



KENSINGTON FIRE PROTECTION DISTRICT

DATE: September 18, 2024
TO: Board of Directors
RE: KFPD Fiscal Analysis by Ridgeline
SUBMITTED BY: Mary A. Morris-Mayorga, General Manager
PRESENTED BY: Dmitry Semenov, Principal for Ridgeline Municipal Strategies, LLC

Recommended Action

Staff recommends that the Board receive a presentation of the fiscal analysis by Ridgeline then provide feedback regarding any changes you would like and/or consider a motion to accept the report and move forward with the consolidated analysis.

Background

In early 2024 the KFPD Board of Directors and the KPPCSD Board of Directors approved the fiscal analysis project with Ridgeline Municipal Strategies to facilitate an understanding of the fiscal implications if both organizations consolidated into one organization.

The project includes a ten-year financial analysis of each organization individually followed by a joint fiscal analysis combining the two organizations. This presentation is the individual fiscal analysis of the KFPD.

Having worked with Ridgeline, I am impressed with the level of effort and due diligence performed in completing this analysis. The information will be very useful to the District now and in the future regardless of consolidation. Given that the forecast is a longer term than the District's current forecast, it will be beneficial in current and future financial planning.

Fiscal Impact

The cost of the project is contained within the budget and the forecast demonstrates long-term sustainability and resilience of the District.

Attachments:

KFPD Fiscal Analysis Report
KFPD Fiscal Analysis Overview Presentation

MEMORANDUM

To: Ms. Mary Morris-Mayorga, *Kensington Fire Protection District*

From: Dmitry Semenov, *Ridgeline Municipal Strategies, LLC*

Date: September 11, 2024

Re: KFPD Fiscal Analysis; Ridgeline #23022

Kensington Police Protection and Community Services District (“KPPCSD” or “District”) and Kensington Fire Protection District (“KFPD”) (jointly “Districts”) retained Ridgeline Municipal Strategies, LLC (“Ridgeline”) to prepare fiscal analysis to assist the Districts in determining the viability of consolidating the Districts.

The first part of the project is to develop a fiscal analysis and a 10-year forecast for each of the Districts on a stand-alone basis. This memorandum documents fiscal analysis for the KFPD.

FISCAL ANALYSIS SUMMARY

The main conclusion of this Fiscal Study is that the District demonstrates a strong ability to operate with a substantial operating surplus over the next decade while continuing to provide the same level of services and facilities.

The projections developed as part of this analysis are highly dependent on many assumptions, including the rate of inflation, assessed values within the District, changes to the City services agreement, staffing levels, CalPERS actions and investment returns, and many operating and financial decisions made by the District on a daily basis. The reality is likely to differ from the forecast, and it will depend on the District’s management and Board of Directors to navigate the situations they encounter and continue to preserve the fiscal health of the District while prudently managing taxpayer funds.

DISTRICT DESCRIPTION

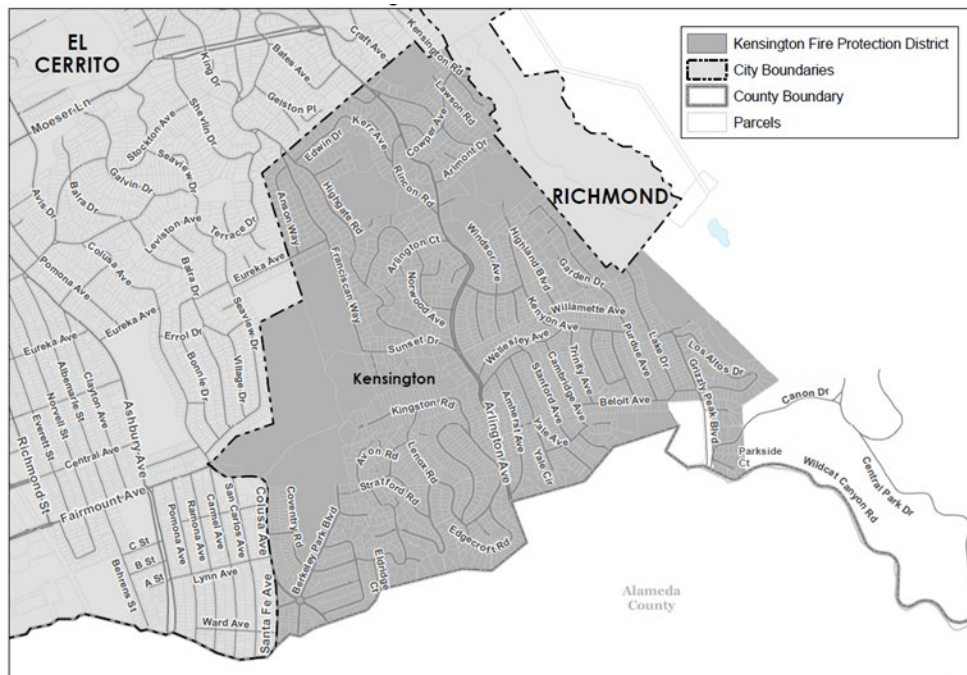
The Kensington Fire Protection District (the “District” or “KFPD”) is a California special district providing fire protection and emergency medical response services to the residents of Kensington. The District was formed in 1937 and is governed by a board of five members elected into office by the community to serve staggered four-year terms.

The District is organized under the California Health and Safety Code Section 13800 (commonly known as the Bergeson Fire District Law).

SERVICE AREA

The KFPD covers an area of approximately 1 square mile with 2,187 parcels and estimated 2023 population of 5,428 people. The District boundary represents the service area analyzed in this Fiscal Study and encompasses the entire Kensington community, as shown on **Figure 1**.

Figure 1
Kensington Fire Protection District
Service Area Map



ORGANIZATION CHART

The District has minimal staff, as all fire protection and emergency services within its boundaries are provided by the City of El Cerrito (see discussion below).

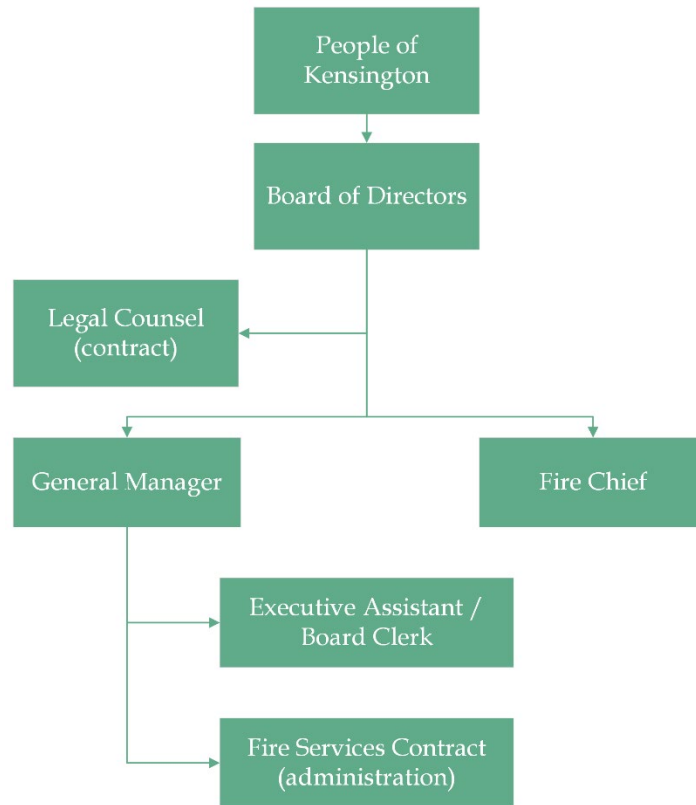
The District currently has two paid positions::

- General Manager (part time);
- Executive Assistant / Board Clerk (part time).

On the fire services side, the Fire Chief of the City of El Cerrito (the “City”) is also the fire chief of the District. The District’s fire station is staffed by the employees of the City.

The District’s organization chart is shown in **Figure 2** below.

Figure 2
Kensington Fire Protection District
Organization Chart



AGREEMENT FOR SERVICES WITH THE CITY OF EL CERRITO

On August 7, 1995, the District entered into an Agreement for Services with the City. Since then, the agreement has been amended four times and its current term extends through June 30, 2030.

Under the terms of the agreement, the City provides all fire protection and emergency services within the District boundary in exchange for an annual service fee. The scope of these services includes:

- Fire protection and fire prevention.
- Voluntary home safety inspections.
- Hazardous materials services.
- Paramedic and emergency medical services.
- Fire code enforcement.
- Arson investigations.
- Building plan reviews.
- Public education.
- Various support services, including supervision, dispatching, training, maintenance of buildings, grounds and equipment, staff support and supplies procurement.
- Financial and administrative services necessary for communications with appropriate agencies, including the County.
- Weed, brush, and flammable materials abatement, including notices to residents and property owners, enforcement of abatement standards, and actual physical abatement of weed, brush, and flammable materials.
- Annual fire hydrant inspection.

The Kensington fire station, fire apparatus, and all equipment are owned by the District and leased by the City for \$1.00 per year. The District is responsible for maintaining the fire station, while the City maintains the apparatus and equipment.

All insurance coverage is the responsibility of the City.

The District pays the City an annual fee for the services, which is calculated annually by the City based on the agreed-upon percentage allocation of the City's total expenditures. The fee is paid in monthly instalments and is subject to a year-end reconciliation.

The District is required to maintain a capital reserves account to cover equipment replacement costs, as recommended by the City fire chief, as well as an operating reserves account to fund fire protection services for a period of six months.

The District is entitled to all fee revenue collected by the City on behalf of the District.

The City provides the services with City staff, with the goal of one three-person engine company operating out of the District's fire station at all times. To provide for adequate supervision and staffing, the City is required to use its best efforts to staff the District with the following categories of fire personnel:

- One battalion chief.
- Three fire captains.

- Three fire engineers.
- Three firefighters.

BALANCE SHEET OVERVIEW

The balance sheet of the KFPD for the prior three audited fiscal years (2021-2023) is summarized in **Table 1** below.

Table 1
Kensington Fire Protection District
Balance Sheet Summary

Description	FYE 2021	FYE 2022	FYE 2023
	Audit	Audit	Audit
ASSETS			
Cash and Investments	\$9,374,393	\$10,411,735	\$10,861,083
Receivables	\$44,810	\$6,020	\$479,377
Property Tax Receivables	\$46,914	\$63,746	\$67,984
Prepaid Items	\$1,159	\$2,757	\$6,906
Net OPEB Asset	\$420,105	\$745,105	\$508,252
Capital Assets	\$2,280,680	\$2,662,896	\$5,077,514
Total Assets	\$12,168,061	\$13,892,259	\$17,001,116
Deferred Outflows of Resources			
OPEB-Related	\$6,527	\$0	\$133,200
Total Deferred Outflows	\$6,527	\$0	\$133,200
TOTAL ASSETS & DEFERRED OUTFLOWS	\$12,174,588	\$13,892,259	\$17,134,316
LIABILITIES			
Accounts Payable & Accrued Expenses	\$58,980	\$480,294	\$949,425
Accrued Interest Payable	\$0	\$0	\$29,304
Long-Term Payable to City of El Cerrito	\$301,366	\$233,481	\$187,870
Payable to CalPERS	\$19,994	\$0	\$0
Debt Obligations	\$0	\$0	\$2,160,000
OPEB	\$0	\$0	\$0
Total Liabilities	\$380,340	\$713,775	\$3,326,599
Deferred Inflows of Resources			
OPEB-Related	\$0	\$141,245	\$0
Total Deferred Inflows	\$0	\$141,245	\$0
TOTAL LIABILITIES & DEFERRED INFLOWS	\$380,340	\$855,020	\$3,326,599
NET POSITION	\$11,794,248	\$13,037,239	\$13,807,717

Source: KFPD

The key assets and liabilities of the District are discussed below.

CASH AND CASH EQUIVALENTS

Over the past three audited fiscal years, the KFPD’s cash position was gradually increasing, rising from \$9.4 million to \$10.9 million. The funds are held at banks, the County Treasury Investment Pool, the Local Agency Investment Fund, and in short-term investments through the Federal Home Loan Bank.

In FYEs 2023-2025, the District performed an extensive remodel of its fire station at a total cost of approximately \$10 million. Approximately \$2.2 million of that amount was funded through debt, while the rest was paid for with reserves and operating surplus. As a result, the District’s fund balance as of 06/30/2024 decreased to approximately \$5.8 million.

CAPITAL ASSETS

The KFPD’s capital assets are primarily made up of a building and a fleet of fire apparatus, as described below.

Land and Buildings

The District owns one parcel of land, as shown in **Table 2**.

Table 2
Kensington Fire Protection District
Capital Assets - Land

Description / Address	APN	Uses	Area (ac)
Public Safety Building Parcel 217 Arlington Ave, Kensington, CA	570-050-021	Public Safety Building	0.25

Source: KFPD

The Public Safety Building Parcel is the site for the Public Safety Building.

The District owns one building, as shown in **Table 3**.

Table 3
Kensington Fire Protection District
Capital Assets - Structures

Description	Year Built	Most Recently Remodeled in	Building Sq. Ft.
Public Safety Building	1971	2022-24	5,800
Total			5,800

Source: KFPD

The Public Safety Building is a two-story structure built in 1971 and renovated many times over the years. The most recent major renovation project started in 2022 and finished in 2024. The building’s size is approximately 5,800 sq. ft. The Public Safety Building houses all of the District’s operations, including administration and fire protection services.

Fire Department Fleet

The District owns two fire engines, one specifically engineered for the steep, narrow streets of Kensington and the other a "Type III" (wildland) engine for use during high fire season, as well as a command vehicle, as shown in **Table 4**.

Table 4
 Kensington Fire Protection District
 Fleet Inventory and Replacement Schedule

#	Vehicle Description	Year Acquired	Asset Life	Replacement Year	Status	Replacement Cost
1	Ford Expedition Command Vehicle	2020	8	2028	Owned	\$75,000
2	Hi-Tech - Type I Engine	2016	15	2031	Owned	\$1,570,000
3	Hi-Tech Wildland Pumper - Type III Engine	2021	15	2036	Owned	\$700,000
Total						\$2,345,000

Source: KFPD

The KFPD owns these vehicles free and clear of debt and makes annual contributions into the Capital Fund to ensure that funds are available for their replacement at the end of their useful life.

DEBT OBLIGATIONS

The KFPD has only one outstanding debt obligation, as shown in **Table 5**.

Table 5
 Kensington Fire Protection District
 Outstanding Debt Summary

Credit Obligation	Creditor	Origination Year	Original Amount	Interest Rate	Annual Debt Service	Pmt Frequency	06/30/2024 Balance	Maturity Date
Public Safety Building Loan	Capital One	2022	\$2,160,000	4.07%	\$141,500	Semi-Annual	\$2,160,000	9/1/2047
Total			\$2,160,000		\$141,500		\$2,160,000	

Source: KFPD

Public Safety Building Loan

In 2022, the KFPD entered into a \$2,160,000 Lease Agreement (“PSB Loan”) with the CSDA Finance Corporation, privately placed with Capital One Public Funding, LLC, to finance the

renovation of the Public Safety Building, which was pledged as the asset under the lease financing.

The PSB Loan has a 25-year term, with semi-annual interest and annual principal payments, and a fixed interest rate of 4.07%. The annual debt service on the PSB Loan is approximately \$141,000.

As of 06/30/2024, the PSB Loan had an outstanding principal balance of \$2,160,000.

The PSB Loan documents are silent on the actions and process for informing the lender about a reorganization of the District. A reorganization of the District, except as part of a bankruptcy process, does not constitute an event of default.

If the District decides to consolidate with the KPPCSD, it will need to notify the lender and amend the PSB Loan documents.

PENSION LIABILITY

While the KFPD does not offer pension benefits to its employees, the City fire department employees are covered by the City's CalPERS pension plans. The District, as a part of the El Cerrito Contract Fee payments, covers a portion of the fire department employees Normal Cost and Unfunded Accrued Liability (the "UAL") payments.

The City's fire department employees are covered by two pension plans:

- Classic Safety Plan.
- PEPRA Safety Fire Plan

The Classic Safety Plan covers fire and police employees of the City, while the PEPRA Safety Fire Plan only covers fire employees.

Every year the City allocates the UAL payment for the Classic Safety Plan to the fire and police department budgets. The most recent allocations are summarized in **Table 6** below.

Table 6
Kensington Fire Protection District
Classic UAL Allocation to City Fire Department

	Total UAL Pmt	Pmt Alloc to Fire Dept	Fire Dept Ratio
2022	\$3,789,412	\$2,237,000	59.03%
2023	\$4,253,080	\$2,318,601	54.52%
2024	\$4,222,686	\$2,317,038	54.87%
2025	\$4,912,212	\$2,646,100	53.87%
2026	\$5,245,262	\$2,817,818	53.72%

Source: CalPERS, KFPD, and City of El Cerrito

The cost allocation percentage has varied over the years (reportedly, due to staffing fluctuations within the departments) and ranges from approximately 54% to 59%. The City explained to the District that this has been the result of payroll costs variability related to leaves, retirements, and vacant positions.

The City fire department’s share of the UAL payment is then allocated to the City and the KFPD budgets. The KFPD’s share of the UAL payment has been consistent at 27.75%, in accordance with the terms of the Agreement for Services.

Table 7 summarizes the Accrued Liability, the Market Value of Assets, the UAL, and the funded status of the two pension plans of the City as of 06/30/2022 (the most recent information available from CalPERS at the time of this report). The table also shows the estimated additional UAL expected to be added due to the CalPERS’ investment performance for FYE 2023. An approximate allocation of the Accrued Liability, the Market Value of Assets, and the UAL for the City fire department and the KFPD was calculated based on the projected FYE 2026 UAL cost allocation to the City fire department and the KFPD, respectively. While the UAL is not a direct obligation of the KFPD and does not appear on its balance sheet, the District is ultimately responsible for fully fundings its allocated share.

Table 7
Kensington Fire Protection District
CalPERS Pension Plans Summary

Pension Plan	Accrued Liability	Market Value of Assets	Unfunded Accrued Liability	% Funded
City of El Cerrito Pension Plans:				
2022 Safety Classic	\$168,023,634	\$108,398,918	\$59,624,716	64.5%
2022 Safety PEPRA Fire	\$1,554,626	\$1,325,089	\$229,537	85.2%
2023 Safety Classic UAL	\$0	\$0	\$1,083,989	
2023 Safety PEPRA Fire UAL	\$0	\$0	\$13,251	
Total - City of El Cerrito	\$169,578,260	\$109,724,007	\$60,951,493	
City of El Cerrito Fire Allocation:		53.72%		
2022 Safety Classic	\$90,264,322	\$58,233,206	\$32,031,116	64.5%
2022 Safety PEPRA Fire	\$1,554,626	\$1,325,089	\$229,537	85.2%
2023 Safety Classic UAL	\$0	\$0	\$582,332	
2023 Safety PEPRA Fire UAL	\$0	\$0	\$13,251	
Total - El Cerrito Fire	\$91,818,948	\$59,558,295	\$32,856,236	
KFPD Allocation:		27.75%		
2022 Safety Classic	\$25,048,349	\$16,159,715	\$8,888,635	64.5%
2022 Safety PEPRA Fire	\$431,409	\$367,712	\$63,697	85.2%
2023 Safety Classic UAL	\$0	\$0	\$161,597	
2023 Safety PEPRA Fire UAL	\$0	\$0	\$3,677	
Total - KFPD	\$25,479,758	\$16,527,427	\$9,117,606	

Source: CalPERS and Ridgeline

As of 06/30/2023, the share of the UAL attributable to the District is estimated at approximately \$9.1 million.

The UAL currently bears interest at 6.8% per year and is amortized through FYE 2046, as shown in **Table 8**. The KFPD UAL payment allocation is estimated as follows:

- For FYE 2025 and 2026: Based on the El Cerrito Contract Fee Budget.
- For the Classic Plan: Total Payment x 53.72% (City fire department allocation factor) x 27.75% (KFPD allocation factor).
- For the PEPRA Fire Plan: Total Payment x 27.75% (KFPD allocation factor).

Table 8
Kensington Fire Protection District
CalPERS UAL Amortization Schedule

FYE	City of El Cerrito Pension Plans				Total Pmt	Estimated Payment Allocation to KFPD
	2022 UAL Classic [1]	2023 UAL Classic [2]	2022 UAL PEPRA [1]	2023 UAL PEPRA [2]		
2025	\$4,912,212	\$0	\$14,343	\$0	\$4,926,555	\$738,273
2026	\$5,245,262	\$26,577	\$19,467	\$325	\$5,291,630	\$787,347
2027	\$5,569,998	\$53,153	\$24,589	\$650	\$5,648,390	\$845,283
2028	\$5,840,559	\$79,730	\$29,713	\$975	\$5,950,976	\$891,091
2029	\$6,396,750	\$106,306	\$27,993	\$1,300	\$6,532,349	\$977,581
2030	\$6,535,250	\$132,883	\$27,993	\$1,624	\$6,697,750	\$1,002,280
2031	\$6,677,622	\$132,883	\$27,993	\$1,624	\$6,840,122	\$1,023,504
2032	\$6,823,980	\$132,883	\$27,993	\$1,624	\$6,986,480	\$1,045,323
2033	\$6,794,605	\$132,883	\$27,993	\$1,624	\$6,957,105	\$1,040,943
2034	\$6,759,374	\$132,883	\$27,993	\$1,624	\$6,921,874	\$1,035,691
2035	\$6,653,686	\$132,883	\$27,993	\$1,624	\$6,816,186	\$1,019,936
2036	\$5,405,998	\$132,883	\$27,993	\$1,624	\$5,568,498	\$833,935
2037	\$5,002,603	\$132,883	\$27,993	\$1,624	\$5,165,103	\$773,798
2038	\$3,392,413	\$132,883	\$27,994	\$1,624	\$3,554,914	\$533,757
2039	\$3,115,687	\$132,883	\$27,993	\$1,624	\$3,278,187	\$492,504
2040	\$2,895,760	\$132,883	\$27,995	\$1,624	\$3,058,262	\$459,718
2041	\$2,758,934	\$132,883	\$27,993	\$1,624	\$2,921,434	\$439,320
2042	\$2,355,776	\$132,883	\$27,994	\$1,624	\$2,518,277	\$379,219
2043	\$1,953,894	\$132,883	\$27,993	\$1,624	\$2,116,394	\$319,308
2044	\$3,113,283	\$132,883	\$27,994	\$1,624	\$3,275,784	\$492,146
2045	\$377,238	\$132,883	\$0	\$1,624	\$511,745	\$76,498
2046	\$15,379	\$0	\$0	\$0	\$15,379	\$2,293
Total	\$98,596,263	\$2,391,894	\$536,005	\$29,239	\$101,553,401	\$15,209,747

Sources: CalPERS, Ridgeline, and City of El Cerrito

[1] 2022 UAL amortization schedule is provided by CalPERS.

[2] 2023 UAL amortization schedule is estimated by Ridgeline based on CalPERS 2023 investment performance estimate of 5.8%. It does not include any other amortization bases that can be added by CalPERS.

While additional future UAL increases are likely, CalPERS has been implementing measures to reduce them, including increasing the Normal Cost contribution rates and decreasing the discount rate.

This Fiscal Study is not making any projections about future UAL increases.

Table 9 shows the City’s Normal Cost contribution rate history for the past nine years. This Fiscal Study assumes a small annual increase to these contribution rates (0.05% of covered payroll) going forward.

Table 9
Kensington Fire Protection District
CalPERS Normal Cost Contribution Rates
City of El Cerrito

FYE	Safety Classic	Safety PEPRA Fire
2017	19.54%	12.08%
2018	19.72%	11.99%
2019	20.56%	12.14%
2020	21.93%	13.03%
2021	23.67%	13.04%
2022	23.71%	13.13%
2023	23.75%	12.78%
2024	27.11%	13.54%
2025	27.32%	13.76%

Source: CalPERS

OPEB LIABILITY AND TRUST

The KFPD provides post-retirement health benefits (medical, dental, and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children, paying 100% of the annuitants’ health plan premiums. As of 06/30/2023, nine family units (13 individuals) were receiving the benefits. These benefits are commonly referred to as the Other Post-Employment Benefits (“OPEB”).

As of 06/30/2023, the District’s total OPEB liability was estimated at approximately \$810,000.

The District has set up a trust to help fund its future OPEB costs (“OPEB Trust”). The OPEB Trust funds are invested with the California Employers’ Retiree Benefit Trust of CalPERS.

The OPEB Trust was funded in 2008 through a one-time contribution of \$1,165,000. As of 06/30/2023, the OPEB Trust balance was approximately \$1.3 million. These funds are available to cover the District’s OPEB expenses at any time.

As shown in **Table 10** below, the District’s OPEB liability is approximately 160% funded.

Table 10
Kensington Fire Protection District
Other Post-Employment Benefits Liability Summary
as of 06/30/2023

Description	Amount
Total OPEB Liability	\$810,403
OPEB Trust Funds	\$1,298,526
Net OPEN Liability / (Asset)	(\$488,123)
% Funded	160.2%

Sources: KFPD and CalPERS

The District is not planning to make additional contributions to the OPEB Trust at this time.

The District has been utilizing the OPEB Trust to pay the OPEB benefit costs in the past and plans to continue to do so going forward. The District does not have a policy that governs the use of the OPEB Trust funds.

EL CERRITO FIRE DEPARTMENT OPERATIONS

The El Cerrito Contract Fee and the associated Annual Reconciliation payments made up approximately 85% of all expenses (excluding debt service and capital outlay) and 72% of all revenues of the District in FYE 2024. This Fiscal Study developed a detailed financial model and a 10-year forecast for the El Cerrito Fire Department budget and the associated District payments.

The forecast for FYE 2025 and FYE 2026 matches the City fire department’s most recent two-year budget.

For the remaining eight years, the following assumptions were made, based on the information provided by the Fire Chief:

- Regular Salaries and Wages, Overtime, and Miscellaneous Professional Services are projected to increase at an annual rate of 5%.
- Medical Insurance and Medical Supplies costs are projected to increase at an annual rate of 5%.
- The CalPERS Normal Cost Contribution rates are projected to increase by 0.05% of salaries per year, but are also impacted by a gradual transition of positions from Classic to PEPRA employees.
- The CalPERS UAL payments follow the amortization schedule detailed above. No additional UAL increases were assumed.
- All other expense categories are projected to increase at an annual rate of 3%.

- The annual reconciliation payment is projected to be \$80,000 per year.
- The cost allocation factors for the District are projected to remain unchanged throughout the term of the forecast.

Table 11 summarizes the historical and projected expenses of the City fire department and their allocation to the District. Details of the projected expenses of the City fire department and their allocation to the District are provided in **Table A-1** of **Appendix A**.

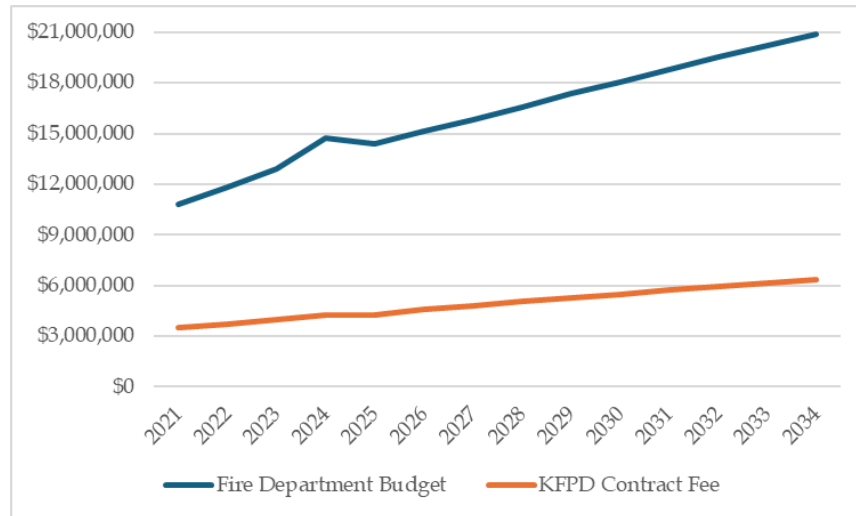
Table 11
Kensington Fire Protection District
El Cerrito Fire Department Budget and KFPD Contract Fee Projections Summary

FYE		Fire Department Budget	KFPD Contract Fee	KFPD Contract Fee Increase	KFPD Contract Fee Increase %
2021	Historical	\$10,816,158	\$3,528,381	n/a	n/a
2022		\$11,825,799	\$3,730,513	\$202,133	5.7%
2023		\$12,903,930	\$3,966,648	\$236,135	6.3%
2024		\$14,722,665	\$4,227,272	\$260,624	6.6%
2025	Projected	\$14,423,744	\$4,277,791	\$50,519	1.2%
2026		\$15,140,791	\$4,584,681	\$306,890	7.2%
2027		\$15,800,074	\$4,813,169	\$228,488	5.0%
2028		\$16,544,888	\$5,037,254	\$224,085	4.7%
2029		\$17,382,887	\$5,289,497	\$252,244	5.0%
2030		\$18,040,187	\$5,487,056	\$197,559	3.7%
2031		\$18,799,076	\$5,715,315	\$228,259	4.2%
2032		\$19,528,913	\$5,934,758	\$219,443	3.8%
2033		\$20,198,005	\$6,135,799	\$201,041	3.4%
2034		\$20,881,778	\$6,341,251	\$205,452	3.3%

Sources: KFPD, City of El Cerrito, and Ridgeline

Graph 1 illustrates the historical and projected trend for the projected expenses of the City fire department and their allocation to the District.

Graph 1
Kensington Fire Protection District
El Cerrito Fire Department Budget and KFPD Contract Fee Projections Summary Trend



The total El Cerrito Contract Fee payment is projected to increase between 3.3% and 5% per year during FYEs 2027-34. The gradual decrease in the percentage rate of the annual projected cost increases is primarily driven by the estimated CalPERS Normal Cost and UAL payments, which are expected to gradually level out.

The KFPD Contract Fee payment is incorporated into the District’s overall financial model.

DISTRICT OPERATIONS

The KFPD tracks its budget and reserves through three separate funds:

- General Fund;
- Special Revenue Fund; and
- Capital Project Fund.

GENERAL FUND

The General Fund is the primary operating fund of the KFPD. It includes all revenues, other than the special taxes, and all expenses, other than the capital outlay and debt service on the PSB Loan.

For the purposes of this Fiscal Study, the Special Revenue Fund and the Capital Project Fund are combined with the General Fund into one financial model to develop a comprehensive picture of the KFPD’s financial situation.

Revenues

Property Taxes

The primary funding source for the District's operations is ad valorem property taxes, which currently total approximately \$5.5 million per year.

Based on information provided by the District, the ad valorem property tax revenue growth rate in Kensington averaged 5.19% per year between FYEs 2010 and 2024. Going forward, a conservative annual growth rate of 3.5% has been assumed.

In addition to the ad valorem property taxes, the District also collects special taxes. These special taxes were approved by the Kensington voters in 1980, without an inflation adjustment or sunset provision. The annual assessment is \$83 per single family residential parcel. The total annual special tax revenues are budgeted at approximately \$200,000. While these revenues are accounted for in the Special Tax Fund, they are then transferred to the General Fund for general operations.

Other Revenues

Other General Fund funding sources include:

- Investment income (projected at 3% of the beginning cash balance for the year).
- Other taxes and revenues of approximately \$27,000 per year, with an annual inflation growth rate of 3%.
- CERBT Disbursements from the District's OPEB Trust (set to match the amount of annual OPEB costs).

Expenses

The General Fund expenses include all expenses of the District, including the City Contract Fee.

Projections for the General Fund expenses are based on historical trends, 2025 budget, and additional feedback from KFPD staff. The following assumptions were made:

- Most cost categories are expected to increase with the annual inflation rate, assumed to be 3%.
- Payroll costs are projected to increase at a slightly higher rate of 4%.
- OPEB Benefits costs are projected to follow the trend developed by the District's actuaries.
- Utility costs are projected to increase at 5% per year.
- Some other minor adjustments were made to the projections based on the feedback from the KFPD staff.
- The El Cerrito Contract Fee projections were developed, as discussed above.
- Debt service reflects the payments on the PSB Loan. No additional debt is anticipated going forward.

- Capital Outlay includes costs related to the Public Safety Building renovation project and future replacement of rolling stock.

Operating Results

The District generates a consistent annual operating surplus.

Table 12 summarizes the historical and projected revenues, expenses, and the operating surplus of the District. Details of the District’s revenues, expenses, and operating surplus are provided in **Table A-2 of Appendix A**.

Table 12
Kensington Fire Protection District
Revenues and Expenses Summary

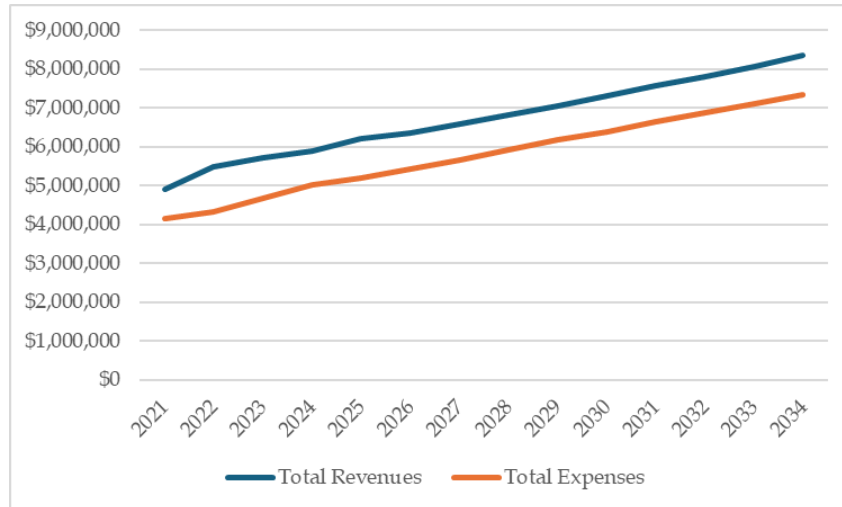
FYE		Total Revenues	Total Expenses [1]	Operating Surplus
2021	Historical	\$4,904,072	\$4,161,571	\$742,501
2022		\$5,491,596	\$4,344,327	\$1,147,269
2023		\$5,714,880	\$4,676,756	\$1,038,125
2024		\$5,888,721	\$5,037,260	\$851,461
2025	Projected	\$6,206,145	\$5,198,392	\$1,007,753
2026		\$6,354,094	\$5,421,680	\$932,414
2027		\$6,586,983	\$5,672,823	\$914,160
2028		\$6,826,409	\$5,912,710	\$913,698
2029		\$7,070,648	\$6,189,545	\$881,103
2030		\$7,324,113	\$6,404,668	\$919,445
2031		\$7,586,689	\$6,659,122	\$927,567
2032		\$7,799,821	\$6,897,479	\$902,341
2033		\$8,078,724	\$7,126,526	\$952,198
2034		\$8,368,022	\$7,352,491	\$1,015,531

Sources: KFPD and Ridgeline

[1] Includes debt service.

Graph 2 illustrates the historical and projected trend for the District’s revenues and expenses.

Graph 2
Kensington Fire Protection District
Revenue and Expenses Trend



The District’s revenues and expenses are projected to increase at approximately the same rate, resulting in a consistent annual operating surplus of approximately \$900,000 to \$1,000,000.

SPECIAL REVENUE FUND

The Special Revenue Fund accounts for the special tax approved by the District voters on April 8, 1980 at \$83 per parcel. The special tax does not include an inflation adjustment and does not have a sunset provision. It provides approximately \$200,000 in annual revenues for the District. These revenues are transferred to the General Fund.

For the purposes of this Fiscal Study, the Special Revenue Fund is combined with the General Fund.

CAPITAL PROJECT FUND

The Capital Project Fund is used to account for financial sources and uses related to the acquisition, construction, and rehabilitation of the District’s major capital assets, including the recent Public Safety Building renovation projects. Going forward, the District does not expect to take on any major capital projects, other than the replacement of the rolling stock.

FUND BALANCES

The District’s reserves are impacted by its operating results and capital projects. **Table 13** summarizes the historical and projected FYE fund balances of the District. Details of the calculations of the District’s reserve balances are provided in **Table A-3** of **Appendix A**.

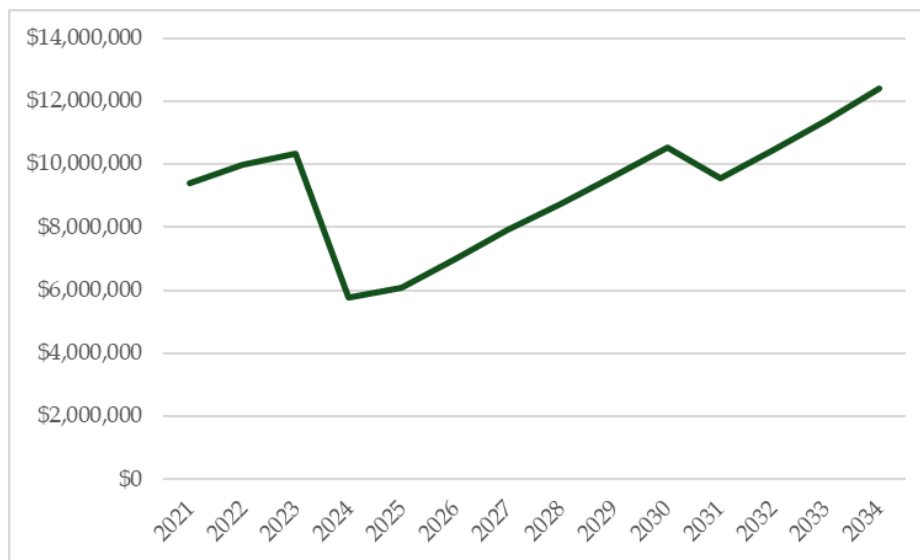
Table 13
Kensington Fire Protection District
Reserves Summary - District-Wide

FYE		Total Reserves
2021	Historical	\$9,408,296
2022		\$10,003,964
2023		\$10,337,900
2024		\$5,758,220
2025	Projected	\$6,065,973
2026		\$6,998,387
2027		\$7,912,547
2028		\$8,741,832
2029		\$9,622,935
2030		\$10,542,381
2031		\$9,539,045
2032		\$10,441,387
2033		\$11,393,585
2034		\$12,409,116

Sources: KFPD and Ridgeline

Graph 3 illustrates the historical and projected year-end reserves of the District.

Graph 6
Kensington Fire Protection District
Reserve Balances Trend - District-Wide



The KFPD maintains very healthy reserve levels, which is what allowed it to fund the \$10 million renovation of the Public Safety Building primarily with cash and only having to borrow \$2

million. The District does not expect any significant capital projects in the next decade, except replacing its rolling stock, which it can easily pay for from reserves.

The District’s agreement with the City requires it to maintain a capital reserves account to cover equipment replacement costs and an operating reserves account to fund fire protection services for a period of six months. The KFPD is projected to be able to comply with this requirement, as demonstrated in **Table A-3** in **Appendix A**.

STRATEGIC PLANING AND FUNDING FOR MAJOR PROJECTS

The District has just completed a major capital projects, the renovation of the Public Safety Building. It is our understanding that no other major strategic initiatives or capital projects requiring significant financial resources are envisioned for the next decade.

BORROWING CAPACITY ASSESSMENT

The District’s operating cash flow has significant margin and can accommodate significant capital projects or debt financing, should any be necessary, without having to go to the community for additional taxes or assessments.

Table 14 estimates the amount of net funding proceeds that could be raised by the District through issuing debt supported by its operating cash flows. The calculation assumes that such financing is done through a lease-purchase agreement or issuing certificates of participation.

Table 19
Kensington Fire Protection District
Borrowing Capacity for General Fund Debt

Description	Amount
Estimated Lowest Level of Operating Surplus	\$881,000
Target Debt Service Coverage Ratio	1.25
Supported Annual Debt Service Amount	\$705,000
Financing Assumptions:	
Financing Term (years)	30
Interest Rate	4.50%
Total Financing Proceeds	\$11,484,000
Less:	
Debt Service Reserve	\$0
Cost of Issuance and UW Discount	(\$251,000)
Net Financing Proceeds (Rounded)	\$11,233,000

Source: Ridgeline

Should the District need to borrow money over the next decade, its projected operating surpluses can comfortably support an estimated borrowing amount of approximately \$11 million, assuming a 30-year borrowing term, 4.50% tax-exempt interest rates, and a target debt service coverage ratio of 1.25.

The actual amount of supportable debt will depend on the market environment at the time of debt issuance and is likely to be different.

FISCAL MANAGEMENT RECOMMENDATIONS

During the preparation of this Fiscal Study, the following potential areas of fiscal improvement have been identified for the District to consider:

- **Investment Management:** The District’s reserves are currently invested with banks, the County Treasury Pool, and the Local Agency Investment Fund. Given the current interest rate environment, the District may be able to generate additional investment earnings without additional risk through participation in government investment pools, such as the California Cooperative Liquid Assets Securities System (“CLASS”) and the California Asset Management Program (“CAMP”), and / or by working with an investment manager that specializes in public funds investments.
- **Pension Liability Management:**
 - While the District is not directly responsible to CalPERS for the UAL, it could encourage the City to consider various pension cost optimization strategies, including the elimination of negative amortization, additional discretionary payments, and indirect refunding of the UAL. Reductions to the costs of the City’s Safety Plan’s UAL amortization would also benefit the District.
 - It appears that the City does not follow a consistent allocation methodology for Safety Plans’ UAL costs between its fire and police departments. This may create difficulties in budgeting and lead to higher costs for the District. It is recommended that the District work with the City and develop a consistent cost allocation methodology for future UAL payments. This Fiscal Study assumes that the percentage allocation used for FYE 2026 budget will be utilized going forward. An assessment of fairness of this methodology is outside of the scope of this study.
- **OPEB Trust Management:** The District is in a strong position of having an overfunded OPEB liability. The District should consider what funded level is appropriate and develop an appropriate policy regarding the use of the OPEB Trust funds. Given the closed nature of the OPEB beneficiaries pool, the current funded level of the OPEB Trust is likely to be excessive.
- **Lobbying, Grants, and Earmarks:** The District has not been actively seeking grant funding opportunities. Taking advantage of grant and earmark funding helps bring

community's tax dollars back to where state and federal taxes are paid and can enhance the resources of local government agencies.

- **Fire User Fees:** The City collects certain user fees for services provided by the fire department. It is not clear whether any of these fees are collected within Kensington. No portion of these fees is passed on to the District or used to reduce the District's share of costs. It is recommended that the issue of user fee revenues and their development and allocation to the District be discussed and reviewed with the City. This Fiscal Study does not include any user fee revenue forecast.
- **Overhead Charge in the City Contract Fee:** The overhead charge in the City contract fee is calculated as 9% of the total City fire department salaries and benefits budget, with 27.75% of that amount allocated to the District. However, two line items of the FYE 2025 budget (Fire OES Response and One Time Payouts) totaling \$650,000 do not pertain to the District. The District should consider reviewing the methodology for the overhead charges allocation.

This is not a comprehensive list of potential fiscal management opportunities – just the ones that we have noticed during our review. Ridgeline provides no opinion on any other fiscal, cost, or operating management practices that are not specifically addressed above.

Appendix A: KFPD Financial Analysis Detail

Table A-1	City of El Cerrito Fire Department Budget and KFPD El Cerrito Contract Fee Projections
Table A-2	Operating Statement Detail
Table A-3	Fund Balance Detail



Table A-1
Kensington Fire Protection District
City of El Cerrito Fire Department Budget and
KFPD El Cerrito Contract Fee Projections

Description	Allocation Factor	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025		FYE 2026		FYE 2027	
		Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc
<i>Inflation Factor</i>															3.00%
Salaries & Benefits															
Regular Salaries & Wages	27.75%	\$5,412,746	\$1,502,037	\$5,583,637	\$1,549,459	\$5,853,916	\$1,624,462	\$6,204,983	\$1,721,883	\$6,177,492	\$1,714,254	\$6,381,313	\$1,770,814	\$6,700,379	\$1,859,355
<i>Salaries Growth Rate</i>				3.16%		4.84%		6.00%		-0.44%		3.30%		5.00%	
PT Salaries & Wages	27.75%	\$0	\$0	\$1,500	\$416	\$3,200	\$888	\$80,000	\$22,200	\$54,637	\$15,162	\$56,275	\$15,616	\$57,963	\$16,085
Overtime Pay	27.75%	\$400,000	\$111,000	\$500,000	\$138,750	\$750,000	\$208,125	\$800,000	\$222,000	\$955,000	\$265,013	\$1,087,000	\$301,643	\$1,141,350	\$316,725
FLSA Overtime Pay	27.75%	\$104,655	\$29,042	\$104,656	\$29,042	\$128,352	\$35,618	\$114,075	\$31,656	\$111,030	\$30,811	\$114,361	\$31,735	\$120,079	\$33,322
Non Suppression Overtime Pay	27.75%	\$85,000	\$23,588	\$50,000	\$13,875	\$60,000	\$16,650	\$90,000	\$24,975	\$50,000	\$13,875	\$50,000	\$13,875	\$51,500	\$14,291
Special/One-Time Pay	27.75%	\$100,000	\$27,750	\$0	\$0	\$50,000	\$13,875	\$0	\$0	\$79,871	\$22,164	\$79,871	\$22,164	\$82,267	\$22,829
Fire OES Response	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One Time Payouts	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PERS Normal Cost Payments	27.75%	\$2,455,052	\$681,277	\$983,202	\$272,839	\$1,034,713	\$287,133	\$1,037,132	\$287,804	\$1,214,261	\$336,957	\$1,253,028	\$347,715	\$1,293,684	\$358,997
PERS UAL Payments	27.75%	\$0	\$0	\$2,241,677	\$622,065	\$2,328,685	\$646,210	\$2,323,883	\$644,878	\$2,660,443	\$738,273	\$2,837,285	\$787,347	\$3,046,063	\$845,283
FICA/Medicare	27.75%	\$86,139	\$23,904	\$88,094	\$24,446	\$91,682	\$25,442	\$131,000	\$36,353	\$106,371	\$29,518	\$109,830	\$30,478	\$113,125	\$31,392
Benefits & Insurance	27.75%	\$1,046,410	\$290,379	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Medical Insurance	27.75%	\$0	\$0	\$811,998	\$225,329	\$873,244	\$242,325	\$985,628	\$273,512	\$1,148,592	\$318,734	\$1,177,306	\$326,702	\$1,236,171	\$343,038
Life & LTD Insurance	27.75%	\$0	\$0	\$40,101	\$11,128	\$42,871	\$11,897	\$42,843	\$11,889	\$46,187	\$12,817	\$46,947	\$13,028	\$48,355	\$13,419
Allowances & Other Benefits	27.75%	\$0	\$0	\$155,800	\$43,235	\$157,075	\$43,588	\$243,556	\$67,587	\$299,246	\$83,041	\$300,407	\$83,363	\$309,419	\$85,864
Workers Compensation	27.75%	\$199,245	\$55,290	\$154,332	\$42,827	\$201,322	\$55,867	\$229,534	\$63,696	\$246,657	\$68,447	\$258,989	\$71,869	\$266,759	\$74,026
Workers Comp Pay (In Lieu of Salary)	27.75%	\$0	\$0	\$0	\$0	\$50,000	\$13,875	\$100,000	\$27,750	\$103,000	\$28,583	\$103,000	\$28,583	\$106,090	\$29,440
Total Salaries & Benefits		\$9,889,247	\$2,744,266	\$10,714,997	\$2,973,412	\$11,625,060	\$3,225,954	\$13,032,634	\$3,436,181	\$13,252,787	\$3,677,648	\$13,855,612	\$3,844,932	\$14,573,205	\$4,044,064
Professional Services															
Misc Professional Services	33.33%	\$80,000	\$26,664	\$299,500	\$99,823	\$299,500	\$99,823	\$318,200	\$106,056	\$274,200	\$91,391	\$274,200	\$91,391	\$287,910	\$95,960
Medical Services	33.33%	\$18,540	\$6,179	\$18,200	\$6,066	\$20,000	\$6,666	\$22,000	\$7,333	\$35,000	\$11,666	\$35,000	\$11,666	\$36,050	\$12,015
Other Technical Services	33.33%	\$13,400	\$4,466	\$8,700	\$2,900	\$8,700	\$2,900	\$26,700	\$8,899	\$26,700	\$8,899	\$26,700	\$8,899	\$27,501	\$9,166
OES Equipment & Apparatus	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0
Total Professional Services		\$111,940	\$37,310	\$326,400	\$108,789	\$328,200	\$109,389	\$466,900	\$122,288	\$335,900	\$111,955	\$435,900	\$111,955	\$351,461	\$117,142
Property Services															
Utilities	0.00%	\$19,200	\$0	\$25,700	\$0	\$28,270	\$0	\$33,866	\$0	\$33,866	\$0	\$37,253	\$0	\$38,371	\$0
Building Maintenance	33.33%	\$20,000	\$6,666	\$21,300	\$7,099	\$25,000	\$8,333	\$25,000	\$8,333	\$20,000	\$6,666	\$20,000	\$6,666	\$20,600	\$6,866
Landscape/Park Maintenance	0.00%	\$53,500	\$0	\$54,500	\$0	\$55,000	\$0	\$55,000	\$0	\$5,000	\$0	\$5,000	\$0	\$5,150	\$0
Vehicle/Equip Maintenance	25.00%	\$126,280	\$31,570	\$150,000	\$37,500	\$150,000	\$37,500	\$150,000	\$37,500	\$175,000	\$43,750	\$175,000	\$43,750	\$180,250	\$45,063
Weed Abatement	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$5,000	\$0	\$5,150	\$0
Misc R&M	33.33%	\$266,976	\$88,983	\$109,100	\$36,363	\$100,000	\$33,330	\$194,000	\$64,660	\$63,100	\$21,031	\$63,100	\$21,031	\$64,993	\$21,662
Vehicle & Equipment Lease	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Replacement Rental Charge	18.83%	\$30,000	\$5,649	\$81,000	\$15,252	\$156,000	\$29,375	\$201,000	\$37,848	\$151,000	\$28,433	\$151,000	\$28,433	\$155,530	\$29,286
Solid Waste Services	33.33%	\$6,200	\$2,066	\$8,000	\$2,666	\$8,000	\$2,666	\$8,000	\$2,666	\$9,600	\$3,200	\$10,584	\$3,528	\$10,902	\$3,633
Total Property Services		\$522,156	\$134,935	\$449,600	\$98,881	\$522,270	\$111,204	\$766,866	\$151,007	\$457,566	\$103,080	\$466,937	\$103,408	\$480,945	\$106,510



Table A-1
Kensington Fire Protection District
City of El Cerrito Fire Department Budget and
KFPD El Cerrito Contract Fee Projections

Description	Allocation Factor	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025		FYE 2026		FYE 2027	
		Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc
Other Services															
Telephone	20.00%	\$17,000	\$3,400	\$17,000	\$3,400	\$18,700	\$3,740	\$19,635	\$3,927	\$22,000	\$4,400	\$22,000	\$4,400	\$22,660	\$4,532
Mobile/Wireless	20.00%	\$13,400	\$2,680	\$10,728	\$2,146	\$12,400	\$2,480	\$13,020	\$2,604	\$13,000	\$2,600	\$13,000	\$2,600	\$13,390	\$2,678
Internet	33.33%	\$0	\$0	\$36,904	\$12,300	\$15,000	\$5,000	\$15,750	\$5,249	\$15,750	\$5,249	\$15,750	\$5,249	\$16,223	\$5,407
Software Licenses & Maintenance	33.33%	\$0	\$0	\$2,700	\$900	\$5,000	\$1,667	\$17,500	\$5,833	\$17,500	\$5,833	\$17,500	\$5,833	\$18,025	\$6,008
Legal Notices & Advertisements	25.00%	\$5,000	\$1,250	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,575	\$644
Printing & Binding	25.00%	\$6,180	\$1,545	\$3,500	\$875	\$10,000	\$2,500	\$10,000	\$2,500	\$10,000	\$2,500	\$10,000	\$2,500	\$10,300	\$2,575
Travel & Training	25.00%	\$44,970	\$11,243	\$41,000	\$10,250	\$100,000	\$25,000	\$100,000	\$25,000	\$50,000	\$12,500	\$50,000	\$12,500	\$51,500	\$12,875
Dues & Subscriptions	25.00%	\$14,690	\$3,673	\$15,570	\$3,893	\$16,000	\$4,000	\$16,000	\$4,000	\$9,000	\$2,250	\$9,000	\$2,250	\$9,270	\$2,318
Other Admin Services	25.00%	\$300	\$75	\$9,500	\$2,375	\$9,500	\$2,375	\$9,500	\$2,375	\$8,500	\$2,125	\$8,500	\$2,125	\$8,755	\$2,189
Total Other Services		\$101,540	\$23,865	\$139,402	\$36,763	\$189,100	\$47,386	\$203,905	\$52,113	\$148,250	\$38,082	\$148,250	\$38,082	\$152,698	\$39,225
Supplies															
General Office Supplies	25.00%	\$6,000	\$1,500	\$6,000	\$1,500	\$6,000	\$1,500	\$6,000	\$1,500	\$3,000	\$750	\$3,000	\$750	\$3,090	\$773
Postage & Delivery	25.00%	\$2,400	\$600	\$2,700	\$675	\$3,700	\$925	\$3,700	\$925	\$500	\$125	\$500	\$125	\$515	\$129
Photocopying	25.00%	\$1,000	\$250	\$1,000	\$250	\$1,000	\$250	\$1,000	\$250	\$100	\$25	\$100	\$25	\$103	\$26
Fuel	27.00%	\$42,800	\$11,556	\$41,700	\$11,259	\$54,600	\$14,742	\$60,060	\$16,216	\$66,066	\$17,838	\$69,369	\$18,730	\$71,450	\$19,292
Medical Supplies	30.00%	\$28,200	\$8,460	\$25,000	\$7,500	\$25,000	\$7,500	\$27,500	\$8,250	\$30,975	\$9,293	\$32,523	\$9,757	\$34,149	\$10,245
Clothing & Uniforms	33.33%	\$53,600	\$17,865	\$45,900	\$15,298	\$75,900	\$25,297	\$75,000	\$24,998	\$75,000	\$24,998	\$75,000	\$24,998	\$77,250	\$25,747
Vehicle & Equipment	25.00%	\$14,490	\$3,623	\$13,500	\$3,375	\$13,500	\$3,375	\$18,500	\$4,625	\$8,000	\$2,000	\$8,000	\$2,000	\$8,240	\$2,060
Other Building Supplies	25.00%	\$8,500	\$2,125	\$10,000	\$2,500	\$10,000	\$2,500	\$10,000	\$2,500	\$7,000	\$1,750	\$7,000	\$1,750	\$7,210	\$1,803
Building Supplies	25.00%	\$6,035	\$1,509	\$10,000	\$2,500	\$10,000	\$2,500	\$11,000	\$2,750	\$6,000	\$1,500	\$6,000	\$1,500	\$6,180	\$1,545
Total Supplies		\$163,025	\$47,487	\$155,800	\$44,857	\$199,700	\$58,589	\$212,760	\$62,014	\$196,641	\$58,278	\$201,492	\$59,634	\$208,187	\$61,618
Capital Outlay															
Improvements, Not Buildings	0.00%	\$7,800	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$15,000	\$0	\$15,000	\$0	\$15,450	\$0
Office Equipment	0.00%	\$9,000	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$8,000	\$0	\$8,000	\$0	\$8,240	\$0
Other Equipment < \$10K	0.00%	\$6,000	\$0	\$7,100	\$0	\$7,100	\$0	\$7,100	\$0	\$7,100	\$0	\$7,100	\$0	\$7,313	\$0
Other Equipment > \$10K	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Outlay		\$22,800	\$0	\$37,100	\$0	\$37,100	\$0	\$37,100	\$0	\$30,100	\$0	\$30,100	\$0	\$31,003	\$0
Other Charges															
Licenses & Permits	25.00%	\$5,450	\$1,363	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,575	\$644
Total Other Charges		\$5,450	\$1,363	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,500	\$625	\$2,575	\$644
Grand Total		\$10,816,158	\$2,989,225	\$11,825,799	\$3,263,327	\$12,903,930	\$3,553,147	\$14,722,665	\$3,824,228	\$14,423,744	\$3,989,669	\$15,140,791	\$4,158,637	\$15,800,074	\$4,369,203
OVERHEAD CHARGE (9% of Personnel)	27.75%	\$890,032	\$246,984	\$964,350	\$267,607	\$1,046,255	\$290,336	\$1,172,937	\$325,490	\$1,192,751	\$330,988	\$1,247,005	\$346,044	\$1,311,588	\$363,966
Accounting Adjustment			\$6,566		\$5,063										
Unreconciled Contract Amount			\$3,229,643		\$3,525,871		\$3,843,483		\$4,149,718		\$4,320,657		\$4,504,681		\$4,733,169
Prior Year Reconciliation - Adjusted			\$298,738		\$204,642		\$123,165		\$77,554		(\$42,866)		\$80,000		\$80,000
TOTAL CONTRACT FEE			\$3,528,381		\$3,730,513		\$3,966,648		\$4,227,272		\$4,277,791		\$4,584,681		\$4,813,169
Fee Increase Over Prior Year			n/a		5.7%		6.3%		6.6%		1.2%		7.2%		5.0%

Source: KFPD, City of El Cerrito, and Ridgeline



Table A-1
Kensington Fire Protection District
City of El Cerrito Fire Department Budget and
KFPD El Cerrito Contract Fee Projections

Description	Allocation Factor	FYE 2028		FYE 2029		FYE 2030		FYE 2031		FYE 2032		FYE 2033		FYE 2034	
		Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc
<i>Inflation Factor</i>		3.00%		3.00%		3.00%		3.00%		3.00%		3.00%		3.00%	
Salaries & Benefits															
Regular Salaries & Wages	27.75%	\$7,035,398	\$1,952,323	\$7,387,167	\$2,049,939	\$7,756,526	\$2,152,436	\$8,144,352	\$2,260,058	\$8,551,570	\$2,373,061	\$8,979,148	\$2,491,714	\$9,428,106	\$2,616,299
<i>Salaries Growth Rate</i>		5.00%		5.00%		5.00%		5.00%		5.00%		5.00%		5.00%	
PT Salaries & Wages	27.75%	\$59,702	\$16,567	\$61,493	\$17,064	\$63,338	\$17,576	\$65,238	\$18,104	\$67,195	\$18,647	\$69,211	\$19,206	\$71,287	\$19,782
Overtime Pay	27.75%	\$1,198,418	\$332,561	\$1,258,338	\$349,189	\$1,321,255	\$366,648	\$1,387,318	\$384,981	\$1,456,684	\$404,230	\$1,529,518	\$424,441	\$1,605,994	\$445,663
FLSA Overtime Pay	27.75%	\$126,083	\$34,988	\$132,387	\$36,737	\$139,007	\$38,574	\$145,957	\$40,503	\$153,255	\$42,528	\$160,917	\$44,655	\$168,963	\$46,887
Non Suppression Overtime Pay	27.75%	\$53,045	\$14,720	\$54,636	\$15,162	\$56,275	\$15,616	\$57,964	\$16,085	\$59,703	\$16,567	\$61,494	\$17,064	\$63,339	\$17,576
Special/One-Time Pay	27.75%	\$84,735	\$23,514	\$87,277	\$24,219	\$89,896	\$24,946	\$92,592	\$25,694	\$95,370	\$26,465	\$98,231	\$27,259	\$101,178	\$28,077
Fire OES Response	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One Time Payouts	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PERS Normal Cost Payments	27.75%	\$1,339,213	\$371,631	\$1,305,780	\$362,354	\$1,287,529	\$357,289	\$1,355,296	\$376,095	\$1,362,409	\$378,069	\$1,372,290	\$380,811	\$1,367,597	\$379,508
PERS UAL Payments	27.75%	\$3,211,138	\$891,091	\$3,522,813	\$977,581	\$3,611,819	\$1,002,280	\$3,688,303	\$1,023,504	\$3,766,928	\$1,045,323	\$3,751,147	\$1,040,943	\$3,732,221	\$1,035,691
FICA/Medicare	27.75%	\$116,519	\$32,334	\$120,014	\$33,304	\$123,615	\$34,303	\$127,323	\$35,332	\$131,143	\$36,392	\$135,077	\$37,484	\$139,129	\$38,608
Benefits & Insurance	27.75%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Medical Insurance	27.75%	\$1,297,980	\$360,189	\$1,362,879	\$378,199	\$1,431,023	\$397,109	\$1,502,574	\$416,964	\$1,577,703	\$437,812	\$1,656,588	\$459,703	\$1,739,417	\$482,688
Life & LTD Insurance	27.75%	\$49,806	\$13,821	\$51,300	\$14,236	\$52,839	\$14,663	\$54,424	\$15,103	\$56,057	\$15,556	\$57,739	\$16,023	\$59,471	\$16,503
Allowances & Other Benefits	27.75%	\$318,702	\$88,440	\$328,263	\$91,093	\$338,111	\$93,826	\$348,254	\$96,640	\$358,702	\$99,540	\$369,463	\$102,526	\$380,547	\$105,602
Workers Compensation	27.75%	\$274,761	\$76,246	\$283,004	\$78,534	\$291,494	\$80,890	\$300,239	\$83,316	\$309,246	\$85,816	\$318,524	\$88,390	\$328,080	\$91,042
Workers Comp Pay (In Lieu of Salary)	27.75%	\$109,273	\$30,323	\$112,551	\$31,233	\$115,927	\$32,170	\$119,405	\$33,135	\$122,987	\$34,129	\$126,677	\$35,153	\$130,477	\$36,207
Total Salaries & Benefits		\$15,274,772	\$4,238,749	\$16,067,904	\$4,458,843	\$16,678,653	\$4,628,326	\$17,389,240	\$4,825,514	\$18,068,952	\$5,014,134	\$18,686,025	\$5,185,372	\$19,315,807	\$5,360,136
Professional Services															
Misc Professional Services	33.33%	\$302,306	\$100,758	\$317,421	\$105,796	\$333,292	\$111,086	\$349,956	\$116,640	\$367,454	\$122,472	\$385,827	\$128,596	\$405,118	\$135,026
Medical Services	33.33%	\$37,132	\$12,376	\$38,245	\$12,747	\$39,393	\$13,130	\$40,575	\$13,524	\$41,792	\$13,929	\$43,046	\$14,347	\$44,337	\$14,778
Other Technical Services	33.33%	\$28,326	\$9,441	\$29,176	\$9,724	\$30,051	\$10,016	\$30,953	\$10,317	\$31,881	\$10,626	\$32,838	\$10,945	\$33,823	\$11,273
OES Equipment & Apparatus	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Professional Services		\$367,763	\$122,575	\$384,842	\$128,268	\$402,736	\$134,232	\$421,484	\$140,480	\$441,127	\$147,028	\$461,710	\$153,888	\$483,278	\$161,077
Property Services															
Utilities	0.00%	\$39,522	\$0	\$40,707	\$0	\$41,929	\$0	\$43,186	\$0	\$44,482	\$0	\$45,816	\$0	\$47,191	\$0
Building Maintenance	33.33%	\$21,218	\$7,072	\$21,855	\$7,284	\$22,510	\$7,503	\$23,185	\$7,728	\$23,881	\$7,960	\$24,597	\$8,198	\$25,335	\$8,444
Landscape/Park Maintenance	0.00%	\$5,305	\$0	\$5,464	\$0	\$5,628	\$0	\$5,796	\$0	\$5,970	\$0	\$6,149	\$0	\$6,334	\$0
Vehicle/Equip Maintenance	25.00%	\$185,658	\$46,414	\$191,227	\$47,807	\$196,964	\$49,241	\$202,873	\$50,718	\$208,959	\$52,240	\$215,228	\$53,807	\$221,685	\$55,421
Weed Abatement	0.00%	\$5,305	\$0	\$5,464	\$0	\$5,628	\$0	\$5,796	\$0	\$5,970	\$0	\$6,149	\$0	\$6,334	\$0
Misc R&M	33.33%	\$66,943	\$22,312	\$68,951	\$22,981	\$71,020	\$23,671	\$73,150	\$24,381	\$75,345	\$25,112	\$77,605	\$25,866	\$79,933	\$26,642
Vehicle & Equipment Lease	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Replacement Rental Charge	18.83%	\$160,196	\$30,165	\$165,002	\$31,070	\$169,952	\$32,002	\$175,050	\$32,962	\$180,302	\$33,951	\$185,711	\$34,969	\$191,282	\$36,018
Solid Waste Services	33.33%	\$11,229	\$3,742	\$11,565	\$3,855	\$11,912	\$3,970	\$12,270	\$4,090	\$12,638	\$4,212	\$13,017	\$4,339	\$13,407	\$4,469
Total Property Services		\$495,373	\$109,706	\$510,235	\$112,997	\$525,542	\$116,387	\$541,308	\$119,878	\$557,547	\$123,475	\$574,274	\$127,179	\$591,502	\$130,994



Table A-1
Kensington Fire Protection District
City of El Cerrito Fire Department Budget and
KFPD El Cerrito Contract Fee Projections

Description	Allocation Factor	FYE 2028		FYE 2029		FYE 2030		FYE 2031		FYE 2032		FYE 2033		FYE 2034	
		Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc	Total	KFPD Alloc
Other Services															
Telephone	20.00%	\$23,340	\$4,668	\$24,040	\$4,808	\$24,761	\$4,952	\$25,504	\$5,101	\$26,269	\$5,254	\$27,057	\$5,411	\$27,869	\$5,574
Mobile/Wireless	20.00%	\$13,792	\$2,758	\$14,205	\$2,841	\$14,632	\$2,926	\$15,071	\$3,014	\$15,523	\$3,105	\$15,988	\$3,198	\$16,468	\$3,294
Internet	33.33%	\$16,709	\$5,569	\$17,210	\$5,736	\$17,727	\$5,908	\$18,259	\$6,086	\$18,806	\$6,268	\$19,371	\$6,456	\$19,952	\$6,650
Software Licenses & Maintenance	33.33%	\$18,566	\$6,188	\$19,123	\$6,374	\$19,696	\$6,565	\$20,287	\$6,762	\$20,896	\$6,965	\$21,523	\$7,174	\$22,168	\$7,389
Legal Notices & Advertisements	25.00%	\$2,652	\$663	\$2,732	\$683	\$2,814	\$703	\$2,898	\$725	\$2,985	\$746	\$3,075	\$769	\$3,167	\$792
Printing & Binding	25.00%	\$10,609	\$2,652	\$10,927	\$2,732	\$11,255	\$2,814	\$11,593	\$2,898	\$11,941	\$2,985	\$12,299	\$3,075	\$12,668	\$3,167
Travel & Training	25.00%	\$53,045	\$13,261	\$54,636	\$13,659	\$56,275	\$14,069	\$57,964	\$14,491	\$59,703	\$14,926	\$61,494	\$15,373	\$63,339	\$15,835
Dues & Subscriptions	25.00%	\$9,548	\$2,387	\$9,835	\$2,459	\$10,130	\$2,532	\$10,433	\$2,608	\$10,746	\$2,687	\$11,069	\$2,767	\$11,401	\$2,850
Other Admin Services	25.00%	\$9,018	\$2,254	\$9,288	\$2,322	\$9,567	\$2,392	\$9,854	\$2,463	\$10,149	\$2,537	\$10,454	\$2,613	\$10,768	\$2,692
Total Other Services		\$157,278	\$40,401	\$161,997	\$41,613	\$166,857	\$42,862	\$171,862	\$44,148	\$177,018	\$45,472	\$182,329	\$46,836	\$187,799	\$48,241
Supplies															
General Office Supplies	25.00%	\$3,183	\$796	\$3,278	\$820	\$3,377	\$844	\$3,478	\$869	\$3,582	\$896	\$3,690	\$922	\$3,800	\$950
Postage & Delivery	25.00%	\$530	\$133	\$546	\$137	\$563	\$141	\$580	\$145	\$597	\$149	\$615	\$154	\$633	\$158
Photocopying	25.00%	\$106	\$27	\$109	\$27	\$113	\$28	\$116	\$29	\$119	\$30	\$123	\$31	\$127	\$32
Fuel	27.00%	\$73,594	\$19,870	\$75,801	\$20,466	\$78,075	\$21,080	\$80,418	\$21,713	\$82,830	\$22,364	\$85,315	\$23,035	\$87,875	\$23,726
Medical Supplies	30.00%	\$35,857	\$10,757	\$37,649	\$11,295	\$39,532	\$11,860	\$41,509	\$12,453	\$43,584	\$13,075	\$45,763	\$13,729	\$48,051	\$14,415
Clothing & Uniforms	33.33%	\$79,568	\$26,520	\$81,955	\$27,315	\$84,413	\$28,135	\$86,946	\$28,979	\$89,554	\$29,848	\$92,241	\$30,744	\$95,008	\$31,666
Vehicle & Equipment	25.00%	\$8,487	\$2,122	\$8,742	\$2,185	\$9,004	\$2,251	\$9,274	\$2,319	\$9,552	\$2,388	\$9,839	\$2,460	\$10,134	\$2,534
Other Building Supplies	25.00%	\$7,426	\$1,857	\$7,649	\$1,912	\$7,879	\$1,970	\$8,115	\$2,029	\$8,358	\$2,090	\$8,609	\$2,152	\$8,867	\$2,217
Building Supplies	25.00%	\$6,365	\$1,591	\$6,556	\$1,639	\$6,753	\$1,688	\$6,956	\$1,739	\$7,164	\$1,791	\$7,379	\$1,845	\$7,601	\$1,900
Total Supplies		\$215,116	\$63,672	\$222,286	\$65,797	\$229,708	\$67,997	\$237,390	\$70,274	\$245,342	\$72,631	\$253,574	\$75,072	\$262,096	\$77,598
Capital Outlay															
Improvements, Not Buildings	0.00%	\$15,914	\$0	\$16,391	\$0	\$16,883	\$0	\$17,389	\$0	\$17,911	\$0	\$18,448	\$0	\$19,002	\$0
Office Equipment	0.00%	\$8,487	\$0	\$8,742	\$0	\$9,004	\$0	\$9,274	\$0	\$9,552	\$0	\$9,839	\$0	\$10,134	\$0
Other Equipment < \$10K	0.00%	\$7,532	\$0	\$7,758	\$0	\$7,991	\$0	\$8,231	\$0	\$8,478	\$0	\$8,732	\$0	\$8,994	\$0
Other Equipment > \$10K	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Outlay		\$31,933	\$0	\$32,891	\$0	\$33,878	\$0	\$34,894	\$0	\$35,941	\$0	\$37,019	\$0	\$38,130	\$0
Other Charges															
Licenses & Permits	25.00%	\$2,652	\$663	\$2,732	\$683	\$2,814	\$703	\$2,898	\$725	\$2,985	\$746	\$3,075	\$769	\$3,167	\$792
Total Other Charges		\$2,652	\$663	\$2,732	\$683	\$2,814	\$703	\$2,898	\$725	\$2,985	\$746	\$3,075	\$769	\$3,167	\$792
Grand Total		\$16,544,888	\$4,575,766	\$17,382,887	\$4,808,201	\$18,040,187	\$4,990,507	\$18,799,076	\$5,201,019	\$19,528,913	\$5,403,486	\$20,198,005	\$5,589,115	\$20,881,778	\$5,778,839
OVERHEAD CHARGE (9% of Personnel Accounting Adjustment)	27.75%	\$1,374,729	\$381,487	\$1,446,111	\$401,296	\$1,501,079	\$416,549	\$1,565,032	\$434,296	\$1,626,206	\$451,272	\$1,681,742	\$466,683	\$1,738,423	\$482,412
Unreconciled Contract Amount			\$4,957,254		\$5,209,497		\$5,407,056		\$5,635,315		\$5,854,758		\$6,055,799		\$6,261,251
Prior Year Reconciliation - Adjusted			\$80,000		\$80,000		\$80,000		\$80,000		\$80,000		\$80,000		\$80,000
TOTAL CONTRACT FEE			\$5,037,254		\$5,289,497		\$5,487,056		\$5,715,315		\$5,934,758		\$6,135,799		\$6,341,251
Fee Increase Over Prior Year			4.7%		5.0%		3.7%		4.2%		3.8%		3.4%		3.3%

Source: KFPD, City of El Cerrito, and Ridgeline



Table A-2
Kensington Fire Protection District
Operating Statement Detail

Description	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
	Actual	Actual	Actual	Projected	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
<i>Inflation Factor</i>						3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue														
Property Taxes	\$4,525,850	\$4,783,334	\$5,264,470	\$5,492,763	\$5,685,010	\$5,883,985	\$6,089,925	\$6,303,072	\$6,523,679	\$6,752,008	\$6,988,328	\$7,232,920	\$7,486,072	\$7,748,085
<i>Prop Tax Growth Rate</i>		5.69%	10.06%	4.34%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Special Taxes	\$200,686	\$204,418	\$200,437	\$200,827	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000
Other Taxes (HOPTR)	\$24,687	\$24,612	\$24,423	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Lease Income	\$36,549	\$36,603	\$3,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Income	\$32,087	\$14,188	\$153,346	\$106,445	\$232,136	\$181,979	\$209,952	\$237,376	\$262,255	\$288,688	\$316,271	\$286,171	\$313,242	\$341,808
Other Revenue	\$84,213	\$388,159	\$990	\$186	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
CERBT Disbursement	\$0	\$40,282	\$68,165	\$63,500	\$61,000	\$60,070	\$58,985	\$57,775	\$56,463	\$55,098	\$53,701	\$52,270	\$50,877	\$49,521
Total Revenue	\$4,904,072	\$5,491,596	\$5,714,880	\$5,888,721	\$6,206,145	\$6,354,094	\$6,586,983	\$6,826,409	\$7,070,648	\$7,324,113	\$7,586,689	\$7,799,821	\$8,078,724	\$8,368,022
Expenses														
<i>Office Wages & Related</i>														
Regular Wages	\$158,698	\$139,936	\$153,493	\$199,341	\$153,288	\$159,420	\$165,796	\$172,428	\$179,325	\$186,498	\$193,958	\$201,717	\$209,785	\$218,177
Vacation Wages	\$1,782	\$9,182	\$5,271	\$5,022	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849	\$6,083	\$6,327	\$6,580	\$6,843	\$7,117
Medical/Dental Insurance	\$6,000	\$13,000	\$6,000	\$5,433	\$10,323	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Payroll Taxes	\$13,205	\$11,990	\$14,273	\$16,335	\$12,109	\$12,593	\$13,097	\$13,621	\$14,166	\$14,732	\$15,322	\$15,935	\$16,572	\$17,235
Workers Comp / Life Insurance	\$1,598	\$759	\$1,760	\$3,035	\$3,156	\$3,251	\$3,348	\$3,449	\$3,552	\$3,659	\$3,768	\$3,881	\$3,998	\$4,118
Payroll Processing	\$1,870	\$1,971	\$2,436	\$2,695	\$2,803	\$2,887	\$2,974	\$3,063	\$3,155	\$3,249	\$3,347	\$3,447	\$3,551	\$3,657
Other	\$1,984	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Subtotal: Office Wages & Related</i>	<i>\$185,137</i>	<i>\$176,838</i>	<i>\$183,233</i>	<i>\$231,861</i>	<i>\$186,679</i>	<i>\$195,351</i>	<i>\$202,623</i>	<i>\$210,185</i>	<i>\$218,047</i>	<i>\$226,222</i>	<i>\$234,722</i>	<i>\$243,560</i>	<i>\$252,749</i>	<i>\$262,303</i>
<i>Retiree Medical Benefits</i>														
PERS Medical	\$0	\$54,507	\$53,355	\$46,750	\$48,000	\$47,268	\$46,415	\$45,462	\$44,430	\$43,356	\$42,256	\$41,130	\$40,034	\$38,967
CalPERS Settlement	\$24,044	\$18,090	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CalPERS Repayment	\$0	(\$19,994)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delta Dental	\$0	\$11,385	\$11,385	\$9,892	\$10,000	\$9,847	\$9,670	\$9,471	\$9,256	\$9,033	\$8,803	\$8,569	\$8,340	\$8,118
Vision Care	\$0	\$3,877	\$3,425	\$2,779	\$3,000	\$2,954	\$2,901	\$2,841	\$2,777	\$2,710	\$2,641	\$2,571	\$2,502	\$2,435
<i>Subtotal: Retiree Medical Benefits</i>	<i>\$24,044</i>	<i>\$67,865</i>	<i>\$68,165</i>	<i>\$59,421</i>	<i>\$61,000</i>	<i>\$60,070</i>	<i>\$58,985</i>	<i>\$57,775</i>	<i>\$56,463</i>	<i>\$55,098</i>	<i>\$53,701</i>	<i>\$52,270</i>	<i>\$50,877</i>	<i>\$49,521</i>
<i>Outside Professional Services</i>														
Accounting	\$0	\$37,045	\$36,895	\$49,581	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
Actuarial Valuation	\$0	\$3,000	\$5,600	\$3,000	\$3,000	\$5,600	\$3,183	\$5,941	\$3,377	\$6,303	\$3,582	\$6,687	\$3,800	\$7,094
Audit	\$0	\$16,000	\$17,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$21,115	\$21,748	\$22,401	\$23,073	\$23,765	\$24,478
Bank Fees	\$0	\$37	\$25	\$50	\$50	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65
County Expenses	\$34,142	\$53,644	\$56,254	\$39,520	\$41,101	\$42,334	\$43,604	\$44,912	\$46,259	\$47,647	\$49,077	\$50,549	\$52,065	\$53,627
El Cerrito Contract Fee	\$3,229,643	\$3,525,871	\$3,843,483	\$4,149,718	\$4,320,657	\$4,504,681	\$4,733,169	\$4,957,254	\$5,209,497	\$5,407,056	\$5,635,315	\$5,854,758	\$6,055,799	\$6,261,251
El Cerrito Recon	\$298,738	\$204,642	\$123,165	\$77,554	(\$42,866)	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
IT Services & Equipment	\$0	\$723	\$4,097	\$10,348	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Fire Abatement Contract	\$2,450	\$0	\$0	\$5,250	\$5,513	\$5,513	\$5,788	\$5,788	\$6,078	\$6,078	\$6,381	\$6,381	\$6,700	\$6,700
Fire Engineer Plan Review	\$0	\$688	\$2,445	\$240	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
Risk Mgmt Insurance	\$64,529	\$1,159	\$919	\$21,697	\$23,866	\$24,582	\$25,320	\$26,080	\$26,862	\$27,668	\$28,498	\$29,353	\$30,233	\$31,140



Table A-2
Kensington Fire Protection District
Operating Statement Detail

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Projected	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
LAFCO	\$4,254	\$2,078	\$2,078	\$2,100	\$2,100	\$2,163	\$2,228	\$2,295	\$2,364	\$2,434	\$2,508	\$2,583	\$2,660	\$2,740
Legal Fees	\$168,640	\$10,595	\$15,823	\$14,347	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657
Operational Consultant	\$0	\$0	\$5,438	\$29,655	\$71,130	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
Fiscal Consultant	\$0	\$0	\$0	\$5,248	\$19,752	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recruitment	\$0	\$0	\$30,090	\$8,706	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Temp Services	\$0	\$0	\$0	\$3,991	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Website Dev't/Maintenance	\$0	\$3,227	\$3,240	\$3,720	\$3,600	\$3,708	\$3,819	\$3,934	\$4,052	\$4,173	\$4,299	\$4,428	\$4,560	\$4,697
Wildland Vegetation Mgmt	\$6,500	\$4,000	\$6,500	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219	\$5,376
Emergency Prep Coordinator	\$0	\$100,000	\$105,200	\$106,449	\$110,935	\$114,263	\$117,691	\$121,222	\$124,858	\$128,604	\$132,462	\$136,436	\$140,529	\$144,745
Grant Writer	\$0	\$6,548	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nixle (Everbridge) Fees	\$0	\$3,183	\$0	\$3,182	\$3,277	\$3,375	\$3,477	\$3,581	\$3,688	\$3,799	\$3,913	\$4,030	\$4,151	\$4,276
Long-Term Financial Planner	\$0	\$29,194	\$0	\$2,400	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
<i>Subtotal: Professional Services</i>	<i>\$3,808,896</i>	<i>\$4,001,634</i>	<i>\$4,258,752</i>	<i>\$4,561,256</i>	<i>\$4,679,235</i>	<i>\$4,890,690</i>	<i>\$5,125,268</i>	<i>\$5,360,590</i>	<i>\$5,619,906</i>	<i>\$5,830,020</i>	<i>\$6,065,780</i>	<i>\$6,298,542</i>	<i>\$6,507,537</i>	<i>\$6,727,120</i>
Community Service Activities														
Public Education (Emergency Pre	\$3,100	\$17,762	\$14,094	\$10,770	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
CERT Emergency Kits	\$0	\$0	\$0	\$2,402	\$2,474	\$2,548	\$2,625	\$2,703	\$2,785	\$2,868	\$2,954	\$3,043	\$3,134	\$3,228
Open Houses	\$0	\$0	\$719	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Community Shredder	\$0	\$5,608	\$7,253	\$3,971	\$5,500	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	\$6,567	\$6,764	\$6,967	\$7,176
DFSC Matching Grants	\$24,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Firesafe Planning Grants	\$0	\$1,360	\$0	\$3,900	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
Community Sandbags	\$0	\$1,729	\$3,940	\$2,373	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939	\$4,057	\$4,179	\$4,305	\$4,434	\$4,567
Volunteer Appreciation	\$0	\$450	\$0	\$0	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Community Service - Other	\$30,950	\$0	\$0	\$0	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
<i>Subtotal: Community Services</i>	<i>\$58,050</i>	<i>\$26,909</i>	<i>\$26,005</i>	<i>\$23,416</i>	<i>\$39,474</i>	<i>\$40,658</i>	<i>\$41,878</i>	<i>\$43,134</i>	<i>\$44,428</i>	<i>\$45,761</i>	<i>\$47,134</i>	<i>\$48,548</i>	<i>\$50,004</i>	<i>\$51,505</i>
District Activities														
Election	\$4,991	\$0	\$5,579	\$0	\$0	\$0	\$6,151	\$0	\$6,459	\$0	\$6,782	\$0	\$7,121	\$0
Equipment	\$0	\$1,697	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Maintenance	\$0	\$5,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Dev't	\$0	\$3,324	\$595	\$2,483	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Firefighter Apparel & PPE	\$1,187	\$0	\$1,264	\$1,500	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Firefighter's Expenses	\$0	\$9,141	\$28,582	\$5,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Staff Appreciation	\$1,247	\$93	\$0	\$2,500	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
Memberships	\$7,853	\$7,615	\$5,100	\$8,951	\$9,500	\$9,785	\$10,079	\$10,381	\$10,692	\$11,013	\$11,343	\$11,684	\$12,034	\$12,395
<i>Subtotal: District Activities</i>	<i>\$15,278</i>	<i>\$27,371</i>	<i>\$41,120</i>	<i>\$20,434</i>	<i>\$23,500</i>	<i>\$24,205</i>	<i>\$31,082</i>	<i>\$25,679</i>	<i>\$32,908</i>	<i>\$27,243</i>	<i>\$34,842</i>	<i>\$28,902</i>	<i>\$36,890</i>	<i>\$30,662</i>
Office														
Office Expenses	\$7,444	\$3,846	\$5,327	\$6,603	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219
Office Supplies	\$0	\$694	\$763	\$2,728	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Telephones	\$0	\$8,720	\$8,841	\$1,011	\$1,100	\$1,133	\$1,167	\$1,202	\$1,238	\$1,275	\$1,313	\$1,353	\$1,393	\$1,435
Internet	\$0	\$0	\$3,769	\$4,585	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	\$5,534	\$5,700	\$5,871
Office Equipment	\$0	\$0	\$875	\$0	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Other	\$0	\$0	\$0	\$66	\$68	\$70	\$72	\$74	\$77	\$79	\$81	\$84	\$86	\$89
<i>Subtotal: Office</i>	<i>\$7,444</i>	<i>\$13,260</i>	<i>\$19,575</i>	<i>\$14,993</i>	<i>\$12,168</i>	<i>\$12,533</i>	<i>\$12,909</i>	<i>\$13,296</i>	<i>\$13,695</i>	<i>\$14,106</i>	<i>\$14,529</i>	<i>\$14,965</i>	<i>\$15,414</i>	<i>\$15,876</i>



**Table A-2
Kensington Fire Protection District
Operating Statement Detail**

Description	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
	Actual	Actual	Actual	Projected	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Building Maintenance														
Building Maintenance	\$62,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gardening Services	\$0	\$2,275	\$140	\$0	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131
Building Alarm	\$0	\$1,264	(\$396)	\$0	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957
Medical Waste Disposal	\$0	\$2,141	\$0	\$0	\$2,200	\$2,266	\$2,334	\$2,404	\$2,476	\$2,550	\$2,627	\$2,706	\$2,787	\$2,871
Janitorial Services	\$0	\$2,208	\$806	\$0	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131
Misc Maintenance	\$0	\$6,592	\$10,393	\$2,804	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
<i>Subtotal: Building Maintenance</i>	<i>\$62,722</i>	<i>\$14,480</i>	<i>\$10,943</i>	<i>\$2,804</i>	<i>\$13,500</i>	<i>\$13,905</i>	<i>\$14,322</i>	<i>\$14,752</i>	<i>\$15,194</i>	<i>\$15,650</i>	<i>\$16,120</i>	<i>\$16,603</i>	<i>\$17,101</i>	<i>\$17,614</i>
Building Utilities / Service														
Gas & Electric	\$0	\$11,852	\$8,978	\$5,692	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586	\$15,315	\$16,081	\$16,885	\$17,729	\$18,616
Water / Sewer	\$0	\$4,118	\$2,903	\$5,397	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Refuse Collection	\$0	\$0	\$2,170	\$3,171	\$3,266	\$3,364	\$3,465	\$3,569	\$3,676	\$3,786	\$3,900	\$4,017	\$4,137	\$4,261
Other	\$0	\$0	\$942	\$903	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305
<i>Subtotal: Utilities / Service</i>	<i>\$0</i>	<i>\$15,970</i>	<i>\$14,993</i>	<i>\$15,163</i>	<i>\$21,266</i>	<i>\$22,144</i>	<i>\$23,060</i>	<i>\$24,017</i>	<i>\$25,015</i>	<i>\$26,057</i>	<i>\$27,145</i>	<i>\$28,281</i>	<i>\$29,467</i>	<i>\$30,706</i>
Contingency	\$0	\$0	\$0	\$20,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095
Total Expenses	\$4,161,571	\$4,344,327	\$4,622,788	\$4,949,348	\$5,056,822	\$5,280,155	\$5,531,346	\$5,771,282	\$6,048,168	\$6,263,344	\$6,517,853	\$6,756,269	\$6,985,375	\$7,211,403
Net Operating Surplus / (Deficit)	\$742,501	\$1,147,269	\$1,092,093	\$939,373	\$1,149,323	\$1,073,939	\$1,055,637	\$1,055,126	\$1,022,481	\$1,060,769	\$1,068,835	\$1,043,552	\$1,093,349	\$1,156,620
Debt Service														
PSB Loan	\$0	\$0	\$53,968	\$87,912	\$141,570	\$141,525	\$141,478	\$141,428	\$141,377	\$141,324	\$141,268	\$141,211	\$141,151	\$141,088
Total Debt Service	\$0	\$0	\$53,968	\$87,912	\$141,570	\$141,525	\$141,478	\$141,428	\$141,377	\$141,324	\$141,268	\$141,211	\$141,151	\$141,088
Capital Outlay														
Total Capital Outlay	\$566,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Furniture	\$0	\$315	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PSB - Temp Facilities	\$0	\$91,853	\$894,649	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PSB Renovation	\$0	\$459,433	\$1,693,642	\$5,881,093	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PSB Loan - COI	\$0	\$0	\$92,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PSB Loan Drawdown - Capital	\$0	\$0	(\$1,539,461)	(\$449,951)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PSB Loan Drawdown - Fin Costs	\$0	\$0	(\$233,880)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fleet Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,413	\$0	\$0	\$1,930,902	\$0	\$0	\$0
Total Capital Outlay	\$566,845	\$551,601	\$906,950	\$5,431,142	\$700,000	\$0	\$0	\$84,413	\$0	\$0	\$1,930,902	\$0	\$0	\$0
Change in Fund Balance	\$175,656	\$595,668	\$131,175	(\$4,579,681)	\$307,753	\$932,414	\$914,160	\$829,285	\$881,103	\$919,445	(\$1,003,335)	\$902,341	\$952,198	\$1,015,531

Source: KFPD and Ridgeline

**Table A-3
Kensington Fire Protection District
Fund Balance Detail**

Description	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
	Actual	Actual	Actual	Projected	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund														
Beginning Fund Balance	\$5,299,048	\$5,176,904	\$6,483,498	\$9,202,122	\$4,290,690	\$4,379,095	\$5,083,387	\$5,760,300	\$6,427,261	\$7,051,757	\$7,704,333	\$8,354,355	\$8,968,049	\$9,620,054
Revenues	\$4,688,709	\$5,245,446	\$5,456,619	\$5,624,394	\$5,944,145	\$6,093,024	\$6,326,998	\$6,567,634	\$6,813,185	\$7,068,015	\$7,331,988	\$7,546,551	\$7,826,847	\$8,117,502
Expenditures	(\$4,159,216)	(\$4,342,084)	(\$4,591,948)	(\$4,949,348)	(\$5,198,392)	(\$5,421,680)	(\$5,672,823)	(\$5,912,710)	(\$6,189,545)	(\$6,404,668)	(\$6,659,122)	(\$6,897,479)	(\$7,126,526)	(\$7,352,491)
Capital Outlay	(\$566,845)	(\$37,050)	(\$568,411)	(\$5,881,093)	(\$700,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund Transfers - Rolling Stock	\$0	\$0	(\$202,800)	(\$167,489)	(\$219,348)	(\$228,122)	(\$237,247)	(\$246,737)	(\$256,607)	(\$266,870)	(\$277,545)	(\$288,647)	(\$300,193)	(\$312,201)
Fund Transfers - Other	(\$84,792)	\$400,000	\$2,551,913	\$398,604	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000
Other Financing Sources	\$0	\$40,282	\$68,165	\$63,500	\$61,000	\$60,070	\$58,985	\$57,775	\$56,463	\$55,098	\$53,701	\$52,270	\$50,877	\$49,521
Accounting Adjustment	\$0	\$0	\$5,086	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance - General Fund	\$5,176,904	\$6,483,498	\$9,202,122	\$4,290,690	\$4,379,095	\$5,083,387	\$5,760,300	\$6,427,261	\$7,051,757	\$7,704,333	\$8,354,355	\$8,968,049	\$9,620,054	\$10,323,384
General Fund Balance Allocation														
EC Fire Contract Requirement	\$1,764,190	\$1,865,257	\$1,983,324	\$2,113,636	\$2,138,896	\$2,292,341	\$2,406,585	\$2,518,627	\$2,644,749	\$2,743,528	\$2,857,658	\$2,967,379	\$3,067,899	\$3,170,625
Available for General Uses	\$3,412,714	\$4,618,241	\$7,218,798	\$2,177,054	\$2,240,199	\$2,791,046	\$3,353,715	\$3,908,634	\$4,407,009	\$4,960,805	\$5,496,697	\$6,000,670	\$6,552,154	\$7,152,758
Total General Fund Balance	\$5,176,904	\$6,483,498	\$9,202,122	\$4,290,690	\$4,379,095	\$5,083,387	\$5,760,300	\$6,427,261	\$7,051,757	\$7,704,333	\$8,354,355	\$8,968,049	\$9,620,054	\$10,323,384
Special Tax Fund														
Beginning Fund Balance	\$210,805	\$409,440	\$208,191	\$197,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues	\$200,842	\$200,962	\$201,363	\$200,827	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000	\$201,000
Expenditures	(\$2,207)	(\$2,211)	(\$2,209)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund Transfers	\$0	(\$400,000)	(\$206,006)	(\$398,604)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)	(\$201,000)
Accounting Adjustment	\$0	\$0	(\$3,562)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance - Special Tax Fund	\$409,440	\$208,191	\$197,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Fund														
Beginning Fund Balance	\$3,722,787	\$3,821,952	\$3,312,275	\$938,002	\$1,467,530	\$1,686,878	\$1,915,000	\$2,152,247	\$2,314,571	\$2,571,178	\$2,838,048	\$1,184,691	\$1,473,338	\$1,773,531
Revenues	\$14,521	\$4,906	(\$11,266)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	(\$148)	(\$32)	(\$28,631)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	(\$53,968)	(\$87,912)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	(\$514,551)	(\$2,111,880)	\$0	\$0	\$0	\$0	(\$84,413)	\$0	\$0	(\$1,930,902)	\$0	\$0	\$0
Fund Transfers - Rolling Stock	\$0	\$0	\$202,800	\$167,489	\$219,348	\$228,122	\$237,247	\$246,737	\$256,607	\$266,870	\$277,545	\$288,647	\$300,193	\$312,201
Fund Transfers - Other	\$84,792	\$0	(\$2,143,107)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Sources	\$0	\$0	\$1,773,341	\$449,951	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounting Adjustment	\$0	\$0	(\$1,562)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance - Capital Fund	\$3,821,952	\$3,312,275	\$938,002	\$1,467,530	\$1,686,878	\$1,915,000	\$2,152,247	\$2,314,571	\$2,571,178	\$2,838,048	\$1,184,691	\$1,473,338	\$1,773,531	\$2,085,732
TOTAL ENDING FUND BALANCE	\$9,408,296	\$10,003,964	\$10,337,900	\$5,758,220	\$6,065,973	\$6,998,387	\$7,912,547	\$8,741,832	\$9,622,935	\$10,542,381	\$9,539,045	\$10,441,387	\$11,393,585	\$12,409,116

Source: KFPD and Ridgeline

Fiscal Analysis Overview



September 18, 2024



Municipal Advisory | Financial Planning | Pension Cost Optimization

Kensington Fire Protection District



Fiscal Analysis Methodology



- Detailed El Cerrito Fire Department Model (85% of total expenses and 72% of all revenues)
- Historical and projection model for the District:
 - Review of capital assets (buildings and vehicles)
 - Review of outstanding debt obligations
 - Review of El Cerrito's pension liability
 - Review of OPEB Liability and Trust
 - Historical revenues and costs, 2025 budget, line-item projections
- Multiple rounds of review with staff

Fiscal Analysis – Key Assumptions

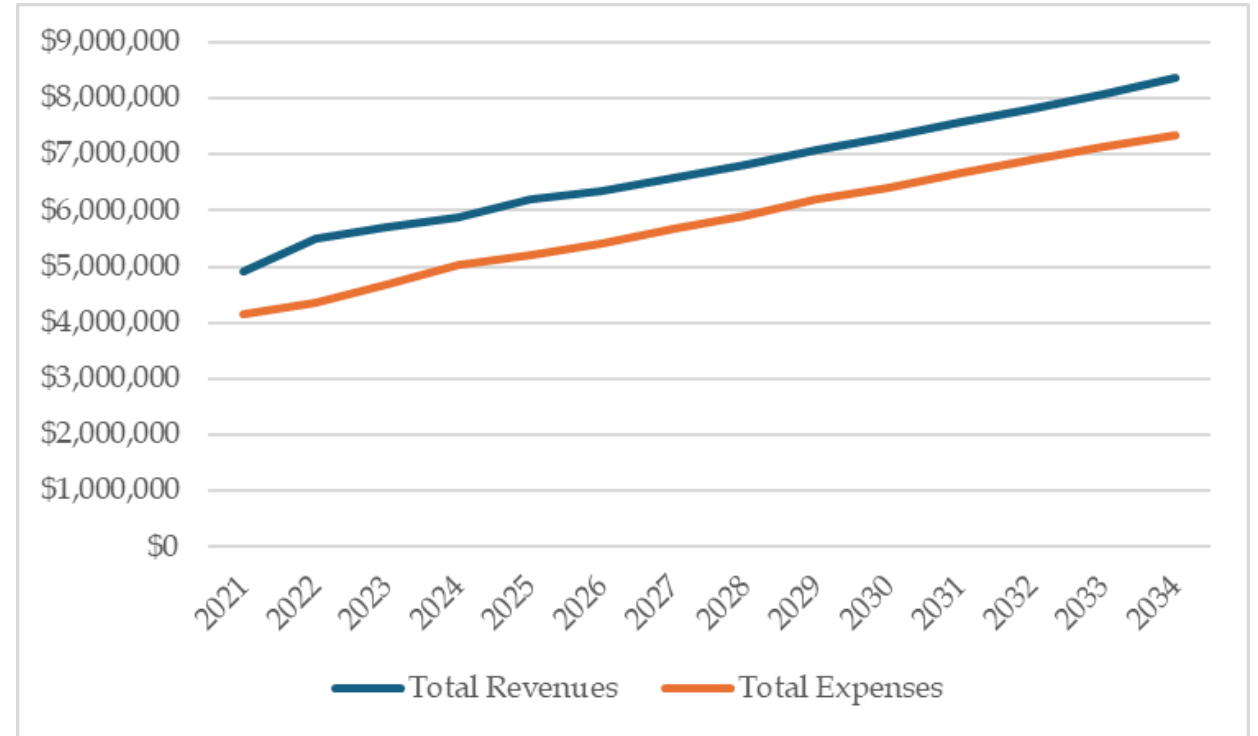


- Conservative approach – error on the side of caution
- District and EC Fire Department are fully staffed at all times
- Escalation Factors:
 - Property taxes increase at 3.5% per year
 - General inflation of 3%
 - Salaries increase at 4-5%
 - Medical costs increase at 5% per year
 - CalPERS: Normal Cost increases at 0.05% of salaries per year; UAL is based on actuarial report
- Capital Outlay limited to rolling stock replacement after PSB completion

Combined 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	\$5,421,680	\$932,414
2027		\$6,586,983	\$5,672,823	\$914,160
2028		\$6,826,409	\$5,912,710	\$913,698
2029		\$7,070,648	\$6,189,545	\$881,103
2030		\$7,324,113	\$6,404,668	\$919,445
2031		\$7,586,689	\$6,659,122	\$927,567
2032		\$7,799,821	\$6,897,479	\$902,341
2033		\$8,078,724	\$7,126,526	\$952,198
2034		\$8,368,022	\$7,352,491	\$1,015,531



Sources: KFPD and Ridgeline

[1] Includes debt service.

Key Conclusions



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



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

Next Steps



- Receive and incorporate Board feedback
- Incorporate FYE 2023 CalPERS actuarial report and FYE 2024 investment return impact
- Finalize analysis for combined study with KPPCSD

Questions?



Dmitry Semenov

Ridgeline Municipal Strategies, LLC

(916) 250-1590

dsemenov@RidgelineMuni.com

RidgelineMuni.com

