



## **TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT**

**Board Meeting Date: September 7, 2021**

**DATE:** August 30, 2021

**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners

**FROM:** Cindy Vance, Chief Fiscal Officer  
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**THROUGH:** Charles A. Moore, Fire Chief  
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**SUBJECT:** Recommendation to approve a transfer of \$800,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and if approved, approve a resolution to augment the Fiscal Year 2021-22 Emergency Fund Budget and direct the District to make the appropriate budget adjustments. (All Commission Districts) FOR POSSIBLE ACTION

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### **SUMMARY**

Recommendation to transfer of \$800,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and if approved, approve a resolution to augment the Fiscal Year 2021-22 (FY 22) Emergency Fund Budget and direct the District to make the appropriate budget adjustments.

### **PREVIOUS ACTION**

On May 18, 2021, the Board of Fire Commissioners approved the FY 22 Budget.

### **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 FY 22 with \$69,000 in cash and \$300,000 in billed receivables. The District transferred the approved FY 22 budgeted \$600,000 from the General Fund to cover cash needs. However, the fire season continues to be extreme, therefore depleting cash reserves faster than invoices could be prepared and received. Payroll from the Emergency Fund has averaged over \$150,000 per pay period.

The District has billed an additional \$1.2 Million since June 30, 2021 and continues to work with outside agencies to provide additional information as requested and answer any questions to reduce reimbursement recover time.

The Emergency Fund currently has less than \$30,000 of cash to pay upfront costs and may not have enough cash to cover the next payroll. The General Fund of the District currently has a \$5 Million dollar cash balance and a budgeted ending fund balance for FY 22 of over \$6 Million. The General Fund would not be negatively impacted by providing an additional cash transfer to the Emergency Fund.

Approving an additional cash transfer, 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 additional transfer of \$800,000 will not have a significant fiscal impact on the General Fund. Any reimbursement recoveries that would cause the Emergency Fund's cash balance to exceed \$1.5 million will be deposited into the General Fund.

### **RECOMMENDATION**

Staff recommends that the Board approve a transfer of \$800,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and approve a resolution to augment the Fiscal Year 2021-22 Emergency Fund Budget and direct staff to make the appropriate budget adjustments.

### **POSSIBLE MOTION**

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

*"I move to approve a transfer of \$800,000 from the General Fund to the Emergency Fund for the purpose of funding emergency event costs pending receipt of state and local reimbursements and approve a resolution to augment the Fiscal Year 2021-22 Emergency Fund Budget and direct staff to make the appropriate budget adjustments."*