



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT

Board Meeting Date: May 5, 2026

DATE: April 28, 2026

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Crystal Sublet, Chief Fiscal Officer
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THROUGH: Richard Edwards, Fire Chief
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SUBJECT: Presentation and discussion of the Fiscal Year 2026–2027 Tentative Budget, including key priorities, planned projects, and proposed updates. Staff will also seek Board direction on any recommended changes to be incorporated into the tentative budget, which will come back before the Board for public hearing and possible adoption of the final budget on May 26, 2026 (All Commission Districts). FOR POSSIBLE ACTION

SUMMARY

This item provides a presentation and overview of the Fiscal Year 2026–2027 (FY26/27) Tentative Budget, including changes from the preliminary budget, and a review of the priorities and projects anticipated for the upcoming fiscal year. The presentation will also include possible recommendations for incorporating any Board-directed changes into the tentative budget to be brought back to the Board of Fire Commissioners for public hearing and possible adoption.

PREVIOUS ACTION

April 7, 2026, staff presented and discussed the preliminary budget, including recommended changes for development of the FY26/27 Tentative Budget.

BACKGROUND

In accordance with NRS 354.596(2)(a), the Tentative Budget must be submitted to the Department of Taxation on or before April 15th. NAC 354.140 requires that it be signed by the individual responsible for its preparation. Following submission, NRS 354.596(4) mandates a public hearing on the Tentative Budget between the third Monday in May and the last day in May.

The purpose of this presentation is to review the preliminary budget, including an overview of the priorities and projects proposed for FY26/27, and to receive Board direction on any recommended changes. Board-directed revisions will be incorporated into the final version of the

Tentative Budget, which will return to the Board on May 26, 2026, for the required public hearing and possible adoption in accordance with state law.

GENERAL FUND

Revenue Highlights

Property Taxes

Property taxes are budgeted at \$31,254,252 for FY26/27 (Department of Taxation's updated projection), representing a 7.4% increase over the Fiscal Year 2025-2026 (FY 25/26) budget. Current-year collections are tracking on budget.

Consolidated Taxes

The District budgeted FY26/27 consolidated taxes (CTX) at the State's projection of \$12,737,555, an increase from the FY25/26 projection of \$12,100,831. FY25/26 actual collections are currently on budget.

For FY 26/27 preliminary budget, property taxes and CTX are 73.8% of total general fund revenues of \$59,571,662. Other revenues include:

- Licenses and permits: \$270,000
- Charges for Service: \$3,270,000
- Intergovernmental (non-CTX): \$5,970,000
- Reimbursements: \$5,371,500
- Miscellaneous: \$698,355

Expenditure Highlights

Projected FY25/26 Actuals – Budget Performance Summary

- Final FY25/26 Budget Projections:
 - Revenues: \$54,781,455
 - Expenditures: \$58,687,036
 - Projected Fund Balance Change: (\$3,905,581) (decrease)
- Updated FY25/26 Projected Actuals:
 - Revenues: \$55,404,269
 - Expenditures: \$54,457,122
 - Estimated Fund Balance Change: \$947,147 (increase)
- Overall Favorable Variance:
 - \$4,852,728 compared to the approved budget

Salaries and benefits continue to represent the majority of District spending:

- FY25/26 projected actuals accounts for 77.8% of the total General Fund expenditures
- FY26/27 budgeted accounts for 77.1% of the total General Fund expenditures

A primary District priority remains filling existing and unfilled fire suppression vacancies, including 10 open Firefighter/Paramedic positions. Additionally, the following vacant positions will be frozen effective July 1, 2026:

- Two 40-hour Fire Captains assigned to training
- One 40-hour Fire Captain - Prevention
- One Fire Inspector/Investigator
- One Fire Mechanic

The FY26/27 budget reflects the following:

- Increased overtime costs associated with opening Fire Station #35
- Anticipated retirement payouts in FY26/27
- A 3.25% cost-of-living adjustment for three labor groups
- \$1.3 million in North Township of 22 revenue and \$500,000 in related expenditures
- \$711,000 in high-priority items, including previously suspended initiatives and training programs

The District's FY26/27 budget includes the following departmental total expenditures:

Overhead (General Expenses)	\$ 1,894,200
Administration	\$ 4,584,400
Emergency Operations	\$ 33,856,400
Safety and Training	\$ 905,000
Fire Prevention	\$ 743,100
Fleet Maintenance	\$ 1,845,500
Logistics	\$ 1,284,900
Volunteer Fire	\$ 232,900
Wildland and Fuels	\$ 6,658,000
Off District Fire Support	\$ 4,380,000
TOTAL	\$ 56,384,400

Summary Projected FY26/27 Ending Fund Balance

General Fund Tentative Budget Summary:

Projected Beginning Fund Balance	\$ 8,033,854
Revenues	\$ 59,571,662
Expenditures	(\$ 56,384,400)
Other Financing Uses (contingency & transfers)	(\$ 4,771,009)
Ending Fund Balance	\$ 6,450,107
Ending Fund Balance as a % of Expenditures	11.4%

CAPITAL PROJECTS FUNDS

Resolution TM05-2025 redefined the District's Capital Fund in accordance with NRS 354.4995 and NRS 354.6113. The revised fund structure restricts the use of all monies within the Capital Projects Fund and establishes a tiered annual transfer from the General Fund based on a

percentage of property tax revenues. For FY26/27, the required transfer is 4.33%. This dedicated revenue stream provides predictable funding for the District's multiyear capital projects planning.

The District will use remaining FY25/26 resources, including the 4.33% transfer of property taxes estimated at \$1,266,684, along with miscellaneous revenues, to fund Capital Projects. The Fund is summarized as follows:

Estimated Beginning Fund Balance and Resources including Transfers in:	\$ 5,628,267
Remaining unspent Pennington Grant Revenue	\$2,124,559
Miscellaneous costs:	\$168,000
Capital Projects (see below)	<u>\$3,036,000</u>
Estimated Ending Fund Balance 6/30/2027	\$4,548,826

FY26/27 Capital Projects:

Three Type I Engines (approved for order in FY24)	\$3,036,000
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Resolution TM06-2025 established the Extraordinary Maintenance, Repair or Improvements Capital Projects Fund in accordance with NRS 354.612. The purpose of this fund is to account for expenditures authorized under NRS 354.6105 for extraordinary maintenance, repair, or improvement of capital projects or facilities that replace existing District assets. The fund structure provides a tiered annual transfer from the General Fund based on a percentage of property tax revenues, which is 1% for FY26/27.

The District has utilized the fund sources in FY25/26 in accordance with the approved purposes and will transfer an estimated property tax of \$317,171 for FY26/27. The Fund is summarized as follows:

Estimated Beginning Fund Balance and including Transfers in:	\$392,281
Miscellaneous costs:	\$1,000
Unallocated/unexpected R&M	<u>\$175,000</u>
Estimated Ending Fund Balance 6/30/2027	\$216,281

EMERGENCY FUND

NRS 474.510 requires the District to maintain a District Emergency Fund to address unforeseen emergencies such as wildland fires, floods, and other natural disasters. The statute authorizes the District to maintain up to \$1.5 million in this fund, and most expenditures are expected to be reimbursed through fire billings to other agencies and the Wildland Fire Protection Plan.

For Fiscal Year 2026–2027 (FY26/27), the District has budgeted a transfer of \$250,000 from the General Fund to the Emergency Fund; however, this transfer will only occur if it is needed.

EMERGENCY MEDICAL SERVICES (EMS) ENTERPRISE FUND

The EMS Fund is budgeted with revenues from charges for services and Ground Emergency Medical Transportation (GEMT) reimbursements. A total of 22 full-time positions are included in this fund, consisting of the following:

- One EMS Division Chief
- Three EMS Coordinators
- 18 personnel are assigned to the ambulance

The fund anticipates \$2,200,000 in revenue from direct ambulance transport fees and \$1,049,000 in GEMT reimbursements for FY26/27. The District's tentative FY26/27 budget includes \$3,128,700 in salaries and wages, \$2,053,939 in employee benefits, \$626,200 in services and supplies, and \$250,000 in depreciation. The projected ending net position for FY26/27 is \$716,724

OTHER FUNDS

The Sick, Annual, and Comp Benefits Fund was established to cover General Fund employee termination benefits when employees retire or separate from service. The District budgets this fund based on the estimated costs of anticipated retirements and negotiated payouts. Estimated expenditures for FY26/27 are projected at \$1,310,000.

The Stabilization Fund was established in accordance with NRS Chapter 354 to address revenue shortfalls or natural disasters. The District's proposed budget includes authority for expenditures of up to \$550,000 to be used only in the event of a revenue shortfall.

The Debt Service Fund is used exclusively to pay principal and interest on the District's outstanding debt, and is funded through interfund transfers. Debt service requirements for FY26/27 total \$1,317,653 and include payments on the \$4.4 million equipment bonds issued in FY2019/20, the \$2.1 million capital improvement bonds issued in FY2020/21, the \$7 million capital improvement bonds issued in FY2021/22, and the \$5.3 million Nevada State Investment Bank loan issued in FY24/25.

The Workers' Compensation Internal Service Fund was established to accumulate resources to pay the City of Reno for workers' compensation liabilities incurred under the former City of Reno/Truckee Meadows Fire Protection District Interlocal Agreement. The District made its final payment on the five-year buyout of these claims in FY2016/17, and is now only responsible for Heart and Lung workers' compensation claims filed after July 1, 2012. Estimated expenses for FY26/27, including projected changes in pending claims, total \$507,500.

FISCAL IMPACT

There is no fiscal impact associated with the discussion or the recommendations for the FY26/27 budget.

RECOMMENDATION

Staff recommend that the Board accept the tentative budget presentation for FY26/27 with or without changes and direct staff to bring the tentative budget back to the Board of Fire Commissioners for the scheduled public hearing and possible adoption of the final budget.

POSSIBLE MOTION

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

"I accept the Fiscal Year 2026-2027 tentative budget presentation with the following changes....and request staff to bring the tentative budget back to the Board of Fire Commissioners for the scheduled public hearing and possible adoption of the final budget.

Or

"I accept the Fiscal Year 2026-2027 tentative budget presentation as presented, and request staff bring the tentative budget back to the Board of Fire Commissioners for a Public Hearing and possible adoption of the final budget."