



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT

Board Meeting Date: November 10, 2020

DATE: September 17, 2020
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Cindy Vance, CFO
Phone: (775) 326-6070 Email: cvance@tmfpd.us
THROUGH: Charles A. Moore, Fire Chief
Phone: (775) 328-6123 Email: cmoore@tmfpd.us
SUBJECT: Recommendation to approve a Resolution authorizing a short term (less than 12 months) interfund Loan not to exceed \$1,000,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and direct the staff to make the appropriate adjustments. (All Commission Districts) FOR POSSIBLE ACTION

SUMMARY

Recommendation to approve a Resolution authorizing a short term (less than 12 months) interfund Loan not to exceed \$1,000,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and direct the staff to make the appropriate adjustments.

PREVIOUS ACTION

No previous action.

BACKGROUND

The District maintains an Emergency Fund. This fund allows the District to restrict funds for Emergency events and to track Emergency events separately than general operating costs. The majority of the Emergency Fund funding streams are on reimbursement basis; expenditures are incurred up front, and subsequently a reconciliation is prepared for each event after the "fire season" is substantially complete.

The Emergency Fund is limited to a maximum cash balance of \$1,500,000. The District entered the 2020 "fire season" with \$1,500,000 in cash and invoiced reimbursements. However, this year's "fire season" was unprecedented and depleted cash reserves faster than invoices could be prepared and received. The Emergency Fund currently has less than \$40,000 of cash to pay upfront costs.

The District currently approximately \$1,000,000 in reimbursable up-front expenditures that have yet to be reimbursed. These expenditures cover the period of June 1, 2020 through October 15, 2020. The

District expects that additional fire events will occur before the end of the “fire season” further depleting the available cash in the Emergency Fund.

The General Fund of the District currently has a \$14 Million dollar cash balance and a budgeted ending fund balance for Fiscal Year 20/21 of over \$5 Million. The General Fund would not be negatively impacted by providing an interfund loan to the Emergency Fund. Approving an interfund loan, from the General Fund to supplement cash in the Emergency fund, would allow the District to continue to track Emergency Events separately from daily operating costs and secure cash flows in the Emergency Fund until reimbursements are received.

FISCAL IMPACT

The interfund loan, not to exceed \$1,000,000, will not have a significant fiscal impact on the General Fund. The General Fund can finance the short term loan and the Emergency Fund can repay the loan within the 10 month term if not sooner based on expedited reimbursements.

RECOMMENDATION

Staff recommends that the Board approve a Resolution authorizing a short term (less than 12 months) interfund Loan not to exceed \$1,000,000 from the General Fund to the Emergency Fund for the purpose of funding emergency events pending receipt of reimbursements and direct Staff to make the appropriate adjustments.

POSSIBLE MOTION

Should the Board agree with staff’s recommendation, a possible motion could be:

“*I move* to approve a Resolution authorizing a short term (less than 12 months) interfund Loan not to exceed \$1,000,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and direct the staff to make the appropriate adjustments.”