



**TRUCKEE MEADOWS FIRE PROTECTION DISTRICT  
STAFF REPORT**

**Board Meeting Date: November 12, 2024**

**DATE:** September 9, 2024

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

**FROM:** Cindy Vance, CFO  
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**THROUGH:** Charles A. Moore, Fire Chief  
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**SUBJECT:** Recommendation to adopt Resolution TM09-2024 authorizing the issuance of the Truckee Meadows Fire Protection District's Capital Improvement Revenue Bond, Series 2024 in the maximum principal amount of \$5,252,000 to finance the acquisition of properties for stations and administration authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefor and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property therefor; and providing the effective date hereof and delegate to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November. (All Commission Districts) FOR POSSIBLE ACTION

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**SUMMARY**

Recommendation to adopt Resolution TM09-2024 authorizing the issuance of the Truckee Meadows Fire Protection District's Capital Improvement Revenue Bond, Series 2024 in the maximum principal amount of \$5,252,000 to finance the acquisition of properties for stations and administration authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefor and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property and delegate to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November.

**PREVIOUS ACTION**

July 11, 2023, the Board of Fire Commissioners adopted Resolution TM13-2023 expressing the intent of the Truckee Meadows Fire Protection District to issue bonds or enter into financial obligations in the approximate aggregate principal amount of \$5,000,000 to finance fire stations and remodel fire stations and any necessary improvements to the District's facilities and the acquisition of vehicles and apparatus, including the reimbursement of certain costs incurred by the District prior to the issuance and delivery of the obligations, upon terms acceptable to the District, and to take all further action which is necessary or desirable in connection therewith.

This resolution is intended to be a declaration of "official intent" to reimburse expenditures within the meaning of Treasury Regulation Section 1.150-2.

September 12, 2023, the Board of Fire Commissioners approved an application to the Nevada State Investment Bank for a grant, long-term loan, or a combination thereof to construct a new apparatus bay at the Hidden Valley Fire Station #37, located at 3255 Hidden Valley Drive, in the amount of \$4,500,000 and approved Resolution TM17-2023 supporting the application.

### **BACKGROUND**

The District has identified the need to issue debt to replace the Station #37 (Hidden Valley) Apparatus Bay. The District identified the Nevada State Infrastructure Bank (NV SIB) as potential for financing. Original estimates for the replacement of the bay were estimated at \$4,500,000. The estimated cost grew to \$5,200,000 plus bank origination fees. The final application submitted to the Nevada State Infrastructure Bank was for the amount of \$5,252,000.

The request for financing from the District was presented at the meeting of the NV SIB was held on July 23, 2024. The NV SIB expressed their intent to finance the District's fire station project.

The District contracts with JNA Consulting Group and Sherman & Howard for consulting and legal advice regarding debt. JNA Consulting Group and Sherman & Howard worked with the NV SIB on the District's behalf to develop the terms of the financing. The NV SIB has offered financing terms of 25 years at 3.11% with semi-annual payments in June and December. Estimated semi-annual payments are \$155,000 with the first payment due on June 1, 2025.

The Board of the Nevada State Infrastructure Bank is expected to consider approval of the loan to the District on November 18, 2024. Staff anticipate financial close for the Bond will occur by early December 2024. The final loan agreement will include all terms and conditions as approved by the Board of Fire Commissioners in the attached resolution. The resolution delegates to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November.

The Bond is a special obligation of the District. The payment of principal of and interest on the Bond is secured by a senior lien on revenues derived from 15% of the proceeds of the Consolidated Tax distributed to the District.

The proposed bond is secured by a pledge of 15% of the District's distribution of Consolidated Taxes. Unlike other obligations previously issued by the District, it is not a general obligation bond. In the past, the District's general obligation bonds received approval required by NRS 350.014 from the Washoe County Debt Management Commission. The requirement for Debt Management Commission approval applies to general obligation bonds issued under NRS 350.020 as well as installment purchase agreements with a term greater than 10 years. Because the proposed bond is neither a general obligation nor an installment purchase agreement, the requirement for Debt Management Commission approval does not apply, and the District has not requested or received any other approvals. If issued, the District will include the proposed bond in its next report of outstanding debt to the Debt Management Commission due on August 1, 2025.

### **FISCAL IMPACT**

If approved, the annual estimated debt service is \$310,000 with one semi-annual payment due June 1, 2025 of approximately \$155,000. The District has the available funds within the FY25 Capital Projects Fund or in the Balance available in the Debt Service Fund. Total proceeds of the proposed bond, after paying transaction costs, will be at least \$5,100,000. Estimated transaction costs to issue the proposed bond are \$132,520, which includes a loan origination fee charged by the State Infrastructure Bank of 1% of the loan par amount. A budget augmentation for the proceeds and use of proceeds will be presented at the December Board of Fire Commissioners meeting.

### **RECOMMENDATION**

Staff recommends that the Board adopt Resolution TM09-2024 authorizing the issuance of the Truckee Meadows Fire Protection District's Capital Improvement Revenue Bond, Series 2024 in the maximum principal amount of \$5,252,000 to finance the acquisition of properties for stations and administration authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefor and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property and delegate to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November.

### **POSSIBLE MOTION**

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

*"I move to adopt Resolution TM09-2024 authorizing the issuance of the Truckee Meadows Fire Protection District's Capital Improvement Revenue Bond, Series 2024 in the maximum principal amount of \$5,252,000 to finance the acquisition of properties for stations and administration authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefor and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property and delegate to the Fire Chief authority to finalize the terms of the Bond upon approval of the loan by the Board of the State Infrastructure Bank in November."*