

# KENSINGTON FIRE PROTECTION DISTRICT

*FACILITIES FUNDING DISCUSSION UPDATE*



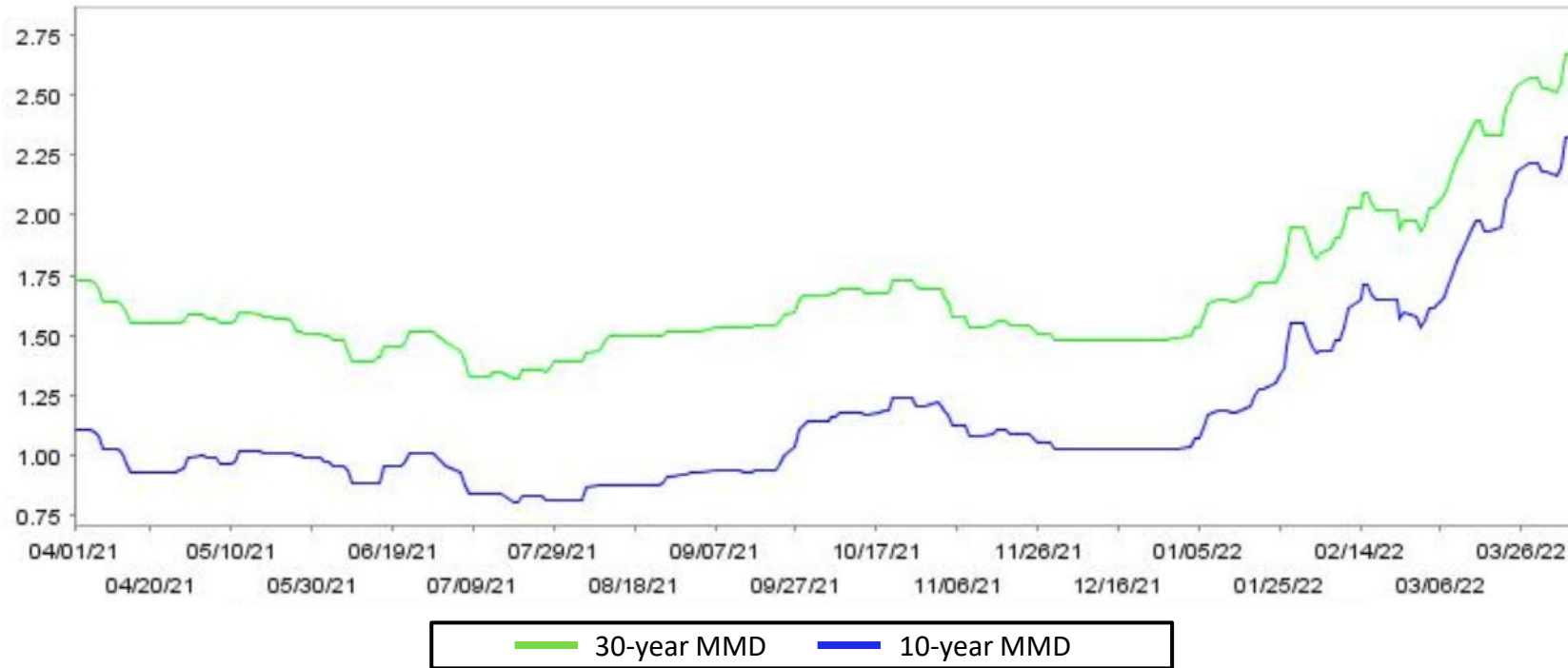
**NHA | ADVISORS**  
Financial & Policy Strategies.  
Delivered.

April 13, 2022

# Historical Interest Rates

- ▶ Interest rates have risen significantly in 2022

Municipal Market Index (MMD)

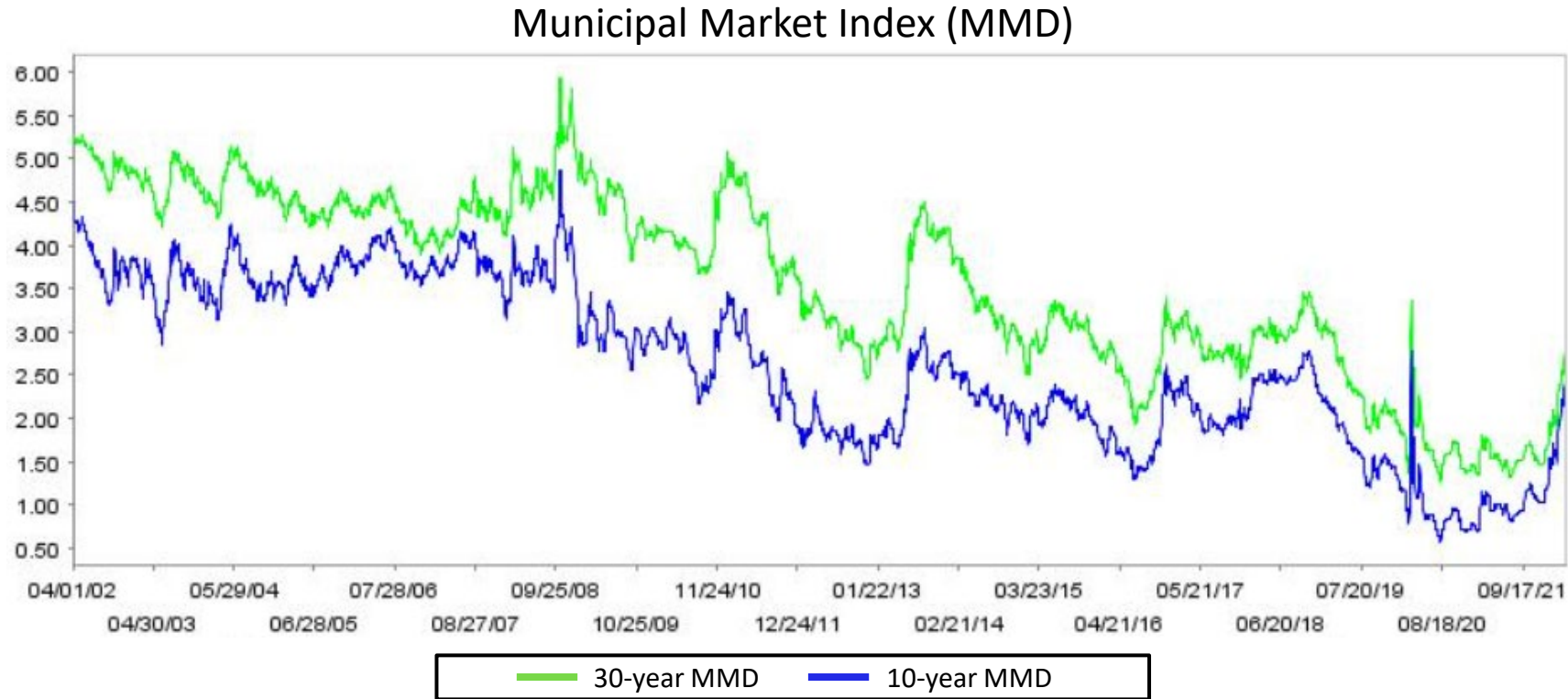


- ▶ However...



# Historical Interest Rates

- ▶ ...Interest rates are still low by historical standards

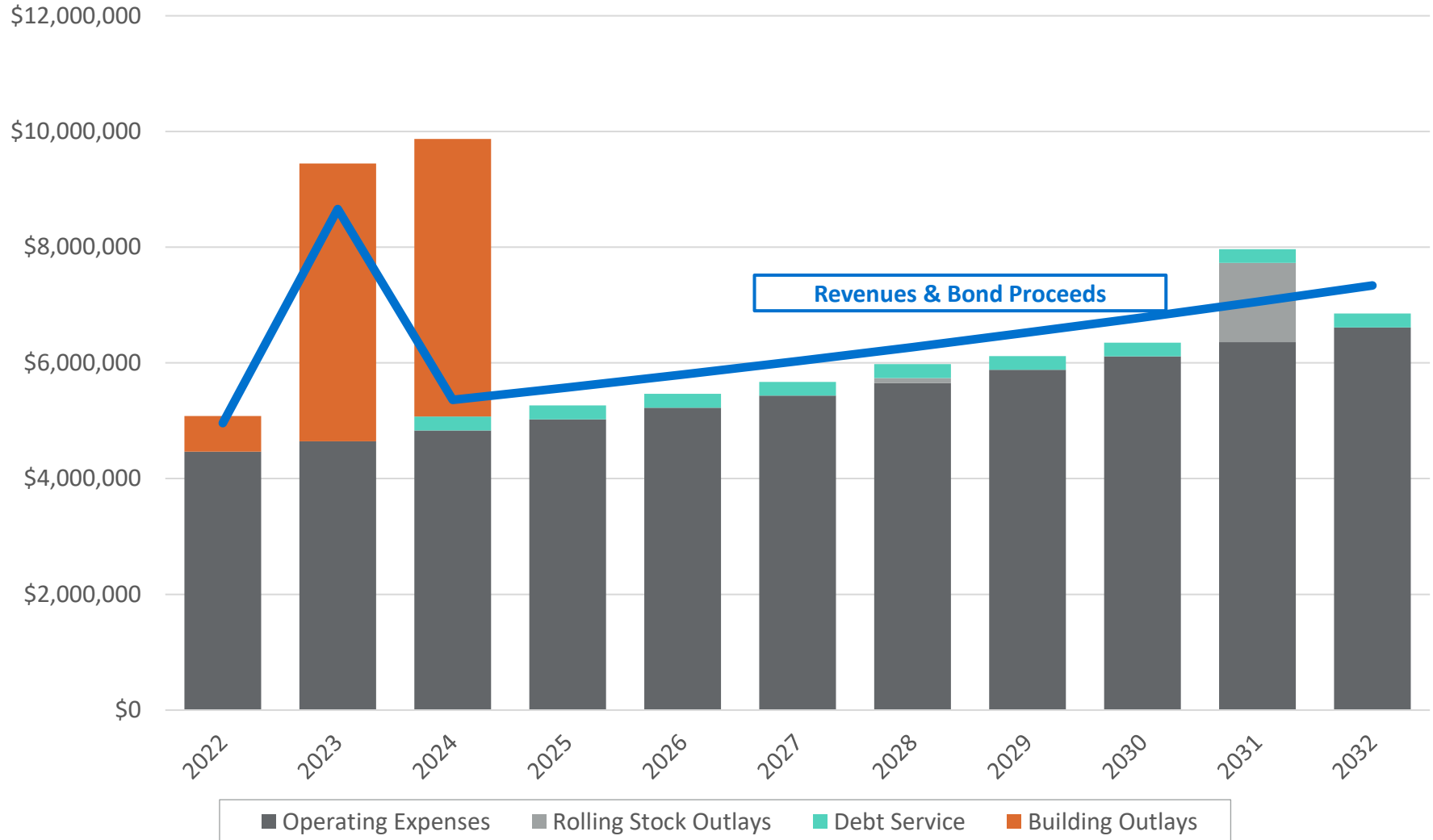


- ▶ It's hard to predict where rates might be in the summer



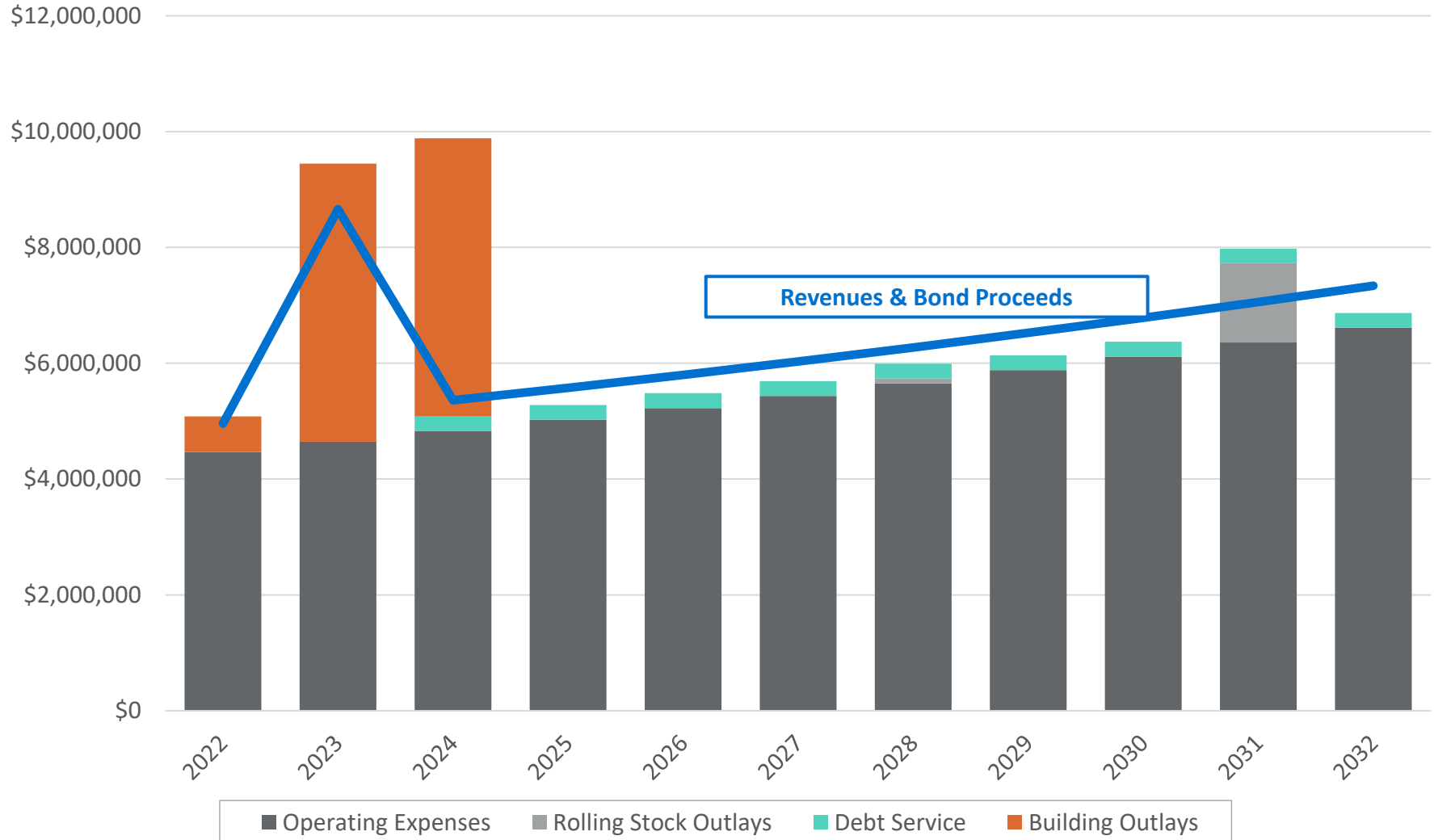
# Cash Flows – Current Market (\$238K Annual Debt Service)

- ▶ \$238K of annual debt service is estimated to generate \$3.5M for projects
- ▶ An increase of \$9k since early March



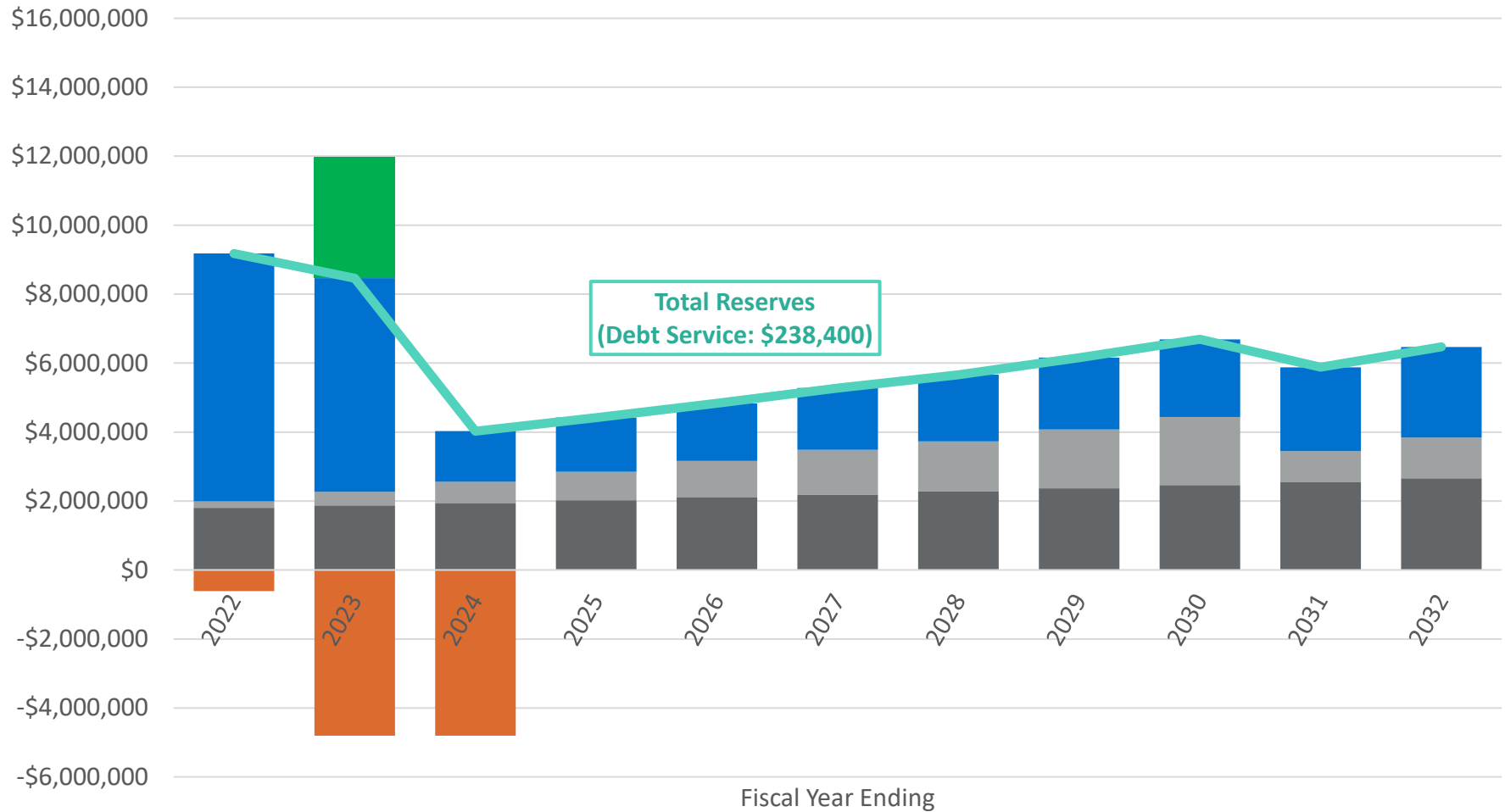
# Cash Flows – Current Market + 0.5% (\$254K Annual Debt Service)

- ▶ \$254K of annual debt service is estimated to generate \$3.5M for projects
- ▶ A hypothetical 0.50% rise in rates would increase annual debt service by an additional \$16k



# Reserves – Current Market (\$238K Annual Debt Service)

- ▶ Annual debt service of \$238K would:
- ▶ Fund \$3.5M of building projects
- ▶ Result in lower reserves than shown in early March

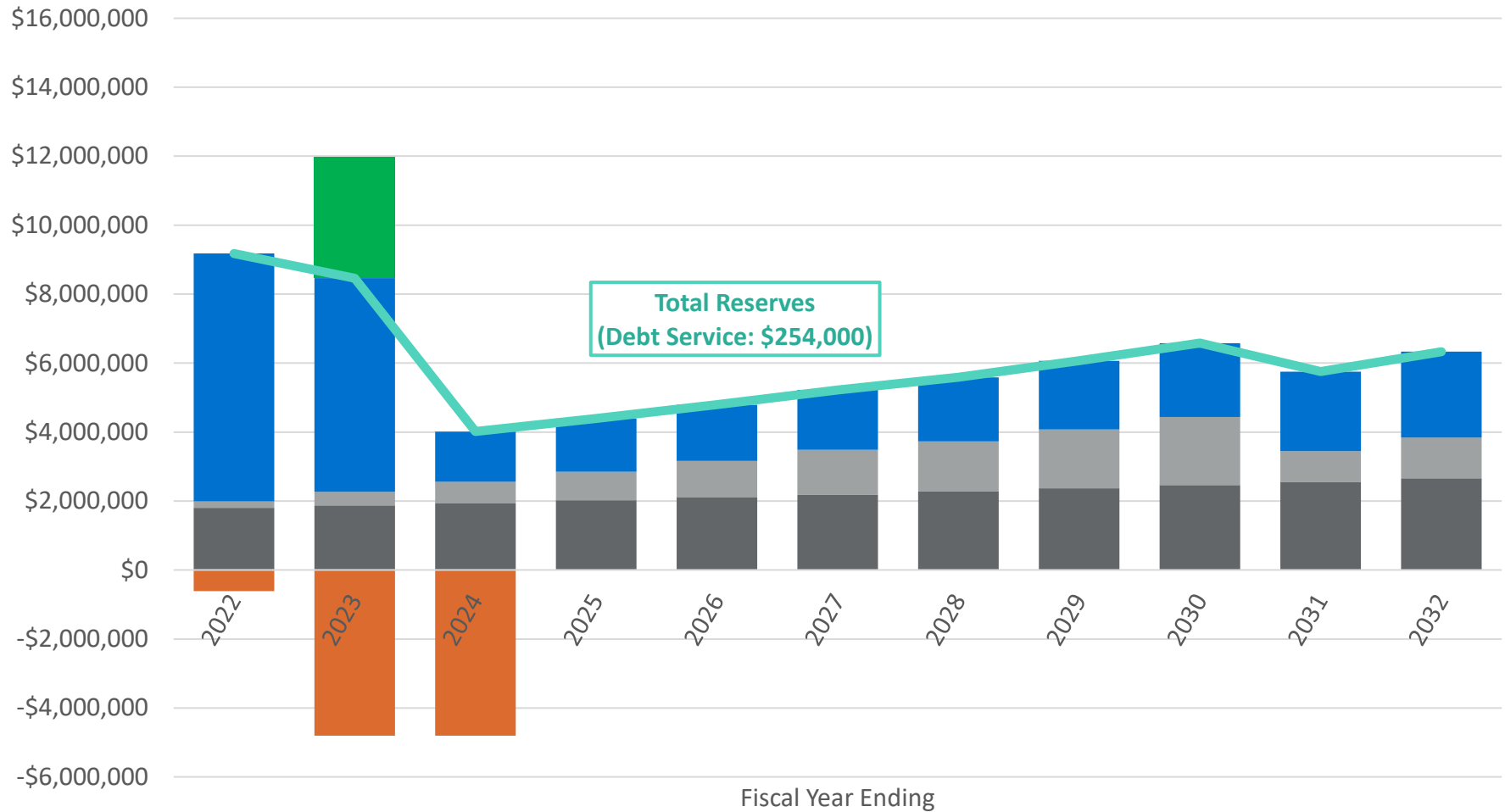


Emergency Operating Reserve
  Rolling Stock Reserve
  Building Reserve
  Bond Proceeds
  Building Projects



# Reserves – Current Market + 0.5% (\$254K Annual Debt Service)

- ▶ Annual debt service of \$254K would:
- ▶ Fund \$3.5M of building projects
- ▶ Result in lower reserves due to higher debt service costs



Emergency Operating Reserve
  Rolling Stock Reserve
  Building Reserve
  Bond Proceeds
  Building Projects

