



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT

Board Meeting Date: October 7, 2025

DATE: September 17, 2025

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Cindy Vance, Chief Fiscal Officer
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THROUGH: Richard Edwards, Fire Chief
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SUBJECT: Recommendation to approve the suspension of Board Policy P404.3B, Equipment Reimbursement Allocation, retroactive to Fiscal Year 2024-2025. (All Commission Districts.) FOR POSSIBLE ACTION

SUMMARY

Recommendation to approve the suspension of Board Policy P404.3B, Equipment Reimbursement Allocation, retroactive to Fiscal Year 2024-2025 (FY24/25).

PREVIOUS ACTION

September 12, 2023, the Board of Fire Commissioners retroactively approved Equipment Reimbursement Allocation Policy standardizing equipment and indirect cost reimbursements from billable emergency response, contracted natural resource management work, and grant reimbursements; and directed staff to allocate funds to the appropriate internal Truckee Meadows Fire Protection District budgets based on where cost to support billable operations occur effective July 1, 2023.

April 1, 2025, the Board of Fire Commissioners approved a revised Equipment Reimbursement Allocation Policy updating standardized equipment and indirect cost reimbursements from billable emergency response, contracted natural resource management work allocation to an additional internal fund, and revised percentage allocation to internal funds within the District effective July 1, 2025.

BACKGROUND

The District receives additional funding through billable incidents, natural resource management work, and indirect cost reimbursements through grants and service contracts. Funding brought in as indirect costs and tied to equipment used on contracted natural resource management work is prioritized and allocated as it comes in. This policy is intended to establish where these funds are

allocated formally. Portions are allocated to the Capital Projects Fund for future equipment replacement.

The District currently has a projected ending fund balance for June 30, 2026 of less than 5%. The District believes it is imperative to raise the projected ending fund balance to a minimum of 16% with an eventual goal of 20%. The District will be bringing a staff report and resolution to the Board of Fire Commissioners in November 2025 to formalize an ending fund balance policy. Since that policy is still being refined, the District requests the suspension of the equipment reimbursement allocation policy retroactively to FY24/25 to increase the General Fund's FY24/25 ending fund balance which will roll forward to the General Fund's Fiscal Year 2025-2026 (FY25/26) ending fund balance.

The District's General Fund is the fund responsible for the standard operations of the District and is responsible for the payment of the majority of the District's payroll. The District's two major revenue sources are property tax and consolidated taxes (CTAX). A significant portion of property tax is received quarterly, with March as the last quarter of each fiscal year. The first distribution in each fiscal year is in August. Therefore, the District needs to end each fiscal year with enough cash to cover payroll costs through August of the following fiscal year.

The District also receives approximately \$1 million per month in CTAX. During the current year, the State changed tax distribution methods that resulted in a short pay in November of 2024. A true up for this payment was expected to occur in early August and would be in addition to the standard monthly distribution. Due to complications at the state, the District did not receive these two distributions until September. This resulted in very low cash for the last two weeks prior to the District's first property tax distribution.

This request for suspension is to prioritize District staff. To secure the ability to pay for operations during this period between March and August when revenues are usually at the lowest and build an appropriate ending fund balance. The District will re-evaluate capital expenditures as needed.

FISCAL IMPACT

The impact of the suspension of this policy is to increase revenues in the General Fund and decrease revenues in the Capital Projects Fund by approximately \$575,000 in FY24/25 and \$500,000 in FY25/26.

RECOMMENDATION

Staff recommend the Board approve the suspension of Board Policy P404.3B, Equipment Reimbursement Allocation, retroactive to FY24/25.

POSSIBLE MOTION

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

"I move to approve the suspension of Board Policy P404.3B, Equipment Reimbursement Allocation, retroactive to Fiscal Year 2024-2025."