



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: April 16, 2019

DATE: April 6, 2019

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Charles A. Moore, Fire Chief

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SUBJECT: Presentation, discussion and possible direction to staff on the Fiscal Year 2019-20 budget for Truckee Meadows Fire Protection District. (All Commission Districts) FOR POSSIBLE ACTION

SUMMARY

This item is a presentation, discussion and possible direction to staff on the Fiscal Year 2019-20 budget for Truckee Meadows Fire Protection District.

Strategic Objective supported by this item: *Sustainability of our financial, social and natural resources.*

PREVIOUS ACTION

None

BACKGROUND

The presentation will outline proposed service level increases, programs and the District's anticipated financial position. Staff will recommend the final proposed FY 19/20 budget at the May regular meeting.

Truckee Meadows Fire Protection District's revenues are projected to grow approximately 4% over prior year's budget and approximately 5.5% over projected FY18/19. The District has been able to fund construction, including the new Station 33 and apparatus with cash in prior years. In the next fiscal year's budget, staff proposes to issue debt for construction and apparatus purchases.

TMFPD remains fully staffed at all of its fire stations. The major planning initiatives for fiscal year 19/20 are related to deployment and rolling stock. Staff proposes to freeze two unfilled positions in the interest of maintaining adequate fund balance. Fund balance is budgeted at 15.1% of expenditures.

The District proposes to keep the Green Waste Program viable and start the study process for fuels reduction projects.

FY 19-20 General Fund Budget Highlights

- 1) The total General Fund revenues are estimated at \$30,665,982 which is an increase of 3.7% over prior year budgeted revenues.
- 2) The property tax rate for the TMFPD is set at \$0.5400 per \$100 of assessed value. The total amount of property tax revenue collected is expected to be \$19,693,548. Other major projected revenues include intergovernmental revenues of \$10,523,961 which consists of \$9,123,320 in consolidated tax, and other revenues of \$448,473.
- 3) The preliminary projection of General Fund expenditures for the TMFPD is \$31,690,233. The General Fund preliminary budget includes expenditures for nine cost centers and is allocated as proposed as:

Cost Center/Grouping	FY18/19 Preliminary	% of GF Expenditures
Standalone (Overhead)	\$ 1,743,873	5.5%
Administration	\$ 3,882,713	12.3%
Operations	\$ 21,305,987	67.2%
Training	\$ 1,203,534	3.8%
Fire Prevention	\$ 762,201	2.4%
Fleet Maintenance	\$ 949,212	3.0%
Fuels Management	\$ 182,668	0.6%
Emergency Management	\$ 582,154	1.8%
Logistics	\$ 832,273	2.6%
Reserve/Volunteer Program	<u>\$ 245,618</u>	0.8%
TOTAL	\$ 31,690,233	

- 4) The expenditures include two additional staff positions: 1: A Public Information Officer proposed to be shared with Washoe county and 2: An accounting position to provide payroll management and additional support to the Fiscal Officer.
- 6) The preliminary projected General Fund ending fund balance is at 15.1% of expenditures and is projected at \$4,780,962 or approximately 1.8 months of expenditures.
- 7) The General Fund includes an operating contingency of \$300,000 which is 1% of expenditures and transfers of \$1,000,000 to the Capital Projects fund and \$100,000 to the Sick Annual Comp Benefits fund.

Other Funds

Truckee Meadows Fire Protection District's preliminary budget includes five additional funds, the Capital Projects Fund, Emergency Fund, Sick and Annual Compensation Fund, Stabilization Fund and the Workers' Compensation Fund.

Capital Projects Fund

For FY 19/20, the District plans to use remaining sources within the Capital Projects Fund to fund the Capital Improvement Program. Projected FY19/20 significant capital expenditures include debt financing of two engines, two brush trucks, Station 37 remodel and construction of a new bay, and Architecture design for a new Fleet Maintenance/Logistics facility. Additionally, the District will fund the Self Contained Breathing Apparatus (SCBA) program, continue to upgrade the current radios, plan for the replacement of Mobile Data Terminals (MDTs) District Wide, make major repairs for hydrants, along significant facilities repairs and replacements with the Capital Improvements fund budget. In total, the Capital Improvement Budget for FY19/20 is estimated at \$2,809,200 leaving a fund balance of \$1,287,420 to be carried over to FY 20/21, which the District expects to start the construction of the Fleet Maintenance/Logistics facility.

Emergency Fund

NRS 474.510 requires a Fire Protection District to establish a District Emergency Fund which must be used solely for the purpose of funding unforeseen emergencies such as large wildland fires. The fund may have up to \$1.5 million set aside for these emergencies. No transfers into the Emergency Fund are deemed necessary during Y19/20 as the fund is anticipated to be fully reimbursed for the FY18/19 wildfire season through fire billings to other agencies and the Wildlife Protection Plan. Due to the anticipation of large wildland fires which may have to be paid for upfront before reimbursement, the District plans to budget for up to \$1,468,000 in expenditures during FY 19/20 in order for the District to be sufficiently prepared when the wildland fires occur.

Other Funds

The Sick, Annual, and Comp Benefits Fund were created to fund employee termination benefits when they retire or leave service. This fund was established in FY14-15. The current compensated absences balance is approximately \$2.7 million; therefore we budget a transfer in of \$100,000 and have projected expenditures for FY19/20 at a high estimated of \$725,000.

The Workers' Compensation Internal Service Fund was established to accumulate resources to pay the City of Reno for the workers' compensation liability which claims were incurred during the term of the Reno/TMFPD Interlocal Agreement. During FY16-17, the District made the final payment on the five-year buyout of Workers' Compensation claims leaving the District only liable for Heart and Lung Workers' Compensation claims. The District has projected expenditures of \$507,500 for FY19/20, to cover any potential changes in estimated claims.

The Stabilization Fund was established according to NRS 354 to provide funding for revenue shortfalls or natural disasters. The projected beginning fund balance of \$596,580 was accumulated over many

years. The District's preliminary budget includes expenditures of \$500,000 to be used in the event of a revenue shortfall.

FISCAL IMPACT

The total expenditure in the FY 19-20 Truckee Meadows Fire Protection District Budget for all the governmental funds, including contingency, is \$37,492,433 and for the proprietary fund, the total expenditure is budgeted at \$507,500.

RECOMMENDATION

It is recommended the Board of Fire Commissioners accept a presentation and give possible direction to staff on the Fiscal Year 2019-20 budget for Truckee Meadows Fire Protection District.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

"I move to accept a presentation on the Fiscal Year 2019-20 budget for Truckee Meadows Fire Protection District and give the following direction...."