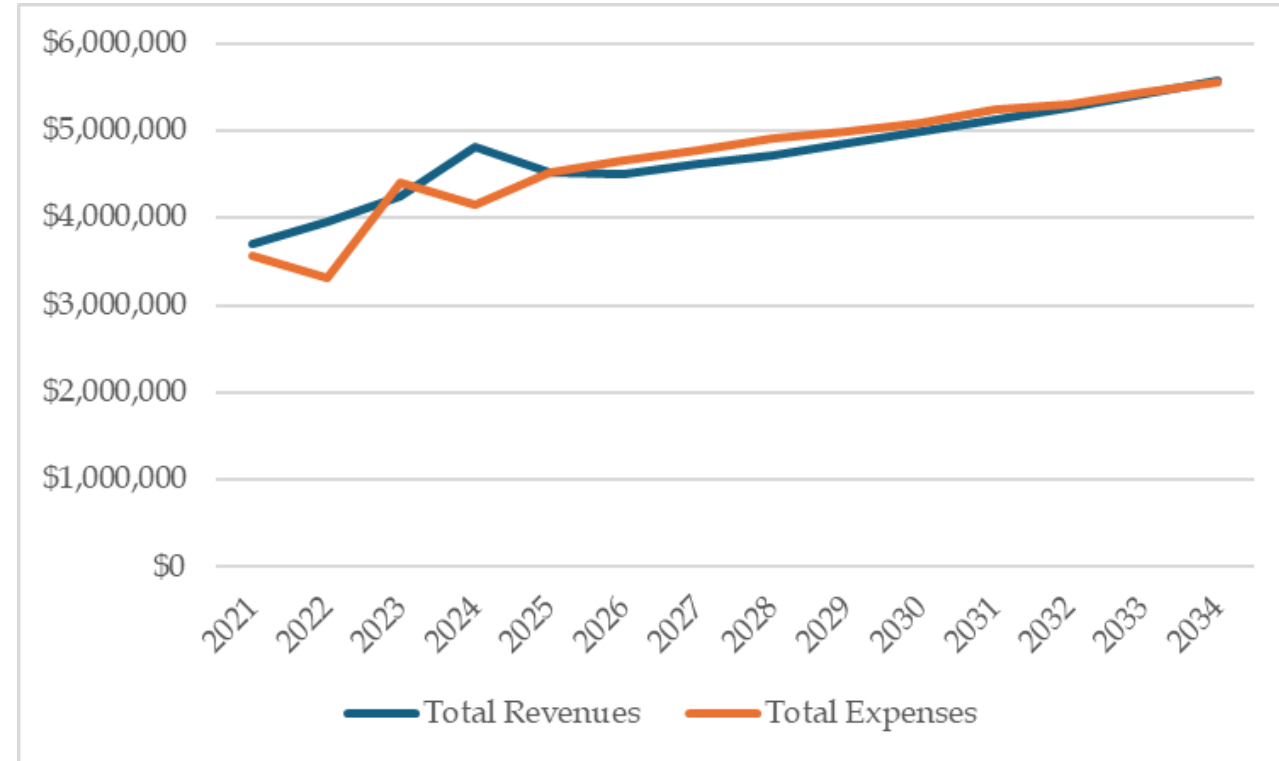


**Waste Management Fund** operates at long-term break-even

# Net Operating Results



FYE		Total Revenues	Total Expenses [1]	Operating Results
2021	Historical	\$3,711,162	\$3,568,871	\$142,291
2022		\$3,963,101	\$3,312,977	\$650,124
2023		\$4,247,578	\$4,403,352	(\$155,774)
2024		\$4,817,277	\$4,157,832	\$659,445
2025	Projected	\$4,519,500	\$4,513,672	\$5,828
2026		\$4,506,575	\$4,663,189	(\$156,614)
2027		\$4,627,154	\$4,773,859	(\$146,705)
2028		\$4,721,381	\$4,902,889	(\$181,508)
2029		\$4,849,779	\$4,998,798	(\$149,019)
2030		\$4,982,740	\$5,080,220	(\$97,480)
2031		\$5,122,813	\$5,235,020	(\$112,206)
2032		\$5,266,287	\$5,303,739	(\$37,453)
2033		\$5,417,945	\$5,440,461	(\$22,516)
2034		\$5,574,164	\$5,558,882	\$15,282



Sources: KPPCSD and Ridgeline

[1] Includes capital outlay and debt service.

# Key Conclusions



**KPPCSD is projected to operate near break-even, while continuing to provide same level of services and facilities**



**Any major capital projects, expansion of services, and District building require additional funding (grants, assessments, bonds, etc.)**

# Kensington Fire Protection District

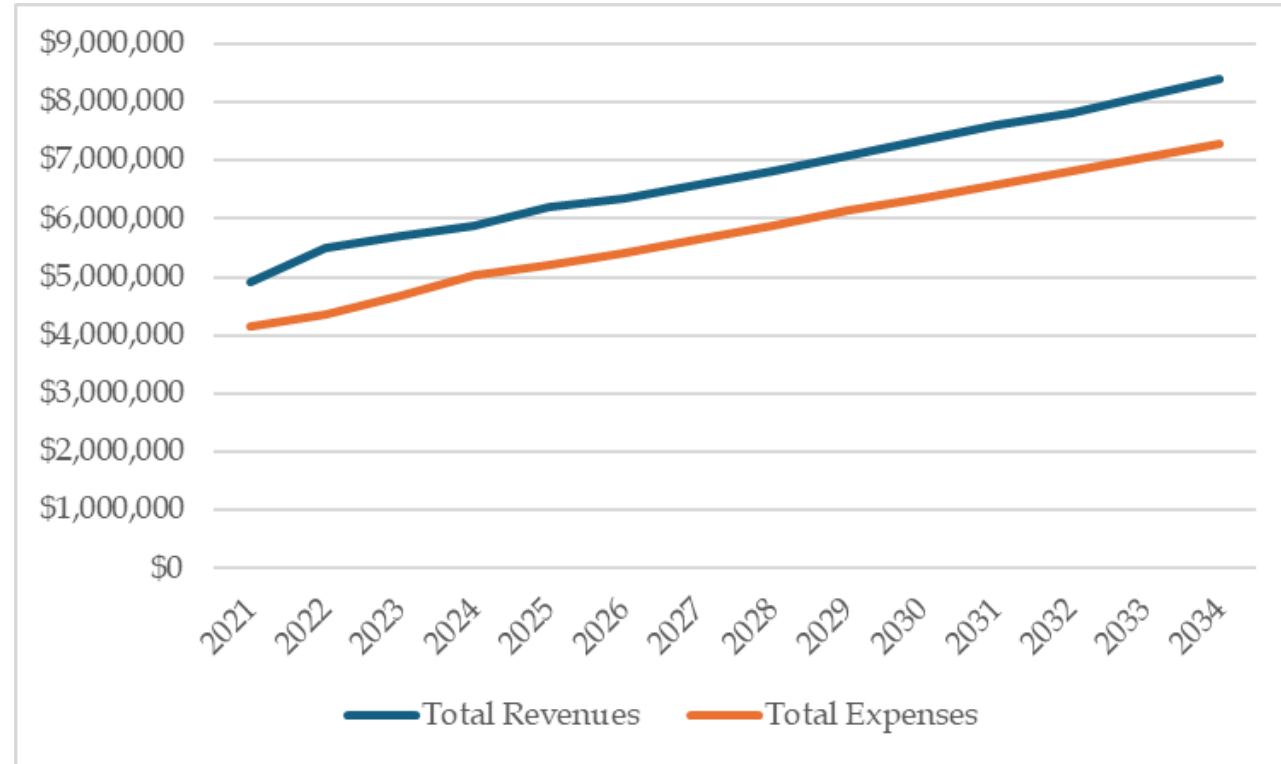


## District Fiscal Analysis Summary

# Net Operating Results



FYE		Total Revenues	Total Expenses [1]	Operating Surplus
2021	Historical	\$4,904,072	\$4,161,571	\$742,501
2022		\$5,491,596	\$4,344,327	\$1,147,269
2023		\$5,714,880	\$4,676,756	\$1,038,125
2024		\$5,888,721	\$5,037,260	\$851,461
2025	Projected	\$6,206,145	\$5,198,392	\$1,007,753
2026		\$6,354,094	\$5,414,941	\$939,153
2027		\$6,587,185	\$5,648,635	\$938,550
2028		\$6,827,343	\$5,874,018	\$953,324
2029		\$7,072,771	\$6,134,539	\$938,232
2030		\$7,327,950	\$6,336,399	\$991,551
2031		\$7,592,688	\$6,578,800	\$1,013,888
2032		\$7,808,410	\$6,816,189	\$992,221
2033		\$8,090,010	\$7,045,572	\$1,044,437
2034		\$8,382,075	\$7,271,987	\$1,110,088



Source: KFPD and Ridgeline

[1] Includes debt service, but excludes capital outlay.



# Key Conclusions



KFPD is projected to generate consistent annual operating surplus of \$900,000 to \$1,100,000, while continuing to provide same level of services and facilities



The annual surplus provides substantial financial flexibility for services and capital projects

# Kensington Consolidated District



## Fiscal Study Summary

# Fiscal Study Methodology / Assumptions



- No changes to services, facilities, agreements, and key assumptions
- Consolidation of administrative functions:
  - Costs adjusted for potential savings (annualized  $\approx$  \$141,000 in 2026 \$)
  - Consolidation costs ( $\approx$  \$56,000, incurred in 2025)
- No changes to Police, Parks, and Waste Management Funds
- Separate Fire Fund (split from KFPD General Fund)
- Consolidation date – 07/01/2025
- 9-year financial projections

# Fund Structure



General Fund



Police Fund



Fire Fund



Parks Fund

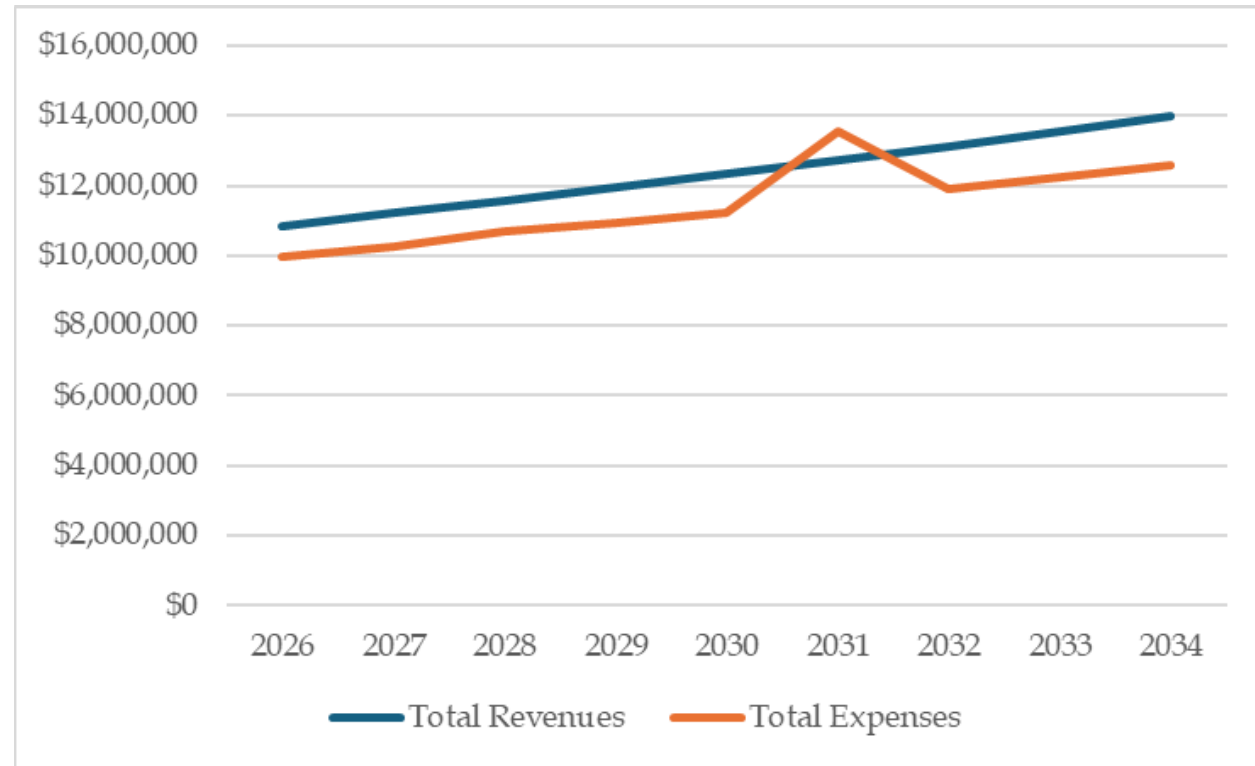


Waste  
Management  
Fund

# Net Operating Results - Consolidated



FYE	Total Revenues	Total Expenses [1]	Operating Surplus
2026	\$10,858,989	\$9,956,015	\$902,974
2027	\$11,216,272	\$10,269,282	\$946,990
2028	\$11,555,311	\$10,703,062	\$852,249
2029	\$11,934,083	\$10,954,531	\$979,552
2030	\$12,327,932	\$11,231,442	\$1,096,490
2031	\$12,738,817	\$13,537,491	(\$798,674)
2032	\$13,104,928	\$11,905,533	\$1,199,395
2033	\$13,545,525	\$12,247,970	\$1,297,555
2034	\$14,002,079	\$12,584,777	\$1,417,302



Sources: KPPCSD, KFPD, and Ridgeline

[1] Includes capital outlay and debt service.

\* Operating Results include fire vehicle / engine replacements in 2028 and 2031.

# Net Operating Results Comparison



FYE	Independent Districts Projected Annual Net Cash Flow			Consolidated District	Difference
	KPPCSD	KFPD	Total	Projected Annual Net Cash Flow	
2026	(\$157,000)	\$939,000	\$782,000	\$903,000	\$121,000
2027	(\$147,000)	\$939,000	\$792,000	\$947,000	\$155,000
2028	(\$182,000)	\$869,000	\$687,000	\$852,000	\$165,000
2029	(\$149,000)	\$938,000	\$789,000	\$980,000	\$191,000
2030	(\$97,000)	\$992,000	\$895,000	\$1,096,000	\$201,000
2031	(\$112,000)	(\$917,000)	(\$1,029,000)	(\$799,000)	\$230,000
2032	(\$37,000)	\$992,000	\$955,000	\$1,199,000	\$244,000
2033	(\$23,000)	\$1,044,000	\$1,021,000	\$1,298,000	\$277,000
2034	\$15,000	\$1,110,000	\$1,125,000	\$1,417,000	\$292,000

Source: KPPCSD, KFPD, and Ridgeline

[1] All numbers rounded to nearest thousand.

# Projected Fund Balances Comparison



FYE	Independent Districts Projected Ending Fund Balances			Consolidated District Projected Ending Fund Balance	Difference (Cumulative)
	KPPCSD	KFPD	Total		
2026	\$3,114,000	\$7,005,000	\$10,119,000	\$10,184,000	\$65,000
2027	\$2,968,000	\$7,944,000	\$10,912,000	\$11,131,000	\$219,000
2028	\$2,786,000	\$8,813,000	\$11,599,000	\$11,983,000	\$384,000
2029	\$2,637,000	\$9,751,000	\$12,388,000	\$12,963,000	\$575,000
2030	\$2,540,000	\$10,742,000	\$13,282,000	\$14,059,000	\$777,000
2031	\$2,428,000	\$9,825,000	\$12,253,000	\$13,261,000	\$1,008,000
2032	\$2,390,000	\$10,818,000	\$13,208,000	\$14,460,000	\$1,252,000
2033	\$2,368,000	\$11,862,000	\$14,230,000	\$15,758,000	\$1,528,000
2034	\$2,383,000	\$12,972,000	\$15,355,000	\$17,175,000	\$1,820,000

Source: KPPCSD, KFPD, and Ridgeline

[1] All numbers rounded to nearest thousand.

# Key Expected Fiscal Outcomes



Annual Operating Surplus projected to increase  $\approx$  \$120-290k per year



Combined Reserve Balance projected to increase by  $\approx$  \$1.8m over 9 years



Permanent FT staff (GM, Finance / HR Manager, Public Safety Coordinator);  
Reduced reliance on outside consultants



One Board = lower costs, more efficient workflows, streamlined governance



Consolidation of Community's tax dollars for greater funding flexibility



# Other Expected Improvements



Greater operating efficiency and elimination of redundancy



Simplified Public Process



Easier Board Member Recruitment

# Issues to Consider



**One-Time Consolidation Costs  $\approx$  \$56k**



**Increased Board Responsibility**



**Potential Use of Surplus KFPD Funding for Other Activities and Facilities**



**Fiscal Discipline**

# Questions?



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