



**TRUCKEE MEADOWS FIRE PROTECTION DISTRICT
STAFF REPORT**

Board Meeting Date: April 7, 2026

DATE: April 1, 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, to include any recommended changes, of the preliminary tentative budget for Fiscal Year 2026-2027. (All Commission Districts) FOR POSSIBLE ACTION

SUMMARY

This item is a presentation and discussion, to include any recommended changes, of the preliminary tentative budget for Fiscal Year 2026-2027.

PREVIOUS ACTION

None.

BACKGROUND

In accordance with NRS 354.596(2)(a), the tentative budget must be submitted to the Department of Taxation. NAC 354.140 requires the person responsible for the budget preparation to sign the tentative budget. After filing the tentative budget, NRS 354.596(4) requires a public hearing of the tentative budget.

The purpose of this presentation is to review the preliminary budget, including discussion of priorities and projects contained in the budget, and for the Board to make any recommendations for any changes to be included in the final tentative budget to be presented to the Board on May 19, 2026.

GENERAL FUND

Revenue Highlights

Property Taxes

Property taxes are budgeted at \$32,238,071 for, FY 26/27, an estimated increase of 10.8% over Fiscal Year 2025-2026 (FY 25/26) Budget. For FY25/26, property taxes are currently running on budget.

Consolidated Taxes

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

For FY 26/27 preliminary budget, property taxes and consolidated taxes are 77.6% of total general fund revenues of \$58,515,370. Other revenues include:

- Licenses and permits: \$270,000
- Charges for Service: \$2,903,056
- Other Intergovernmental other than CTX: \$4,393,000
- Reimbursements: \$5,275,696
- Other miscellaneous revenues: \$697,992

Expenditure Highlights

The final FY25/26 budget includes estimated expenditures totaling \$53,928,570. This amount consists of \$23,646,390 in salaries and wages, \$17,864,052 in employee benefits, and \$7,684,923 in other expenditures. Projected FY25/26 expenditures are \$50,159,642, resulting in a favorable variance of \$3,768,928 compared to the approved budget.

Salaries and benefits continue to represent the majority of District spending, accounting for 84.2% of the total General Fund expenditure budget for FY26/27.

No new positions are proposed in the FY26/27 budget. The District's priority remains filling existing fire suppression vacancies. Additionally, the following five existing vacant positions will be frozen for FY26/27:

- 2 40-hour Fire Captain assigned to training
- 1 40-hour Fire Captain - Prevention
- 1 Fire Inspector/Investigator
- 1 Fire Mechanic

The FY26/27 budget also reflects a significant increase in overtime costs associated with the opening of Fire Station #35, anticipated retirements in 2027, and a 3.25% cost-of-living adjustment for 3 labor groups.

The District includes the following departments in the FY26/27 Budget as listed below:

Overhead (General Expenses)	\$ 1,444,200
Administration	\$ 4,221,700
Emergency Operations	\$ 32,786,595
Safety and Training	\$ 1,371,475
Fire Prevention	\$ 1,065,600
Fleet Maintenance	\$ 1,620,032
Logistics	\$ 932,300
Volunteer Fire	\$ 232,450
Wildland and Fuels	\$ 7,177,126
Off District Fire Support	\$ 4,380,000
TOTAL	\$ 55,251,478

Summary Projected FY26/27 Ending Fund Balance

General Fund Tentative Budget Summary:

Beginning Fund Balance	\$ 9,621,814
Revenues	\$ 58,515,370
Expenditures	(\$ 55,251,478)
Other Financing Uses (contingency & transfers)	(\$ 4,493,690)
Ending Fund Balance	\$ 8,392,016
Ending Fund Balance as a % of Expenditures	15.2%

The District implemented several significant program adjustments to address budget shortfalls driven largely by labor cost increases that continue to outpace general tax revenue growth.

CAPITAL PROJECTS FUNDS

As part of the preliminary Fiscal Years 2026-2027 budget, the District is still completing a reconciliation of capital for Fiscal Years 2025-2026. This review will focus specifically on the capital impacts associated with Fire Station 35, Fire Station 37, and the planned acquisition of three Type 1 engines.

This work is underway, and the full capital projection for Fiscal Years 2026-2027 budget will be completed and presented to the Board at the May 5, 2026, meeting. At this time, we do not anticipate any new significant capital projects for the upcoming fiscal year.

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, floods, and other natural disasters. The fund may have up to \$1.5 million for these emergencies. Most expenditures from this fund are anticipated to be reimbursed through fire billings to other agencies and the Wildland Fire Protection Plan. This fund has been used in the

past to also support assistance to other agencies for emergency events. This has caused the fund to exceed \$1.5 million annually in costs, and the timing of reimbursements combined with the limit on funds deposited has caused the fund to often need to borrow cash from the General Fund. Therefore, in Fiscal Year 2024-2025 (FY24/25), the District limited the use of this fund to only District emergencies and will provide assistance to other agencies from the General Fund.

The District has budgeted for a transfer of \$100,000 from the general fund to the Emergency Fund in FY26/27 to cover the costs for non-reimbursable expenses for events that are less than 24 hours.

NEW EMERGENCY MEDICAL SERVICES (EMS) ENTERPRISE FUND

The EMS Funds is budgeted to include funding from charges for services and Ground Emergency Medical Transportation (GEMT) reimbursements. 22 full-time positions are budgeted in this Fund, broken down as follows:

- 1 EMS Division Chief
- 3 EMS Coordinators
- 18 personnel are assigned to the ambulance

The fund anticipates revenues of \$1,250,000 in direct ambulance transfer fees and \$1,650,000 in GEMT reimbursements related to FY26/27 transports. The District's tentative FY26/27 budget includes \$3,093,100 in salaries and wages, \$1,916,100 in employee benefits, \$784,300 in service and supplies, and \$250,000 in depreciation. The fund has a projected beginning net position for FY26/27 of \$6,326,726 to cover the projected deficit for FY26/27.

OTHER FUNDS

The Sick, Annual, and Comp Benefits Fund was created to fund general fund employee termination benefits when they retire or leave service. The District is currently funding this fund just to the estimated costs of anticipated retirements and negotiated payments. The District has projected estimated expenditures for FY26/27 payouts at \$1,310,000.

The Stabilization Fund was established according to NRS 354 to fund revenue shortfalls or natural disasters. The District's proposed budget includes expenditures of up to \$550,000 to be used in the event of a revenue shortfall.

The Debt Service Fund is used solely to pay principal and interest and will be funded through transfers. Debt Service Requirements are budgeted at \$1,317,653 and include payments on the \$4.4M equipment bonds issued during Fiscal Year 2019-2020, the \$2.1M capital improvement bonds issued in Fiscal Year 2020-2021, the \$7M Capital Improvement Bonds issued in Fiscal Year 2021-2022, and the \$5.25 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 the workers' compensation liability, which claims were incurred during the term of the City of Reno/Truckee Meadows Fire Protection District Interlocal Agreement. During fiscal year 2016-2017, 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 presented after July 1, 2012. The District has projected expenses including estimated changes in pending claims of \$507,500 for FY26/27.

FISCAL IMPACT

There is no fiscal impact with the discussion and recommendations on the FY26/27 budget.

RECOMMENDATION

Staff recommend that the Board accept the tentative budget presentation for the FY26/27 with or without changes and direct staff to bring the tentative budget back to the Board of Fire Commissioners for a final review before the scheduled public hearing and approval 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 preliminary tentative budget presentation with the following changes....and request staff to bring the tentative budget to the Board of Fire Commissioners for a final review before the scheduled public hearing and approval of the final budget.

Or

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