

**BOARD OF FIRE COMMISSIONERS
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT (TMFPD)**

TUESDAY

9:00 a.m.

DECEMBER 5, 2017

PRESENT:

Marsha Berkbigler, Vice Chair
Kitty Jung, Commissioner
Vaughn Hartung, Commissioner
Jeanne Herman, Commissioner

Jan Galassini, Chief Deputy County Clerk
Charles Moore, Fire Chief
David Watts-Vial, Deputy District Attorney

ABSENT:

Bob Lucey, Chair

The Board convened at 9:01 a.m. in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

17-163F AGENDA ITEM 3 Public Comment.

There was no response to the call for public comment.

17-164F AGENDA ITEM 4 Announcements/Reports.

Commissioner Hartung stated there were no codes regarding Airbnb residences, an assertion Vice Chair Berkbigler confirmed. He felt the topic needed further exploration. When asked by Vice Chair Berkbigler which governing body should accomplish this, Deputy District Attorney David Watts-Vial responded the Truckee Meadows Fire Protection District (TMFPD) Board could address fire issues and the Board of County Commissioners (BCC) could address other safety issues. Commissioner Hartung stated there were a substantial number of people who rented out their homes during special events. Vice Chair Berkbigler asked Commissioner Hartung to request that item for a future TMFPD agenda and she suggested he make the same request at the next BCC meeting.

Commissioner Herman stated Waste Management (WM) should help pay for the TMFPD's green waste program since the District was assuming some of WM's duties. Mr. Watts-Vial said he could not comment without first reviewing the WM contract; he would look at it and get back to the Board.

There was no public comment on this item.

AGENDA ITEM #5A

DECEMBER 5, 2017

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CONSENT ITEMS – 5A and 5B

- 17-165F** **5A** Approval of minutes from the October 17, 2017 meeting.
- 17-166F** **5B** Discussion and possible approval of a revised Mutual Aid Agreement between Secretary of the Air Force acting by and through the Commander, Nevada Air National Guard pursuant to the authority of 42 U.S.C. § 1856a and the Truckee Meadows Fire Protection District.

There was no public comment on this item.

On motion by Commissioner Hartung, seconded by Commissioner Jung, which motion duly carried with Chair Lucey absent, it was ordered that the Consent Agenda Items 5A and 5B be approved.

17-167F **AGENDA ITEM 6** I.A.F.F. Local 3895 Report

Ian Satterfield, President of the International Association of Fire Fighters Local 3895, stated they held a blackjack tournament at the Paramedic Refresher and raised over \$4,700 for the Northern Nevada Children's Cancer Foundation.

Mr. Satterfield called the topic of dispatch a difficult adaptive challenge. He stated the Emergency Medical Services (EMS) dispatch system was inefficient and ineffective but added that dispatchers did an exceptional job. He explained Reno 911 took all initial calls and gathered information. Reno 911 then redirected the calls to the Truckee Meadows Fire Protection District (TMFPD) dispatcher. The calls were then transferred to the Regional Emergency Medical Services Authority's (REMSA) dispatch to continue the emergency medical dispatch process. He pointed out mistakes could be made when so many people were involved.

Mr. Satterfield told three stories of dispatch challenges he personally experienced as a TMFPD captain, one where he arrived on the scene at the same time the call was cancelled, one where he was given misinformation about the nature of the distress, and one where REMSA arrived after the call had been cancelled. He referenced a report done in 2012 that stated fixing dispatch issues needed to be a top priority though he doubted it had been. The report recommended all 911 dispatch units be combined in a central county-wide resource with single methodology as well as implementing an automatic vehicle locator (AVL) program. Additionally it suggested all EMS communications be on the same radio system, which REMSA was not currently on. He said the function of public safety could be improved by the integration of data and communication systems. He commented it was time to work on the adaptive challenge which was more than just a technical fix. He noted a Blue Ribbon Committee report from 2014 also recommended a centralized dispatch center.

Mr. Satterfield congratulated the new TMFPD employees and those who received promotions. He looked forward to working with the new Deputy Fire Chief and praised TMFPD Fire Chief Charles Moore for the work he had done over the prior eight months.

Mr. Satterfield did not have an answer to Commissioner Herman's query about the cost of bringing REMSA up to standard. Vice Chair Berkbigler revealed her top priority in the upcoming year was dispatch and indicated the issues were being addressed.

There was no public comment or action taken on this item.

17-168F **AGENDA ITEM 7** Presentation of new employees, and promotional announcements

New Employees:

- Shane Bohach, Firefighter Paramedic
- Tyler Ewald, Firefighter Paramedic
- Derek Jackson, Firefighter Paramedic
- Alex Rodriguez, Firefighter Paramedic
- Ryan Rutter, Firefighter Paramedic
- Anthony Schiro, Firefighter Paramedic

Promoted Employees Badge Pinning

- Josh Kutz, Fire Captain
- Ryan Whitlock, Fire Captain

New Employee Badge Pinning

- Timothy Collins, Fire Mechanic
- Brett Lee, Fire Prevention Specialist

Fire Chief Charles Moore mentioned Josh Kutz would be receiving his pin by his mother, Laura, and Ryan Whitlock would be pinned by his brother, Cory. Timothy Collins would be pinned by his wife, Michelle, and Brett Lee would be pinned by wife Sylvia.

There was no public comment or action taken on this item.

17-169F **AGENDA ITEM 8** A. Discussion and possible direction to staff on the Fire Chief Report to include operational matters and activities for the months of October and November 2017:

1. Green Waste Program Update
 2. Nevada Donor Network 2017 Partner of the year –TMFPD
 3. Nevada Donor Network 2017 Champion of the Year – Captain Chris Black
 4. Facility Projects Update
- B. Career Statistics and Report for August 2017
C. Volunteer Statistics and Report for August 2017

Truckee Meadows Fire Protection District (TMFPD) Chief Charles Moore announced the green waste program was an overwhelming success, having collected 245 tons of waste the second weekend of the program. He indicated they were still trying to masticate and recycle the material collected. He stated he had not seen a project in his career that received as much praise from citizens and noted each of the four sites was nearly at capacity. He remarked they used a masticator, a chipper, and a burn box; the resulting treated chips would be available to the public. Leaves and other small debris were taken to RT Donovan Co. Inc. for recycling.

Chief Moore stated they collected almost 500 tons of debris over two weekends, equivalent to 500 acres of defensible space. He praised his staff, especially Battalion Chief Michael Heikka, and the volunteers at Stations 221 and 223. He planned to bring the program back on a later agenda to decide which resources to allocate to it. He stated encouraging defensible space was a key component to a fire-safe community.

Chief Moore announced the TMFPD and Captain Chris Black were recognized by the Nevada Donor Network and he praised Captain Black for his partnership with the Network. He noted many staff members attended a dinner hosted by the Network and said the District was proud to be a part of the program.

Regarding Commissioner Hartung's prior request for an update on facility projects, Chief Moore stated the District needed to start a master plan which would assess each station's condition and its need for short and long-term improvements. Additionally they would review whether the stations were in the right places. He said the process could take three or four months. He mentioned discussions with the County about possibly adding a freestanding administration building in the complex. He indicated they currently rented space for fleet maintenance and suggested eventually taking that money and redirecting it toward debt service to renovate a building that would work for the District in the long-term. He listed some of the issues with District facilities that needed to be addressed and said he would return at a future meeting with an update.

Commissioner Hartung asked whether the Board could ask Chief Moore for details of a potential master plan or if they could provide specific direction. Deputy District Attorney David Watts-Vial replied they could ask the Chief to return with a plan that included specific provisions, provided the Board could take action on the item. Commissioner Hartung asked the Chief to return with a plan for the Board to review, including long-range plans related to the needs of the facilities ranked by priority. Chief Moore concluded by offering to answer any questions about the statistics provided in the Chief's report.

When asked by Commissioner Hartung about the green waste program, Chief Moore responded RT Donovan charged a fee of around \$150 per 30-yard dumpster. Chief Moore estimated the District would have delivered between 16 and 20 dumpsters by the end of the program. Chief Moore confirmed Commissioner Hartung's assumption that the District was chipping waste before delivering it to RT Donovan. He explained the District considered traveling to sites with equipment on a case by case basis, as well as

picking up people's waste. He noted they could consider charging fees in the future for those services. Commissioner Hartung suggested they could ask for donations for those services. In addition he praised everyone involved with the Nevada Donor Network and told a personal story about his daughter's need for a donor.

There was no public comment on this item.

On motion by Commissioner Hartung, seconded by Commissioner Jung, which motion duly carried with Chair Lucey absent, it was ordered that Agenda Item 8 be acknowledged.

17-170F **AGENDA ITEM 9** Discussion and possible approval of an Employment Agreement for Scott M. Gorgon to include salary and benefits for the position of Fire Deputy Chief of Truckee Meadows Fire Protection District and authorize the Chairman to sign the same.

Truckee Meadows Fire Protection District Chief Charles Moore said if the motion was approved, he would introduce the Deputy Chief.

There was no public comment on this item.

On motion by Commissioner Hartung, seconded by Commissioner Jung, which motion duly carried with Chair Lucey absent, it was ordered that Agenda Item 9 be approved and authorized.

Chief Moore said it was an exhaustive process to find the right person for the position and he introduced Scott Gorgon. Mr. Gorgon stated he was excited to start a new chapter in his life, noting he was originally from Carson City. He looked forward to working with the District and speaking with the Commissioners individually.

17-171F **AGENDA ITEM 10** Approve the 2018 Health Benefits Program for District employees, dependents and retirees at an estimated annual cost of \$1,579,206 and authorize the Chairman of the Board of Fire Commissioners to execute all insurance contracts and service agreements pertinent to the Health Benefits Program.

Cindy Vance, Chief Fiscal Officer for the Truckee Meadows Fire Protection District (TMFPD), said the District met with LP Insurance regarding renewing their health insurance. LP Insurance presented them with options to stay with Hometown Health (HH) and to change providers. She noted at first the District was presented with a 27 percent increase to stay with HH but LP Insurance negotiated that to 21 percent. Switching to United Health would result in a smaller increase but after discussions with employee unions, it was determined to stay with HH so nobody's insurance would be interrupted. She indicated the renewal option included dental benefits from Guardian at a 9 percent increase and vision benefits at no increase. She added they were renewing the

employee assistance program. The total insurance package cost was \$1,579,206, which was within their budgeted amount. She recommended the Board accept the proposal.

Commissioner Jung asked why the TMFPD did not partner with the County, to which Ms. Vance replied they met with the County's Human Resources department and the District was interested in considering it for the following year. Ms. Vance noted the insurance covered approximately 130 full-time employees. She stated she was not aware how the 21 percent increase compared to what the County was experiencing and explained the high costs were due to the small size of the District.

Commissioner Jung requested the idea of joining with the County be placed on a future agenda and noted in the past they considered a 9 percent increase to be too much. Deputy District Attorney David Watts-Vial indicated the TMFPD had not joined with the County because that would have to be negotiated into each contract with the labor associations. He added it could be explored in the next round of negotiations but he was unsure if it had been broached with the associations. He said they would begin negotiations with International Association of Fire Fighters (IAFF) Local 3895 in February of 2018. As the contract was currently written, both sides needed to agree to a health plan. He said everyone was aware of increased healthcare costs and ideas had been suggested regarding how to decrease those costs. One possible solution could be for the District to join on the County's plan. When asked why the idea had not yet been offered, Chief Moore responded the consensus was the employees were satisfied with the plan. Commissioner Jung pointed out the employees did not pay for the plan. Chief Moore agreed it was unsustainable and he wanted to discuss this with the associations.

Commissioner Jung gave direction that combining the TMFPD with the County as well as alternate solutions needed to be a part of negotiations as a way to make healthcare costs sustainable. Prompted by Commissioner Hartung's query, Chief Moore responded the insurance contract was month-to-month and they could decide to come back into the County at any time. He added they would begin negotiations soon and the District would speak to its employees. Commissioner Hartung echoed the need for the solution to be sustainable. Chief Moore noted a number of shock claims filed in the District could have been a contributing factor to the cost increase.

On the call for public comment, Mr. Tim Leighton pointed out there were no retirees among the members who evaluated healthcare bids. He stated with the increases it could cost a retiree between \$11,440 and \$18,303 to pay for health insurance. He asked why there were no other options for retirees such as a high deductible plan. He stated some retirees were spending a third of their income on health insurance. He encouraged the Board to have the TMFPD join with the County's insurance plan or at least offer alternatives.

Commissioner Jung agreed a retiree should be appointed to the decision-making committee to ensure their input was considered. She requested the TMFPD return with more information. Vice Chair Berkbighler stated when the County was looking to renegotiate two years before, they faced a 24 to 27 percent increase though it ended up

being smaller. She pointed out rising healthcare costs were seen across the nation and she hoped the reprieve for health insurance in Nevada would positively impact everyone.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried with Chair Lucey absent, it was ordered that Agenda Item 10 be approved and authorized with the direction provided above.

17-172F **AGENDA ITEM 11** Authorization to freeze one (1) vacant Fire Mechanic/Logistics Assistant position (#70009601) and to create one (1) additional Fire Mechanic position.

Truckee Meadows Fire Protection District Chief Charles Moore stated the District felt it was better served freezing the logistics position and having three mechanics on staff to service engines. He answered Commissioner Hartung's question by saying the mechanic position was in addition to the one filled earlier in the meeting.

There was no public comment on this item.

On motion by Commissioner Hartung, seconded by Commissioner Jung, which motion duly carried with Chair Lucey absent, it was ordered that Agenda Item 11 be authorized.

17-173F **AGENDA ITEM 12** Discussion, acceptance and possible direction to staff regarding an "Informational Summary/Finding and Recommendations" report on Lakeview Incident #TM160005937 presented by Mike Brown of R&R Partners.

Truckee Meadows Fire Protection District (TMFPD) Chief Charles Moore stated there was a structure fire in August 2016 and there had been substantial discussion on the item. He originally hired Emergency Services Consulting International (ESCI) to perform a study but he felt it was not comprehensive enough. Throughout his presentation he read the following summaries, findings and recommendations from the informational summary provided with the staff report: Dispatch; District 35 Engine 35 Response; Actions of Engine 35 Personnel; Water Source; Agreements; and Volunteers.

Mr. Brown noted the time from call to dispatch was less than 60 seconds in accordance with an agreement between the TMFPD and the County. He indicated the District still had to handle other incidents while addressing the Lakeview fire, which it performed in an acceptable manner. He added dispatchers were often overlooked in incidents like these but there was room for improvement.

Mr. Brown indicated a study of the cover response system by the TMFPD and other fire departments was performed several years before. At that time it was advised the time between receipt of a call to the time on scene should not exceed ten minutes, which was achieved in this incident. Mr. Brown stated the pictures provided of the garage gave a good description of what the personnel of engine 35 saw upon arrival.

Mr. Brown noted most engines in the area, including engine 35, only carried 750 gallons of water. He acknowledged it took a long time to establish a water supply even with the assistance of many people on the scene. He announced when he visited Station 35 to interview the personnel, there was a water tender on site, which was one of the recommendations made in the report. He tried to fashion the future recommendations regarding water supply to be applicable to the entire area of District responsibility, not just Verdi.

In response to prior comments about swimming pools being available during the Lakeview incident, Mr. Brown remarked without pre-planning the ability for personnel to utilize them was difficult. He acknowledged the frustration caused by this and stressed that it should be examined. He noted the rapid growth in certain areas could allow public service agencies to use new water sources for all areas. He indicated that could become important in the future if wells started to dry up.

Mr. Brown mentioned the TMFPD had agreements with the Lake Tahoe Regional Fire Chief, several with California, and some with partnering agencies, all of which were revisited annually and modified as needed. He stated the Nevada Network of Fire Adaptive Communities was a program that took the place of the Nevada Fire Safe Council and it had 170 chapters throughout the state. He recommended they establish chapters in Verdi as well as other areas in the TMFPD's jurisdiction to assist in obtaining grants and working with residents to create fire adaptive communities.

Mr. Brown stated Chief Moore had done extensive work throughout the entire district but it was an overwhelming task. He cited this as the reason for a liaison position. He commented volunteer recruitment was a problem not only in northern Nevada but it was a problem nationwide.

Mr. Brown noted he spent several months meeting with the community and exploring options. He pointed out many positive steps had already been taken and there had been good conversations about water delivery. A recent County overview of responsibilities addressed many of the comments found in the report. He stressed he did not realize how much growth was happening in Verdi and added several commercial buildings in the area had water supplies that could be utilized.

When asked by Commissioner Hartung whether there was anything the TMFPD could have done to save the house, Mr. Brown replied because the fire started outside the property owners' fire detection system, the fire was already well underway by the time the first engines arrived. In short, they did all they could given the amount of time from the start of the fire to their arrival. Commissioner Hartung indicated one of the reasons he chose his house was its proximity to a fire hydrant and told a personal story about a fire at his house.

Commissioner Herman said she felt responsible for not being aware of the lack of water and other flaws in the system. She said she was working with Chief Moore on ways to use water from the Truckee River and said she wanted to hear from the public.

Commissioner Jung thanked Mr. Brown for the comprehensiveness of the report and the community risk assessment results. She agreed with the report's recommendations of visiting communities, creating an action plan, creating a liaison position, and educating the public. She asked why an automatic vehicle locator (AVL) program had not yet been implemented. Mr. Brown responded dispatch issues should be at the top of the District's priority list and stated given what was at stake it could absorb and justify the cost. After a brief discussion, Chief Moore stated all fire agencies had the AVL technology to see all available fire units, but there needed to be an agreement between the agencies to utilize the technology. There were also technical challenges between the TMFPD and the City of Sparks because they used different dispatch centers. He remarked it could be quick to implement AVL but it would require agreements and overcoming hurdles between the Regional Emergency Medical Services Authority (REMSA) and the City of Sparks. He added there was no reason the TMFPD and the City of Reno could not have AVL since they shared the same dispatch location.

Commissioner Jung stressed the importance of the issue and said they could use the Board of Health to make it happen. She suggested the Regional Planning Governing Board should be more involved in negotiating with developers to establish water supply. Additionally she suggested working with developers who planned to develop in areas that required volunteer stations to put money or land toward bringing those stations up to code. She mentioned marijuana retail companies often asked her what the community needed. The District could ask them to pay money to fund the fire system, new fire stations, or the liaison position mentioned in the report. She offered to work with Chief Moore to cultivate those relationships. She felt the Truckee Meadows Water Authority should pay for the maintenance of County fire hydrants like they did for the cities of Reno and Sparks.

Vice Chair Berkbighler noted some of the recommendations in the report had already been put in place. She hoped the District would act positively on each point in the report and emphasized the importance of AVL and dispatch, issues that protected both citizens and firefighters.

Commissioner Hartung said wildland protection was a valid argument for pushing developers to include fire hydrants in outlying areas. When asked about the different couplers used by agencies, Mr. Brown responded districts that used different fittings supplied them to all agencies for automatic aid responses. Commissioner Hartung said cisterns would be the responsibility of the people who chose to live in outlying areas and noted he accepted the challenges of living away from many services and infrastructure. He suggested creating a Special Assessment District so people in one area did not pay for fire service in other areas. Vice Chair Berkbighler mentioned developers who proposed development in the footprint of Reno had to account for municipal water

and hydrants. That was not the case in outlying areas and she agreed taxpayers throughout the County should not have to pay for facilities for residents in other areas.

Commissioner Hartung echoed Mr. Brown's recommendation to identify available water sources like pools and ponds, especially in places without fire hydrants. Chief Moore admitted there was abundant water in Verdi but there were issues with getting water from a static source to the fire. He mentioned they used 3,000 feet of hose to battle the Lakeview fire and the issue of getting water to the fire would have existed even with additional cisterns. He added hydrants, water, and access were the technology the TMFPD had to rely on. Commissioner Hartung cautioned he did not want to force residents in outlying areas to have cisterns; there was a balance to be found.

Commissioner Herman noted rural citizens paid taxes for fire protection. Commissioner Hartung stated the hydrants in his area were paid for by the developer and that cost was reflected in an increased purchase price for homes. Vice Chair Berkbigler added there were many factors and she asked Chief Moore to consider all of them. She requested an update on the process as part of a future chief's report.

On the call for public comment, Mr. Tim Leighton commended Mr. Brown for the report but said it omitted the idea of regionalization. He stated engine 15 was the second to arrive on the scene. Since each truck carried 1,000 feet of hose, if one more truck arrived they could have had a water supply within fifteen minutes, not over an hour. He predicted this type of thing would continue to happen. He alleged the City of Reno would be supplementing fire service to the TMFPD if they agreed to boundary drops.

Ms. Carly Borchard emphasized the Verdi community had been requesting a business plan but she felt there was no plan. She stated there was a water tank in downtown Verdi that trucks could utilize if they spoke to the owner. She appreciated the analysis but wanted a plan in place, not just discussion.

Mr. Tom Dunn, Vice President of the Reno Fire Fighters Association and District Vice President for the Professional Firefighters of Nevada, stated he was speaking as a taxpayer and resident. He recalled speaking at a prior meeting and saying in order to be successful in automatic and mutual aid situations there needed to be joint policies and procedures on many issues. He noted those as well as joint training had not yet occurred. He indicated numerous studies had been performed about where to put fire stations but policy makers had not addressed that issue. He pointed out the City of Reno had seven fire stations closer to the Lakewood fire than the ones from which the TMFPD dispatched trucks. He asked why it took 45 minutes to request mutual aid from Reno.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried with Chair Lucey absent, it was ordered that Agenda Item 12 be accepted with additional direction for Chief Moore to devise a region-wide plan, taking into account joint training.

17-174F AGENDA ITEM 13 Announcements/Reports.

Truckee Meadows Fire Protection District (TMFPD) Chief Charles Moore announced there would be a meeting on December 19 and it would include an update on the progress made with the City of Sparks on automatic aid enhancement. He noted there were technological setbacks but he hoped to have a system in place by February. He listed several incidents where the TMFPD was not called despite being the closest agency and stressed the importance of using automatic vehicle locator (AVL) technology.

Vice Chair Berkbigger acknowledged houses burning down was an unfortunate part of living in the area. She indicated the issues between the different fire agencies were two-sided and she praised the firefighters in the room. She emphasized it was the Board's job, not the firefighters' job, to negotiate deals. She mentioned firefighters did not care what jurisdiction a fire was in, it was their job to put it out. She said it was incumbent on all elected officials to work with the fire chiefs to fix the issues.

17-175F AGENDA ITEM 14 Public Comment.

Mr. Tom Dunn, a member of the City of Reno Employee Advisory Insurance Committee, said Reno had the same problems as the Truckee Meadows Fire Protection District regarding insurance for active members and retirees. He stated healthcare costs continued to increase and he claimed they were twice as high in northern Nevada as they were in Clark County. He questioned how to provide access to healthcare for employees, retirees, and residents when there were limited providers.

* * * * *

10:54 p.m. There being no further business to discuss, the meeting was adjourned without objection.

BOB LUCEY, Chair
Truckee Meadows Fire
Protection District

ATTEST:

NANCY PARENT, Washoe County Clerk
and Ex-Officio Clerk, Truckee Meadows
Fire Protection District

*Minutes Prepared By:
Derek Sonderfan, Deputy County Clerk*



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 19, 2017

Fire Chief CM
Finance CV
Legal DWV
Risk Mgt DE
HR N/A

DATE: November 28, 2017
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Charles A. Moore, Fire Chief
Phone: (775) 328-6123 Email: cmoore@tmfpd.us
SUBJECT: Accept a donation of \$100.00 from Hidden Valley Resident Jack Richardson in support of the Truckee Meadows Fire Protection District's Green Waste Program and express appreciation for the thoughtful contribution. (All Commission Districts)

SUMMARY

Accept a donation of \$100.00 from Hidden Valley Resident Jack Richardson in support of the Truckee Meadows Fire Protection District's Green Waste Program and express appreciation for the thoughtful contribution.

Strategic Objective supported by this item: *Safe, Secure and Healthy Communities*

PREVIOUS ACTION

The Board of Fire Commissioners has accepted donations on several occasions in the past.

BACKGROUND

A donation of \$ 100.00 was received from Hidden Valley Resident Jack Richardson in appreciation of the Districts Green Waste Program. The District wishes to thank Mr. Richardson for his thoughtful and kind donation.

FISCAL IMPACT

The \$100.00 check will be placed into the District's General fund to be used to support District Operations.

RECOMMENDATION

It is recommended that the Board accept a donation of \$100.00 from Hidden Valley Resident Jack Richardson in support of the Truckee Meadows Fire Protection District's Green Waste Program and express appreciation for the thoughtful contribution.

POSSIBLE MOTION

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

"I move to a donation of \$100.00 from Hidden Valley Resident Jack Richardson in support of the Truckee Meadows Fire Protection District's Green Waste Program and express appreciation for the thoughtful contribution."

11-26-2017

CHIEF MOORE,

- ENCLOSED IS A DONATION TO THE FIRE PROTECTION DISTRICT.
- I REALLY APPRECIATE YOUR ORGANIZATION'S EFFORTS ON HAVING THE "DUMPTER" AVAILABLE ON 11-18-2017, FOR DISPOSAL OF LEAVES FROM MY YARD CLEANUP. I THINK THIS IS A MUCH SAFER WAY TO GET RID OF THE "DRY" LEAVES FROM THE YARD(S) FOR THE "HIDDEN VALLEY" AREA.

Jack Trishard
3260 PIAZZO CIRCLE
TRENTO, NV. 89502



MEMORANDUM

December 12, 2017

To: Board of Fire Commissioners
Truckee Meadows Fire Protection District

Fm: Charles A. Moore, Fire Chief

Re: **Fire Chief's Report**

Update on Enhanced Automatic Aid with City of Sparks:

The "Enhanced Auto Aid" system between TMFPD & Sparks Fire has been in development for a few months. We have had some technical setbacks caused by an upgrade of Tiburon CAD software which corrupted some files used to clone calls back and forth from dispatch centers.

During the implementation phase it was identified that there could be some simpler and more efficient methods for reducing duplicate responses and getting the closest unit dispatched more expeditiously. With agreement on both sides to now move in this modified direction, staff is beginning the process of modifying the system. A similar approach has been in testing at the Moorpark Apartments (on the South end of Sun Valley) for about 6 months and has proven to be successful.

The new system identifies geographic areas that are closest to fire stations from differing jurisdictions, and treats those areas largely as if they were their own jurisdiction. For example, the Moorpark apartments are in the City of Sparks, but are closest to TMFPD Station 15 in Sun Valley. For all single engine company alarms (primarily EMS incidents, and other small scale incident types), the closest engine would respond, maintain the radio traffic with that agency and handle the call as if it were their own. The agency having legal jurisdiction would not respond to these incidents, unless there were extenuating circumstances (such as the normally closest station being unavailable for calls).

The Enhanced Auto Aid areas are handled a little different for multi-engine responses (such as structure fires, wildland fires, hazardous materials, etc.). In those instances, the call will still first be sent to the agency with the closest station that would send that engine and a Battalion

Chief, and would then be simultaneously “cloned” back to the agency with jurisdiction to fill out the balance of the alarm resources. For TMFPD, these incident types usually get 4 engines, 1 Battalion Chief, and 1 Safety Officer. Using the Moorpark example again, TM would send Engine 15 and Battalion 3, and then Sparks would send the remaining 3 engines and their own BC to fill out the balance of the alarm. The agreement is reciprocal, so it works the same in both directions.

In order to complete this new program staff needs to still identify the geographic boundaries where stations are closer than the agency with respective jurisdiction. This is being done with GIS modeling and should be done later this week. The areas being analyzed are primarily the Pyramid Highway corridor and the areas of Sparks South of La Posada. After the areas are identified, the dispatch supervisor will need to go into the Tiburon system and reprogram where those 911 calls are directed and which resources are dispatched for all of the different call types. Once that is complete, there will be a couple of weeks of testing and troubleshooting to make sure there aren't any unforeseen problems with the new system. According to dispatch, this can be a somewhat laborious process. The timeline estimates given to us were a projected implementation date of the end of February, but hopes that it could possibly be as soon as the end of January if all goes well.

All of this is certainly an improvement over the current system, but is somewhat of a work-around for the better solution which would be AVL (Automatic Vehicle Location). An AVL dispatch system would utilize real time GPS data to determine the closest fire engine to an emergency and simply dispatch that unit to the incident, again regardless of jurisdiction. The work-around we are implementing with our Enhanced Automatic Aid system is still using an archaic system that assumes the fire engines are always in their fire stations, which isn't often the case. Whenever a unit is out in their District, the GIS assumption of proximity to a call isn't always true and can still lead to a closer unit not being dispatched. According to dispatch, AVL is feasible with the current software we have, but a more in-depth analysis would need to be undertaken to identify any additional costs and impacts.



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT MONTHLY REPORT

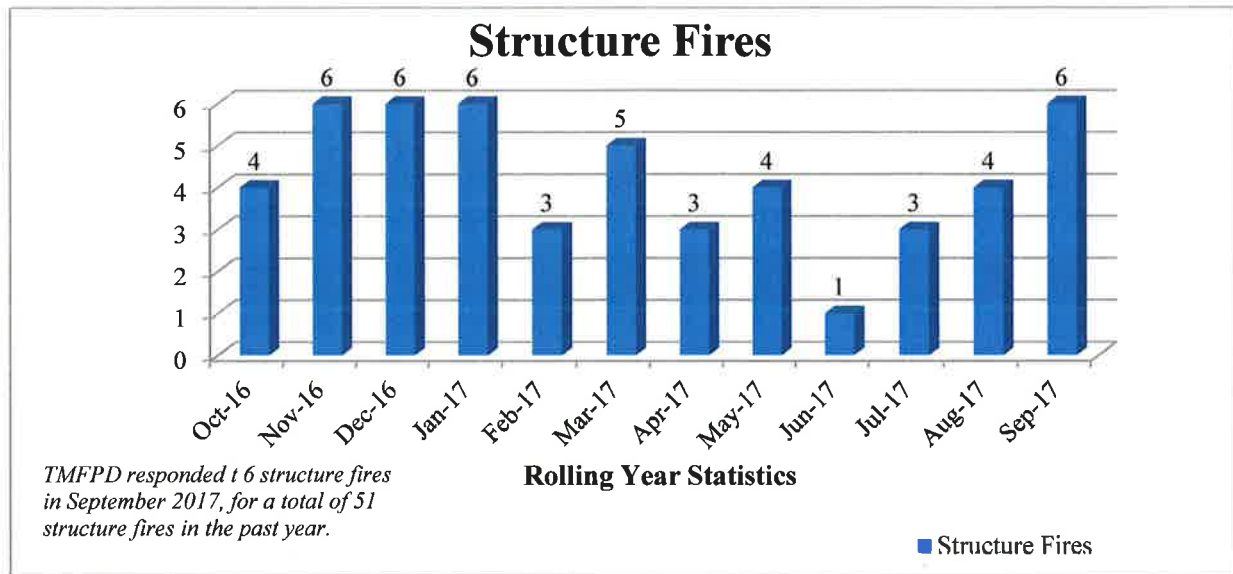
September 2017

The following report contains non-audited figures based on data extracted from the District's incident reporting system and Washoe County E-Comm Dispatch.

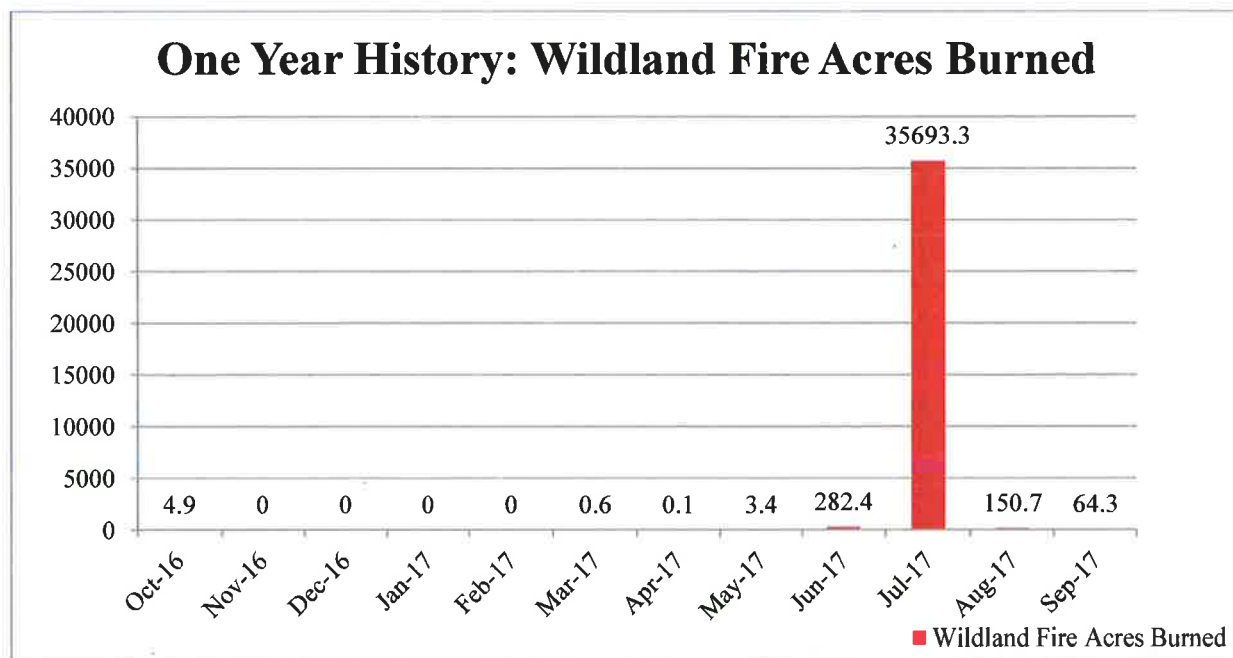
Monthly Call Volume by Station & Type													
INCIDENT TYPE	STATION/DISTRICT												
	13- Stead	14- Damonte Ranch	15- Sun Valley	16- E. Washoe Valley	17- Spanish Springs	18- Cold Springs	30- W. Washoe Valley	35- Verdi/Caughlin	36- Arrowcreek	37- Hidden Valley	39- Galena Forest	Other	TOTAL
Structure Fire	1		1	2	3		1		1				9
Wildland Fire	2	5	3		3	2	2	6				4	27
Vehicle/Trash/Other Fire	3		3		2	1	1	1		1			12
Emergency Medical Services	62	34	192	24	97	51	12	18	22	14	8		534
Motor Vehicle Accident	3	4	11		8	3	4	9	3	3	3		51
Rescue													0
Haz-Mat/Hazardous Condition	2		5	1	1	3	1	1	1	1			16
Public Assist	5	5	13	1	6	5		2	4				41
Good Intent Call	21	12	20	4	41	8	6	12	8	42	10	1	185
Activated Fire Alarm	1	4		2	4	2		2	3	1	4		23
Severe Weather Related					1		2					4	7
Other													0
SEPTEMBER 2017 TOTAL	100	64	248	34	166	75	29	51	42	62	25	9	905
SEPTEMBER 2016 TOTAL	85	68	229	19	147	52	13	25	43	34	13	4	732

In the month of September 2017, the TMFPD responded to 905 incidents, for a cumulative total of 10,312 incidents in the past twelve months.

Structure Fires – September 2017



Structure fires represent traditional structure fires, and do not include structures that were lost as the result of a largescale wildland fire.



In the month of September 2017, 64.3 acres were burned. As of September 30, 2017, 36,199.7 acres burned in the past 12 months.

Mutual Aid Given and Received - September 2017

Mutual Aid Given & Received by Department		
DEPARTMENT	AID GIVE N	AID RECEIVE D
Bureau of Land Management	0	0
California Department of Forestry	1	0
Carson City FD	1	1
Eastfork FD	1	0
Nevada Division of Forestry	2	0
North Lake Tahoe FPD	0	2
North Lyon County FPD	0	0
Pyramid Lake Fire	2	0
Reno FD	12	1
Reno/Sparks Indian Colony	2	1
Sierra County, CA	0	0
Sparks FD	6	4
Storey County FPD	1	5
Truckee Fire, CA	0	0
US Forest Service	1	0
TOTAL	29	14

Mutual Aid Given & Received by Department		
DEPARTMENT	AID GIVE N	AID RECEIVE D
Bureau of Land Management	0	0
California Department of Forestry	1	0
Carson City FD	1	1
Eastfork FD	1	0
Nevada Division of Forestry	2	0
North Lake Tahoe FPD	0	2
North Lyon County FPD	0	0
Pyramid Lake Fire	2	0
Reno FD	12	1
Reno/Sparks Indian Colony	2	1
Sierra County, CA	0	0
Sparks FD	6	4
Storey County FPD	1	5
Truckee Fire, CA	0	0

Truckee Meadows Fire Protection District Monthly Report

US Forest Service	1	0
TOTAL	29	14

Mutual Aid Given & Received by Department		
DEPARTMENT	AID GIVEN	AID RECEIVED
Bureau of Land Management	3	1
California Department of Forestry	0	1
Carson City FD	0	1
Eastfork FD	0	1
Nevada Division of Forestry	0	3
North Lake Tahoe FPD	0	3
North Lyon County FPD	0	0
Pyramid Lake Fire	2	0
Reno FD	7	4
Reno/Sparks Indian Colony	2	0
Sierra County, CA	1	0
Sparks FD	2	3
Storey County FPD	0	5
Truckee Fire, CA	1	0
US Forest Service	3	2
TOTAL	21	24

The TMFPD received aid 24 times from neighboring agencies and provided aid 21 times based on NFIRS reporting standards. Additional responses to/from the TMFPD may have occurred but did not meet the NFIRS definitions for automatic or mutual aid. Only incidents where representatives from two or more entities are on scene together qualify as aid given or received by an agency. When one entity handles an incident for another jurisdiction without assistance, the incident is not classified as auto/mutual aid according to NFIRS, and neither are responses where one entity cancels its response prior to arriving at the incident.

SIGNIFICANT INCIDENTS

Significant incidents for the month are reported below. The number of incidents reported in the Call Volume Table may not exactly match the narrative provided below; i.e., a structure fire that is limited to a small out building is reported in the Call Volume, however it does not warrant inclusion below.

Station by Commission District		
Station	District	Commissioner
Station 13 – Stead	5	Herman
Station 14 – Damonte Ranch	2	Lucey
Station 15 – Sun Valley	3/5	Jung / Herman
Station 16 – East Washoe Valley	2	Lucey
Station 17 – Spanish Springs	4	Hartung
Station 18 – Cold Springs	5	Herman
Station 30 – West Washoe Valley	2	Lucey
Station 35 – Mogul	5/1	Herman/Berkbigler
Station 36 – Arrowcreek	2	Lucey
Station 37 – Hidden Valley	2/4	Lucey/Hartung
Station 39 – Galena Forest	2/1	Lucey/Berkbigler

Stations are predominantly within the Commissioner's District as listed above.

Incidents:

Wildland/Vehicle Fire – Station 15 (Sun Valley); 5214 Carol Drive Commissioner District 3 Automatic Aid from Sparks FD

On September 2nd at 15:44 hours, units were dispatched to a possible wildland fire. Upon arrival they found wood piles, fencing, and approximately 7 cars that were fully or partially involved with some wildland involvement. Power lines were also on the ground. Crews had difficulty finding access to the scene and negotiating a large amount of vehicular and pedestrian traffic that had swarmed the area to look at the incident. The fire was quickly knocked down. No loss of structures, no injuries to report.

4 TM Engines, 1 TM Rescue Unit, 1 TM Battalion Chief, 1 SFD Engine, and TM Volunteers responded to this incident.

**Wildland/Vehicle Fire – Station 30 (West Washoe Valley); 1-580 and Owyhee
Commissioner District 2
Mutual Aid with Carson City Fire**

On September 6th at 13:40 hours, resources from the TMFPD responded to a vehicle fire located in the area of the I-580 and Owyhee. The vehicle was 100% involved on the arrival of the first engine company and spread into a field. There was a potential threat to residences in the area, but not an immediate threat. Both fires were suppressed by Engine 30 and Brush 16. One patient, the occupant of the vehicle was transported to Renown Main. No injuries were reported on this incident.

1 TM Brush Engine, 1 TM Battalion Chief, 1 TM Water Tender, 2 TM Prevention vehicles and 9 TM personnel responded to this incident.

**Wildland Fire – Station 35 (Mogul); 5 Bitterbrush Road
Commissioner District 5
Mutual Aid with Reno FD**

On September 11th at 19:04 hours, crews were dispatched to a low acuity EMS call (lift assist) and upon exiting the station, crews could see active flames and smoke coming from 5 Bitterbrush Rd. Crews asked dispatch to expedite Remsa and cancel them from the call, reporting the fire and apparatus that were going en route. The firefighters separated in order to respond with the engine, tender and brush engine from station 35. Upon arrival one outbuilding and one powerpole were fully involved, with extension into the wildland. Five primary residences were threatened, two under immediate threat due to wind conditions. WCSO assisted with traffic and onlookers while TM Training/Safety Captain cleared traffic for the apparatus to access the scene. Crews protected structures and exposures and extinguished the fire. Damage was limited to the outbuilding, along with heat damage to another outbuilding.

1 TM Engine, 3 TM Water Tenders, 4 TM Brush Engines, 1 TM Training Captain, 2 TM Battalion Chiefs, 1 RFD Engine and TM Volunteers responded to this incident.

**Wildland Fire – Station 30 (West Washoe Valley); 300 yards above Bowers Mansion, 4005
Old Hwy. 395
Commissioner District 2
Automatic Aid from NDF & USFS**

On September 12th at 18:41 hours, crews were out on patrol during a lightning event when they spotted fire and smoke directly behind Bower's Mansion. The fire was the result of a lightning strike and was threatening residential structures. The fire involved a single tree with a 50 x 50 ground fire in a heavily timbered area behind Bowers Mansion. Brush 30 and NDF Brush 5120 quickly suppressed the fire and completed extensive mop up due to the fuel loading in the area. No injuries were reported on this incident.

4 TM Brush Engines, 1 TM Water Tender, 1 TM Training Captain, 1 TM Battalion Chief and TM Volunteers responded to this incident.

**Wildland Fire – Station 17 (Spanish Springs); 7 miles NNE of Nixon on Transfer Point Rd
Commissioner District 4
Mutual Aid given to Pyramid Lake/BLM**

On September 12th at 20:33 hours, lightning caused a wildland fire off of the Transfer Point Road in Nixon approximately 7 miles NNE. Upon arrival units found a fire with 4 separate heads burning to the north. Fire was approximately 125 acres, burning on Tribal jurisdiction and was eventually taken over by BLM.

1 TM Brush Engine, 1 TM Water Tender, 2 TM Patrol Units, 1 TM Battalion Chief and 10 TM personnel responded to this incident.

**Wildland Fire – Station 35 (Mogul); Peavine Mountain on the Southwest Side
Commissioner District 5/1
Mutual Aid received from USFS**

On September 13th at 18:06 hours, a fire had ignited on Peavine Mtn approximately 3/4 of the way up the slope on the Southwest side visible from Sommersett. Units had responded the evening before for a report of lightning strikes in the area. The fire was observed to have a slow spread with a good deal of precipitation falling on it. Units left that evening resulting in an investigation the next day. USFS did identify the fire was located within the TMFPD jurisdiction. Brush 13 and UTV 13 along with TM Battalion Chief were assigned to investigate the fire. Access originated near RFD Station 19 and was accomplished via the UTV, as the only road leading to the location is too small for larger apparatus. The crew arrived on scene, secured any remaining hotspots, and determined the fire was out.

1 TM Brush Engine, 1 TM Utility Unit, 1 TM Battalion Chief and multiple TM personnel responded to this incident.

**Wildland Fire – Station 15 (Sun Valley); Chimney Lane & Barrel Springs
Commissioner District 3
Automatic Aid from BLM**

On September 18th at 12:23 hours, crews responded to a working wildland fire in the area of the dirt extension off of Barrel Springs. The forward progression of the fire was stopped at 1.5 acres. The fire was wind driven and burning northeast towards Pyramid Highway. No structures were immediately threatened and the crews remained on scene most of the day due to the extensive mop up. No injuries were reported on this incident. The cause of the fire is still under investigation.

3 TM Brush Engines, 3 TM Water Tenders, 1 TM Battalion Chief and 11 TM personnel responded to this incident.

Wildland Fire – Station 35 (Mogul); dirt extension of Woodchuck

Commissioner District 1

Automatic Aid from NDF, RFD, CalFire, Sparks Fire, Eastfork Fire, NLTFPD, Storey County Fire, USFS

WCSO conducted evacuations

On September 18th at 13:30 hours, crews responded to a working urban interface fire immediately threatening numerous residential structures in the area of Woodchuck and Plateau Rd. The fire burned approximately 49 acres and no structures were lost. Numerous homes were impacted on Mountaingate Lane where the fire burned to the rear and into backyards of numerous residences. Numerous agencies from Nevada and California were requested to respond to the incident. WCSO took the lead on evacuations with the assistance of Raven. Remsa assisted with evacuations of residents with preexisting medical conditions. Once mop up of the fire was completed, the fire was put into patrol status on September 20th. No injuries were reported on this incident. The fire burned into three neighboring jurisdictions TMFPD (16.03 acres), RFD(16.43 acres), and the USFS (17.14 acres).

8 TM Brush Engines, 1 TM Engine, 2 TM Training Captains, 4 TM Battalion Chiefs, 4 TM Water Tenders, 2 TM Fire Prevention Officers, 1 TM Rescue Unit and TM Volunteers responded to this incident.

Wildland Fire – Station 35 (Mogul); Fuller Lake above Gold Ranch

Commissioner District 5

Mutual Aid received from USFS, NDF & NLTFPD

On September 18th at 10:33 hours, units responded to a wildland fire near Fuller Lake and the Boy Scout Camp. The fire was 3.2 acres and inaccessible to apparatus. TM crews hiked in and flagged the route. Air resources arrived to assist, and USFS hiked in to fire with 2 NDF inmate crews and a Slide Mountain Crew from NLTFPD. TM Crews were released nearly 4 hours later.

1 TM Brush Engine, 1 TM Engine, 1 TM Battalion Chief, 1 USFS Engine, 2 NDF crews responded to this incident.

Training:

- Digital Combustion Scenarios
- NFPA 1001 Vehicle Extrication
- EMS – Carbon Monoxide Poisoning
- EMS – Altered Mental Status
- Monthly Triad Hazmat Training
- Company Drills
- Water Entry Team Training

Accomplishments:

- Staffed the Reno Balloon Race
- Attended Pleasant Valley Fire Prevention Program
- Gave Presentation to SPCA



VOLUNTEER FIRE DEPARTMENT MONTHLY REPORT

September 2017

The following report contains non-audited figures based on data extracted from the District's incident reporting system and Washoe County E-Comm Dispatch.

Monthly Call Volume by Station & Type									
VOLUNTEER RESPONSE: INCIDENT TYPE	STATION/DISTRICT								TOTAL
	221-Silver Lake VFD	223 - Lemmon Valley VFD	225 - Wadsworth (Pyramid Lake VFD)	227, 237, 301 - South Valleys VFD	229 - Palomino Valley Auxiliary	240 - Red Rock VFD	242 - Gerlach VFD	351 - Verdi VFD	
Structure Fire									0
Wildland Fire	4	4	2		1	2	3		16
Vehicle/Trash/Other Fire		1	1			1			3
Emergency Medical Services	1	3	1		1	9			15
Motor Vehicle Accident		1				4			5
Rescue									0
HazMat/Hazardous Condition						1			1
Public Assist		2				2			4
Good Intent Call	1	2	1	2		7			13
Activated Fire Alarm						3			3
Severe Weather Related									0
Lightning Plan	2		2						4
Other									0
SEPTEMBER 2017 TOTAL	8	13	1	8	0	2	29	3	64

In the month of September, 2017 the Truckee Meadows Volunteers responded to 64 incidents. (Wadsworth Volunteers operate under Pyramid Lake Volunteer Fire Department. Incidents listed for the Wadsworth Volunteer Station 225 are specific to responses in the Truckee Meadows Fire Protection District boundary, and do not include responses into tribal territory.)

AGENDA ITEM #8C

SIGNIFICANT INCIDENTS

Significant incidents for the month are reported below. The number of incidents reported in the Call Volume Table may not exactly match the narrative provided below; i.e. a structure fire that is limited to a small out building is reported in the Call Volume, however it does not warrant inclusion below.

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Station 17 – Spanish Springs	4	Hartung
Station 18 – Cold Springs	5	Herman
Station 30 – West Washoe Valley	2	Lucey
Station 35 – Mogul	5/1	Herman/Berkbigler
Station 36 – Arrowcreek	2	Lucey
Station 37 – Hidden Valley	2/4	Lucey/Hartung
Station 39 – Galena Forest	2/1	Lucey/Berkbigler

Stations are predominantly within the Commissioner's District as listed above.

Incidents:

Wildland/Vehicle Fire – Station 15 (Sun Valley); 5214 Carol Drive Commissioner District 3 Automatic Aid from Sparks FD

On September 2nd at 15:44 hours, units were dispatched to a possible wildland fire. Upon arrival they found wood piles, fencing, and approximately 7 cars that were fully or partially involved with some wildland involvement. Power lines were also on the ground. Crews had difficulty finding access to the scene and negotiating a large amount of vehicular and pedestrian traffic that had swarmed the area to look at the incident. The fire was quickly knocked down. No loss of structures, no injuries to report.

4 TM Engines, 1 TM Rescue Unit, 1 TM Battalion Chief, 1 SFD Engine, and TM Volunteers responded to this incident.

**Wildland Fire – Station 35 (Mogul); 5 Bitterbrush Road
Commissioner District 5
Mutual Aid with Reno FD**

On September 11th at 19:04 hours, crews were dispatched to a low acuity EMS call (lift assist) and upon exiting the station, crews could see active flames and smoke coming from 5 Bitterbrush Rd. Crews asked dispatch to expedite Remsa and cancel them from the call, reporting the fire and apparatus that were going en route. The firefighters separated in order to respond with the engine, tender and brush engine from station 35. Upon arrival one outbuilding and one powerpole were fully involved, with extension into the wildland. Five primary residences were threatened, two under immediate threat due to wind conditions. WCSO assisted with traffic and onlookers while TM Training/Safety Captain cleared traffic for the apparatus to access the scene. Crews protected structures and exposures and extinguished the fire. Damage was limited to the outbuilding, along with heat damage to another outbuilding.

1 TM Engine, 3 TM Water Tenders, 4 TM Brush Engines, 1 TM Training Captain, 2 TM Battalion Chiefs, 1 RFD Engine and TM Volunteers responded to this incident.

**Wildland Fire – Station 30 (West Washoe Valley); 300 yards above Bowers Mansion, 4005
Old Hwy. 395
Commissioner District 2
Automatic Aid from NDF & USFS**

On September 12th at 18:41 hours, crews were out on patrol during a lightning event when they spotted fire and smoke directly behind Bower's Mansion. The fire was the result of a lightning strike and was threatening residential structures. The fire involved a single tree with a 50 x 50 ground fire in a heavily timbered area behind Bowers Mansion. Brush 30 and NDF Brush 5120 quickly suppressed the fire and completed extensive mop up due to the fuel loading in the area. No injuries were reported on this incident.

4 TM Brush Engines, 1 TM Water Tender, 1 TM Training Captain, 1 TM Battalion Chief and TM Volunteers responded to this incident.

**Wildland Fire – Station 35 (Mogul); dirt extension of Woodchuck
Commissioner District 1
Automatic Aid from NDF, RFD, CalFire, Sparks Fire, Eastfork Fire, NLTFPD, Storey
County Fire, USFS
WCSO conducted evacuations**

On September 18th at 13:30 hours, crews responded to a working urban interface fire immediately threatening numerous residential structures in the area of Woodchuck and Plateau Rd. The fire burned approximately 49 acres and no structures were lost. Numerous homes were impacted on Mountaingate Lane where the fire burned to the rear and into backyards of numerous residences. Numerous agencies from Nevada and California were requested to respond to the incident. WCSO

took the lead on evacuations with the assistance of Raven. Remsa assisted with evacuations of residents with preexisting medical conditions. Once mop up of the fire was completed, the fire was put into patrol status on September 20th. No injuries were reported on this incident. The fire burned into three neighboring jurisdictions TMFPD (16.03 acres), RFD(16.43 acres), and the USFS (17.14 acres).

8 TM Brush Engines, 1 TM Engine, 2 TM Training Captains, 4 TM Battalion Chiefs, 4 TM Water Tenders, 2 TM Fire Prevention Officers, 1 TM Rescue Unit and TM Volunteers responded to this incident.

TRAINING AND ACTIVITY

STATION	ACTIVITY	CREWS	HOURS PER	TOTAL HOURS
North Valleys #223/221	CPR refresher training	8	2.5	20
	Go over rescue familiarization	3	2	6
	Re-packed hose packs/station clean-up	7	3	21
	Went over BK/800 Radio communications, how radios operate; also practiced talking on BK Radios.	9	4	36
	CAPCE Altered Mental Status	1	1	1
	CAPCE Carbon Monoxide Poisoning	1	1	1
	CAPCE Patients with Special Challenges	2	1	2
	CAPCE Pediatric Emergencies Basic	2	2	4
	CAPCE Medical Extrication and Rescue	1	2	2
	CAPCE Musculoskeletal Injuries Basic	1	1	1
	NFPA 1001 Vehicle Extrication	3	1	3
	NFPA 1021 Incident Response Safety	1	1	1
	Rescue 42 TeleCrib Strut System - Part 1: Video Based	3	1	3
	Bloodborne Pathogens Safety	1	1	1
	Fleet Program Emergency Vehicle Characteristics	1	1	1
	Fleet Program Defensive Driving Strategies for Emergency Vehicle Operators	1	1	1
	Respiratory Protection	1	1	1
	Hazard Communication	1	1	1
	Hearing Conservation	1	1	1
North Valleys #223/221 Total				107

Red Rock #240	CAPCE Patients with Special Challenges	1	1	1
Red Rock #240 Total				1

South Valleys #227/301	Hearing Conservation	1	1	1
	NFPA 1001 Vehicle Extrication	1	1	1
	Rescue 42 TeleCrib Strut System - Part 1: Video Based	1	1	1
South Valleys #227 & #301 Total				3

Verdi #351	Driving Safety	1	1	1
	E-351 and WT-351 familiarization for new members. Highway incident response: high viz vests, traffic controls. EMS equipment familiarization on E-351 and WT-351.	4	2.5	10
	E-351 maintenance: engine/pump checks, SCBA checks, equipment inspection and reload. General station maintenance/cleaning and spare supplies stocking.	1	1.5	1.5
	Maintenance/cleaning, fueling, tank flushing, and resetting of hose/equipment on WT-351	1	2	2
	WT-351 maintenance: pump/engine checks, cleaning, equipment checks, hose reload.	1	2	2
	Station maintenance, apparatus maintenance and checks, medical equipment checks.	2	1	2
	Went over BK/800 Radio communications. How radios operate, also practiced talking on BK Radios.	2	4	8
	Go over rescue familiarization	1	2	2
	Re-packed hose packs/station clean-up	1	3	3
	HazMat Operations Day 1	1	8	8
	HazMat Operations Day 2	1		8
	HazMat Awareness Course	1	8	8
	Rescue 42 TeleCrib Strut System - Part 1: Video Based	2	1	2
	CAPCE Patients with Special Challenges	1	1	1
	CAPCE Pediatric Emergencies Basic	1	2	2
	CAPCE Carbon Monoxide Poisoning	1	1	1
	CAPCE Altered Mental Status	1	1	1
	CAPCE Operating an AED	1	1	1
	SCBA Air Consumption Drill	1	2	2
	NFPA 1021 Incident Response Safety	2	1	2
	NFPA 1001 Vehicle Extrication	1	1	1
	Fleet Program Defensive Driving Strategies for Emergency Vehicle Operators	1	1	1
	Hazard Communication	1	1	1
	Bloodborne Pathogens Safety	1	1	1
	Respiratory Protection	3	1	3
	CECBEMS CNS Injuries Basic	1	1	1
	CECBEMS Altitude Emergencies	1	2	2
	CECBEMS Methamphetamine	1	2	2
	CECBEMS Date Rape Drugs	1	2	2
	RT-130 Annual Wildland Fire Safety Refresher (MOD #1)	1	2	2
	Verdi #351 Total			83.5



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 19, 2017

Fire Chief CM
Finance CV
Legal DWV
Risk Mgt DE
HR N/A

DATE: November 28, 2017
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Cindy Vance, CPA, Chief Fiscal Officer
SUBJECT: Review and acceptance of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2017. (All Commission Districts)

SUMMARY

Please find attached the Truckee Meadows Fire Protection District's financial statements for the fiscal year ended June 30, 2017 which were audited by Eide Bailly LLP. The auditor's opinion of the financial statements is an "unqualified" opinion which means the financial statements present fairly, in all material respects, the respective financial position of the District's governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2017.

The auditors have stated in the report the auditors found the District conformed to all significant statutory constraints on its financial administration during the year and that there were no material weaknesses or significant deficiencies reported.

It is recommended the Truckee Meadows Fire Protection District Board of Fire Commissioners accept the District's Audited Financial Statements for FY16-17.

Strategic Objective supported by this item: *Sustainability of our financial, social and natural resources.*

PREVIOUS ACTION

None

BACKGROUND

The highlights of the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year Ended June 30, 2017 are as follows:

General Fund:

The Truckee Meadows Fire Protection District's finances are stable in the short-term and long-term. The General Fund's fund balance as of June 30, 2017 was \$10,141,897, a decrease of \$477,394 or 4.5% from the prior year. This decrease is primarily caused by the transfer out of \$6,300,000 to the Capital Projects Fund offset by the merger of operations of the Sierra Fire Protection District. The total fund balance of \$10,141,897 equates to 43.86% or approximately five months' worth of expenditures.

In FY 16-17, the total General Fund expenditures were \$23,121,434 which was \$2,483,309 under budget. The General Fund revenues and other sources were under budget by \$2,086,180. The under

collection of revenues compared to budget is due to the merger with Sierra Fire Protection District being budgeted as a revenue when generally accepted accounting principles require the merger to be presented as a prior period adjustment. All other revenues, exclusive of amounts related to the merger, exceeded budget by \$947,729.

Emergency Fund:

The Wildland Fire Emergency Fund was established to fund the District's emergency and wildland fire liability. NRS 474 allows Fire Districts to set aside up to \$1.5 million per year for emergency operations, primarily wildland fire operations. As of June 30, 2017, the fund balance was \$1,192,390. This fund balance was carried forward to FY 17-18 to allow for District funding for the cost of future wildland fires and other emergencies.

Capital Projects Fund:

The TMFPD Capital Projects Fund is used to fund the purchase of equipment, building improvements and construction projects for the District. As of June 30, 2017, the Capital Projects Fund Balance was \$10,284,952 due to the time delay in the purchase of capital assets and construction projects, primarily in relation to Station 14. This is a one-time accumulation of funds for the District's Capital Improvement Program. This fund balance allows the District to pay for the capital projects and purchase of capital assets without acquiring debt, thus saving taxpayers interest expenses. The fund balance has been carried over to FY 17-18 for the District's Capital Improvement Program.

Workers' Compensation Fund:

In FY 03-04, the District established the Workers' Compensation Internal Service Fund in order to account for the District's liability for workers' compensation claims. Per the Reno/TMFPD Interlocal Agreement, the TMFPD shall pay a pro rata share of the Reno Fire Department workers' compensation claims based upon the number of positions attributable to the TMFPD vs. the total Reno Fire Department staff. With the termination of the TMFPD/Reno Interlocal Agreement, the TMFPD will continue to pay their proportionate share of actual costs for the remaining year of the 5 year buy-out. During fiscal year 2018 the District purchased the final year of the 5 year buy-out and only remains responsible for future heart and lung claims. As of June 30, 2017, the District had restricted net position of \$1,087,841.

Other Funds:

As of June 30, 2017, the District's Stabilization Fund had a fund balance of \$591,314 which is consistent with prior years. The fund is available to be utilized for decreases in revenues and for emergencies. As of June 30, 2017, the Sick and Annual Comp Benefits Fund had a fund balance of \$853,434 which is an increase of \$518,309 from the prior year due to budgeted transfers from the General fund. This fund was established to be used for the significant retirement payouts related to sick and comp time benefits. During FY 16-17 the District paid \$81,691 in retirement payouts.

Conclusion

The Truckee Meadows Fire Protection District is financially sound as of June 30, 2017. The consolidated operations of the District with the Truckee Meadows Fire Protection District have culminated in administrative and operational savings and the District's finances are stable.

FISCAL IMPACT

None

RECOMMENDATION

To accept the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2017.

POSSIBLE MOTION

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

"I move to accept the Truckee Meadows Fire Protection District's Audited Financial Statements for the Fiscal Year ended June 30, 2017."



November 30, 2017

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Truckee Meadows Fire Protection District for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our letter dated February 27, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. The District adopted Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. Accordingly, Note 10 to the financial statements has been added to disclose the tax abatements affecting the District's revenue raising abilities. In addition, the District adopted portions of GASB Statement No. 82, *Pension Issues – and amendment of GASB Statement No. 67, No. 68, and No. 73*. Accordingly, the payroll-related measures in required supplementary information have been updated to reflect covered payroll. There have been no other initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the actuarial accrued liability for other post-employment benefits is based on a third party actuarial valuation. We evaluated the key factors and assumptions used to develop the actuarial accrued liability for postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the pension liability is based on actuarial valuation. The actuarial valuation is calculated based on the employee information submitted by the District to the Public Employees' Retirement System of the State of Nevada (PERS). We evaluated the key factors and assumptions used to develop the estimate of the pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No such misstatements were noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 30, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the use of the Board of Fire Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada



Truckee Meadows Fire Protection District

June 30, 2017



Financial Statements
June 30, 2017

Truckee Meadows Fire Protection District

Truckee Meadows Fire Protection District

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June 30, 2017

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Independent Auditor's Report

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Truckee Meadows Fire Protection District (the District) (a component unit of Washoe County, Nevada) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of proportionate share of the net pension liability, and schedule of contributions on pages 4-10, 40-43, 44, 45 and 46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules, including budgetary comparisons and reconciliations, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund statements and schedules, including budgetary comparisons and reconciliations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statement and schedules, including budgetary comparisons and reconciliations are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 30, 2017

As management of the Truckee Meadows Fire Protection District's (the District) finances, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$18,355,713 of which includes \$22,514,395 net investment in capital assets, \$1,192,390 restricted for wildland fire emergencies, \$10,208,733 restricted for capital projects, \$2,500 restricted for equipment, \$1,087,841 restricted for claims, and (\$16,650,146) which is the unrestricted net position. Governmental activities include all funds of the District.
- The District merged the administration and operations of the Sierra Fire Protection District into the District as of July 1, 2016. The beginning net position of \$4,088,643 of The Sierra Fire Protection District was recorded as a prior period adjustment to the District's beginning net position.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$23,063,987, an increase of \$3,838,364 or 19.96% in comparison with the prior year. This increase was primarily caused by the merger of operations of the Sierra Fire Protection District. Approximately 43.59% of the combined ending fund balance is available for spending at the government's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Total assets of the District at June 30, 2017, were \$50,597,293 with capital assets, net of accumulated depreciation, accounting for \$22,514,395 of that total. Of the total liabilities of \$38,250,180, approximately 94.19% represent liabilities related to long-term liabilities of the District. This is an increase of \$8,909,697 in liabilities in comparison with the prior year which was primarily caused by the increase in the Net Pension Liability, the increase in other post-employment benefits related to the merger of Sierra Fire Protection District and the increase in estimated claims and judgements liability.

Truckee Meadows Fire Protection District

Management's Discussion and Analysis

June 30, 2017

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Total revenues for the year ended June 30, 2017 were \$28,323,826 consisting primarily of taxes and intergovernmental revenues, while total expenses were \$30,595,260. This resulted in a decrease in net position of \$2,271,434 or 13.73% from prior year. The decrease was primarily caused by a one-time increase in estimated workers compensation claims costs. The District's net position as of year-end is strong.

Both of the government-wide financial statements show the public safety function of the District, which is principally supported by taxes and intergovernmental revenues (governmental activities). All governmental activities of the District are included in the public safety function since the District is a single-purpose entity.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District fall into the governmental funds category, except for the proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Emergency Fund and Capital Projects Fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for each of its funds. A budgetary comparison statement or schedule has been provided for each fund to demonstrate compliance with the budget. The governmental fund financial statements and the reconciliations to the government-wide financial statements can be found on pages 13-16 of this report.

Proprietary funds. The District maintains two types of proprietary funds, which are both internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's functions. The District uses two internal service funds to account for its workers' compensation liability and health benefits liability. Because the District is fully insured for employee health benefit, the health benefits liability internal service fund was deemed no longer necessary and closed during fiscal year 2017. Because these services benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. The internal service funds are reported in the proprietary fund financial statements and can be found on pages 17-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-39 of this report.

Other information. The District maintains a stabilization fund and a sick annual comp benefits fund for internal purposes. These funds do not meet the definition of special revenue funds under Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which was implemented in 2011 by the District. The activity for these funds is included in the General Fund in the basic financial statements; however, since the District prepares a budget for these funds, a reconciliation of budgetary basis financial statements to GAAP basis financial statements is presented on pages 43 and 48 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

- As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2017, the District's total net position was \$18,355,713, which is a \$1,817,209 increase from the prior year. The primary reason for the increase was the prior period adjustment of \$4,088,643 related to the merger of the Sierra Fire Protection District operations.

Truckee Meadows Fire Protection District's Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$28,082,898	\$25,739,297
Capital assets	22,514,395	17,671,594
Total assets	<u>50,597,293</u>	<u>43,410,891</u>
Deferred outflows of resources	<u>8,437,304</u>	<u>5,749,113</u>
Other liabilities	2,221,324	1,461,457
Long-term liabilities	36,028,856	27,879,026
Total liabilities	<u>38,250,180</u>	<u>29,340,483</u>
Deferred inflows of resources	<u>2,428,704</u>	<u>3,281,017</u>
Net position:		
Investment in capital assets	22,514,395	17,671,594
Restricted	12,491,464	11,590,181
Unrestricted	<u>(16,650,146)</u>	<u>(12,723,271)</u>
Total net position	<u>\$ 18,355,713</u>	<u>\$16,538,504</u>

The assets and deferred outflows of resources of the District's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$18,355,713. Net position includes the District's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The net investment in capital assets as of June 30, 2017 was \$22,514,395. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the District's net position \$12,491,464 represents resources that are subject to external restrictions on how they may be used, such as the workers' compensation claims, capital projects and emergencies. The remaining balance of unrestricted net position was (\$16,650,146).

At the end of the current fiscal year, the District is able to report positive balances in two of the three categories of net position. The negative unrestricted net position was caused by the implementation of a new accounting standard requiring the reporting of the Net Pension Liability on the balance sheet.

Truckee Meadows Fire Protection District's Changes in Net Position

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 602,279	\$ 7,230,944
Capital grants and contributions	13,122	-
Operating grants and contributions	15,599	82,699
General revenues:		
Property taxes	17,100,142	11,099,590
Consolidated taxes	7,713,537	5,874,270
Other taxes	1,298,648	818,165
Unrestricted investment earnings	38,285	509,202
Reimbursements	1,403,146	414,085
Other	<u>139,068</u>	<u>601,690</u>
Total revenues	<u>28,323,826</u>	<u>26,630,645</u>
Expenses:		
Public safety	<u>30,595,260</u>	<u>24,435,890</u>
Increase (Decrease) in net position	(2,271,434)	2,194,755
Net position, July 1	16,538,504	14,343,749
Prior period adjustment	<u>4,088,643</u>	<u>-</u>
Net position, June 30	<u>\$18,355,713</u>	<u>\$16,538,504</u>

Total Revenues. The District's total revenues increased by \$1,693,181 or 6.36%. The primary increase was caused by an increase of property tax, consolidated tax revenue and other revenues which reflects the combined tax basis due to the merger with Sierra Fire Protection basis and a recovering economy. This increase was partially offset by a decrease in charges for service due to a reduction in fees collected from Sierra Fire Protection District under the previous interlocal agreement during fiscal year 2016.

Total Expenses. The District's total expenses increased by \$6,159,370 or by 25.21% which was primarily due to an increase in workers compensation claims costs and continued growth of the District.

Net Position. The District's total net position increased by \$1,817,209 during the fiscal year ended June 30, 2017, and \$2,194,755 during the fiscal year ended June 30, 2016. The increase in total net position in the fiscal year ended June 30, 2017 was primarily caused by the prior period adjustment of related to the merger of the Sierra Fire Protection District operations.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$23,063,987, an increase of \$3,838,364 or 19.96% in comparison with the prior year. This increase was primarily caused by the merger of operations of the Sierra Fire Protection District. Approximately 43.59% of the combined ending fund balance is available for spending at the government's discretion (unassigned fund balance).

The General Fund is the primary operating fund of the District. For the fiscal year ended June 30, 2017, the total fund balance for the General Fund was \$11,586,645. The total fund balance includes an assigned fund balance of \$5,530,895, which consists of \$64,551 assigned for encumbrances and appropriated fund balance, \$4,021,596 assigned to pay out accrued sick and annual compensation balances, and \$591,314 assigned for stabilization needs. The remaining fund balance consists of \$2,500 restricted for equipment purchase, \$21,089 in nonspendable fund balance, and \$10,053,757 unassigned.

The total fund balance for the General Fund in the amount of \$11,586,645 is an increase of \$41,297 from the prior year. This increase is primarily caused by the merger of operations of the Sierra Fire Protection District offset by an increase in transfers to the Capital Projects Fund.

As a measure of the General Fund's liquidity, it may be useful to compare the June 30, 2017, total fund balance not attributable to the Stabilization Fund or the Sick Annual Comp Benefits Fund of \$10,141,897 to fund expenditures. The fund balance represents 43.86% of total General Fund expenditures. This represents approximately 5 months' worth of expenditures. The fund balance will give the District's General Fund sufficient cash flow to meet its operational obligations in the future and the ability to pay for large wildland fires as they occur.

The District's Emergency Fund was established according to NRS 474 for the funding for unforeseen emergencies, primarily large wildland fires and other natural disasters. In fiscal year 2017, the District incurred large wildland fires within its jurisdiction; and it provided fire suppression services to other entities for a fee and paid for the State wildland fire insurance program and other expenditures which totaled \$957,710. The Emergency Fund balance as of June 30, 2017 was \$1,192,390. The Capital Projects Fund activity in fiscal year 2017 included, among other things, the purchase of radios, command vehicles, and the purchase of several pieces of apparatus.

Proprietary funds. The District's proprietary funds provide information on the workers' compensation and health benefit programs of the District. The net position of the Workers' Compensation Internal Service Fund as of June 30, 2017, was \$1,087,841. The Health Benefits Fund was closed during fiscal year 2017. In fiscal year 2017, the District fully funded its workers' compensation liabilities. In fiscal year 2018, the District budgeted to continue to fully fund the District's workers' compensation liabilities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's net investment in capital assets as of June 30, 2017, amounts to \$22,514,395 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings and building improvements, and vehicles and equipment. Refer to Note 4 for further detail.

Long-term debt. At the end of the fiscal year, the District had no bonded debt outstanding. Refer to Note 5 for further detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The District relies primarily on two types of tax revenues. The first of these is ad valorem or property taxes and is directly affected by the assessed property tax values in Washoe County, Nevada. Property tax revenues are projected to increase for 2017-2018. Assessed values increased by 3.15% for the coming fiscal year.
- The second significant tax revenue for the District, the consolidated tax, consists primarily of sales taxes. For the year ended June 30, 2017, taxable sales in Washoe County increased by 5.8% over the previous fiscal year. The District budgeted sales tax revenue consistent with projections obtained from the State of Nevada Department of Taxation.

These factors were considered in preparing the District's budget for the 2018 fiscal year.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Truckee Meadows, 1001 East Ninth Street, Reno, Nevada 89512.

Truckee Meadows Fire Protection District
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets	
Cash and investments	\$ 25,572,503
Restricted cash and investments	2,500
Accounts receivable	182,542
Taxes receivable	223,482
Due from other governments	1,934,134
Interest receivable	70,429
Deposits	82,651
Prepays	14,657
Capital assets, not being depreciated	3,203,386
Capital assets, net of accumulated depreciation	19,311,009
Total assets	50,597,293
Deferred Outflows of Resources	
Pension related amounts	8,437,304
Liabilities	
Accounts payable and accrued liabilities	1,803,257
Due to other governments	418,067
Noncurrent liabilities	
Due within one year	
Claims and judgments	96,133
Compensated absences	1,330,050
Tax refund	62,212
Due in more than one year	
Claims and judgments	1,232,996
Compensated absences	999,693
Tax refund	311,060
Other postemployment benefits	2,799,509
Net pension liability	29,197,203
Total liabilities	38,250,180
Deferred Inflows of Resources	
Pension related amounts	2,428,704
Net Position	
Investment in capital assets	22,514,395
Restricted for	
Wildland fire emergencies	1,192,390
Capital projects	10,208,733
Equipment purchase	2,500
Claims	1,087,841
Unrestricted	(16,650,146)
Total net position	\$ 18,355,713

Truckee Meadows Fire Protection District
Statement of Activities
Year Ended June 30, 2017

Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
					Governmental Activities
Governmental activities					
Public safety	\$ 30,595,260	\$ 602,279	\$ 13,122	\$ 15,599	\$ (29,964,260)
General Revenues					
Ad valorem taxes					17,100,142
Intergovernmental Revenues					
Consolidated taxes					7,713,537
SCCRT-AB104					1,224,262
Real property transfer tax					74,386
Licenses and permits					125,208
Reimbursements					1,403,146
Unrestricted investment earnings					38,285
Other					13,860
Total general revenues					27,692,826
Change in Net Position					(2,271,434)
Net Position, Beginning of Year					16,538,504
Prior Period Adjustment					4,088,643
Net Position, Beginning of Year, as restated					20,627,147
Net Position, End of Year					\$ 18,355,713

Truckee Meadows Fire Protection District

Balance Sheet – Governmental Funds

June 30, 2017

	General Fund (GAAP Basis)	Emergency Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 11,243,031	\$ 1,197,910	\$ 10,521,887	\$ 22,962,828
Restricted cash and investments	2,500	-	-	2,500
Accounts receivable	158,285	-	24,257	182,542
Taxes receivable	223,482	-	-	223,482
Due from other governments	1,746,533	187,601	-	1,934,134
Interest receivable	35,165	-	28,893	64,058
Deposits	6,432	-	76,219	82,651
Prepaid	14,657	-	-	14,657
Total assets	\$ 13,430,085	\$ 1,385,511	\$ 10,651,256	\$ 25,466,852
Liabilities				
Accounts payable and accrued liabilities	\$ 1,431,433	\$ 5,520	\$ 366,304	\$ 1,803,257
Due to other governments	218,991	-	-	218,991
Total liabilities	1,650,424	5,520	366,304	2,022,248
Deferred Inflows of Resources				
Unavailable revenues				
Property taxes	193,016	-	-	193,016
Reimbursements	-	187,601	-	187,601
Total deferred inflows of resources	193,016	187,601	-	380,617
Fund Balances				
Nonspendable	21,089	-	76,219	97,308
Restricted	2,500	1,192,390	10,208,733	11,403,623
Assigned	5,530,895	-	-	5,530,895
Unassigned	6,032,161	-	-	6,032,161
Total fund balances	11,586,645	1,192,390	10,284,952	23,063,987
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,430,085	\$ 1,385,511	\$ 10,651,256	\$ 25,466,852

Truckee Meadows Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds	\$ 23,063,987
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Capital assets used in governmental activities are not financial resources, and, therefore are not reported in the funds.

Governmental capital assets	36,779,811	
Less accumulated depreciation	<u>(14,265,416)</u>	
		22,514,395

Deferred inflows of resources are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	380,617
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Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.

Compensated absences	(2,329,743)	
Tax refund	(373,272)	
Other postemployment benefits	(2,799,509)	
Net pension liability	<u>(29,197,203)</u>	
		(34,699,727)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	8,437,304	
Deferred inflows of resources related to pensions	<u>(2,428,704)</u>	
		6,008,600

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net position of the Internal Service Funds is reported with governmental activities

1,087,841

Net position of governmental activities	<u><u>\$ 18,355,713</u></u>
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Truckee Meadows Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2017

	General Fund (GAAP Basis)	Emergency Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Taxes	\$ 17,026,920	\$ -	\$ -	\$ 17,026,920
Licenses and permits	125,208	-	-	125,208
Intergovernmental	9,603,184	-	-	9,603,184
Charges for services	11,280	-	-	11,280
Miscellaneous	385,200	851,450	69,104	1,305,754
Total revenues	<u>27,151,792</u>	<u>851,450</u>	<u>69,104</u>	<u>28,072,346</u>
Expenditures				
Current				
Public safety	23,167,634	957,710	751,743	24,877,087
Capital outlay	35,970	-	2,378,677	2,414,647
Total expenditures	<u>23,203,604</u>	<u>957,710</u>	<u>3,130,420</u>	<u>27,291,734</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,948,188</u>	<u>(106,260)</u>	<u>(3,061,316)</u>	<u>780,612</u>
Other Financing Sources (Uses)				
Transfers in	616,544	-	6,300,000	6,916,544
Transfers out	(6,650,000)	-	-	(6,650,000)
Sale of capital assets	29,593	-	24,257	53,850
Total other financing sources (uses)	<u>(6,003,863)</u>	<u>-</u>	<u>6,324,257</u>	<u>320,394</u>
Net Change in Fund Balances	<u>(2,055,675)</u>	<u>(106,260)</u>	<u>3,262,941</u>	<u>1,101,006</u>
Fund Balances, Beginning of Year	11,545,348	658,264	7,022,011	19,225,623
Prior Period Adjustment	<u>2,096,972</u>	<u>640,386</u>	<u>-</u>	<u>2,737,358</u>
Fund Balances, Beginning, as Restated	<u>13,642,320</u>	<u>1,298,650</u>	<u>7,022,011</u>	<u>21,962,981</u>
Fund Balances, End of Year	<u>\$ 11,586,645</u>	<u>\$ 1,192,390</u>	<u>\$ 10,284,952</u>	<u>\$ 23,063,987</u>

Truckee Meadows Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 1,101,006

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	2,191,414	
Less current year depreciation/amortization	<u>(1,348,462)</u>	
		842,952

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. Thus, the change in net position differs from the change in fund balances by the change in unavailable revenue. 259,342

Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	(342,479)	
Change in tax refund	(373,272)	
Change in postemployment benefits	<u>(488,496)</u>	
		(1,204,247)

In the statement of activities, the gain or loss on the disposal of capital assets is reported. In the governmental funds, the gain or loss is not reported. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold less the balance in accumulated depreciation. (151,966)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense.

Pension contributions	3,793,840	
Pension expense	<u>(4,091,777)</u>	
		(297,937)

The internal service funds are used by management to account for the costs of retiree health medical expenses and workers' compensation. The net revenue of the internal service funds is reported with governmental activities. (2,820,584)

Change in net position of governmental activities \$ (2,271,434)

Truckee Meadows Fire Protection District
Statement of Net Position – Proprietary Fund
June 30, 2017

	Governmental Activities Internal Service Funds
Assets	
Current assets	
Cash and investments	\$ 2,609,675
Interest receivable	6,371
Total assets	<u>2,616,046</u>
Liabilities	
Current liabilities	
Due to other governments	199,076
Claims and judgments	96,133
Noncurrent liabilities	
Claims and judgments	<u>1,232,996</u>
Total liabilities	<u>1,528,205</u>
Net Position	
Restricted	<u><u>\$ 1,087,841</u></u>

Truckee Meadows Fire Protection District
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
Year Ended June 30, 2017

	Governmental Activities Internal Service Funds
Operating Expenses	
Services and supplies	
Claims	\$ 2,543,610
Miscellaneous	2,568
	<u>2,546,178</u>
Total operating expenses	
Nonoperating Revenues (Expenses)	
Investment earnings	41,147
Net decrease in the fair value of investments	(49,009)
	<u>(7,862)</u>
Total nonoperating revenues (expenses)	
Loss Before Transfers	<u>(2,554,040)</u>
Transfers In	
General Fund	350,000
Transfers Out	
General Fund	(616,544)
	<u>(266,544)</u>
Total transfers	
Change in Net Position	(2,820,584)
Net Position, Beginning of Year	<u>3,908,425</u>
Net Position, End of Year	<u><u>\$ 1,087,841</u></u>

Truckee Meadows Fire Protection District
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2017

	Governmental Activities Internal Service Funds
Operating Activities	
Cash payments for services and supplies	<u>\$ (1,615,762)</u>
Noncapital Financing Activities	
Transfers in	350,000
Transfers out	<u>(616,544)</u>
Net Cash from (used for) Noncapital Financing Activities	<u>(266,544)</u>
Investing Activities	
Investment earnings	<u>(3,499)</u>
Net Change in Cash and Cash Equivalents	(1,885,805)
Cash and Cash Equivalents, Beginning of Year	<u>4,495,480</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,609,675</u></u>
Reconciliation of operating income (loss) to net cash from (used for) operating activities	
Operating income (loss)	\$ (2,546,178)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:	
Change in	
Due to other governments	134,287
Pending claims	<u>796,129</u>
Total adjustments	<u>930,416</u>
Net Cash used for Operating Activities	<u><u>\$ (1,615,762)</u></u>

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Truckee Meadows Fire Protection District (District) is a municipality of the State of Nevada located in Washoe County, Nevada. The District is governed by the Board of Fire Commissioners. The Washoe County Board of County Commissioners functions as the Board of Fire Commissioners of the District.

Prior to July 1, 2012, the District was considered a blended component unit of Washoe County. Although the District is a legally separate organization, the County was financially accountable, as defined in governmental accounting standards generally accepted in the United States of America, for Truckee Meadows Fire Protection District. Financial accountability was determined primarily by the Board of County Commissioners' participation as the governing body of the District. As of July 1, 2012, the County has no financial benefit or burden relationship with the District and, as such, the District has been reclassified from a blended component unit to a discretely presented component unit.

As of April 1, 2012, an Interlocal Agreement for Fire Services and Consolidation (Agreement) became effective between the Truckee Meadows Fire Protection District and the Sierra Fire Protection District. Under the Agreement, the two Fire Districts consolidated fire department administration and operations, although the two Fire Districts remain legally separate governmental entities. As of July 1, 2016, Sierra Fire Protection District's operations were consolidated into the District, as such; the District's beginning balances have been restated to include the July 1, 2016 balances of Sierra Fire Protection District in accordance with Government Accounting Standards Board Statement No. 69, *Government Combinations and Disposals of Government Operations*.

Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information about the activities of the District. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of the public safety function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the funds of the District. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements and the proprietary funds' financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources in connection with resources that have been received, but not yet earned. Expenditures generally are recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments, are recorded only when payment is due.

The District initially utilizes restricted resources to finance qualifying activities prior to unrestricted resources, which are utilized as they are needed.

Property taxes, licenses and permits, intergovernmental revenues, and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the District.

The focus of proprietary fund measurement is upon determination of operating income or loss, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include the cost of services (employee benefits). All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The District's Internal Service Funds are the only proprietary funds. The financial statements of the Internal Service Funds are consolidated into the governmental column when presented in the government-wide financial statements. The costs of these services are reported in the public safety function. The effect of interfund activity has been removed from the government-wide financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Wildland Fire Emergency Reserve Fund (The Emergency Fund), a special revenue fund under Nevada Revised Statutes (NRS), was created to account for the cost of unforeseen large wildland fire emergencies pursuant to NRS 474.510.

The Capital Projects Fund, a capital projects fund, accounts for the financial resources to be used for the acquisition and construction of major capital assets.

Additionally, the District reports the following fund type:

The Internal Service Funds, proprietary funds, account for the workers' compensation activity and the health benefits activity.

Budgets and Budgetary Accounting

Truckee Meadows Fire Protection District adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which include the following major procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the Board of Fire Commissioners files a tentative budget with the Nevada Department of Taxation for all funds.
2. Public hearings on the tentative budget are held on the third Monday in May in conjunction with Washoe County's budget hearing.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Department of Taxation for compliance with State laws and regulations. In any year in which legislative action, which was not anticipated, affects the local government's final budget, the Board may file an amended final budget within 30 days of adjournment of the legislative session.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year. Unencumbered appropriations lapse at the end of the year.
5. Budgets for all externally reported funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. In addition, budgets are required for the internally reported special revenue fund.

Pursuant to Nevada Revised Statute 354.598005 the person designated to administer the budget may transfer appropriations within any function. Budget amounts may be transferred between functions within a fund if the governing body is advised of the action at the next regular meeting and the action is recorded in the official minutes of the meeting. Transfer of appropriations between funds or from the contingency account or budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board of Fire Commissioners, following a scheduled and noticed public hearing, as necessary. The budget was augmented as set forth above during the year. In accordance with state statute, actual expenditures generally may not exceed budgetary appropriations of the public safety function of the General Fund, Special Revenue Funds, and Capital Projects Fund. Also, actual operating and non-operating expenses of the Internal Service Funds generally may not exceed budgeted amounts.

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Cash Deposited and Invested with Washoe County Treasurer

All cash transactions of the District are handled by the Washoe County Treasurer's office. Cash balances are pooled and, to the extent practicable, invested as permitted by law in combination with Washoe County funds.

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash and investments of the District are pooled with Washoe County funds and are available upon demand, all cash and investments of the District are considered to be cash equivalents.

Taxes Receivable

Real and personal property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2014-2015 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

Personal property taxes receivable reflect only those taxes management believes to be collectible.

Amounts not collected within 60 days after year-end have been recorded as deferred inflows of resources at the governmental fund level.

Receivables

Management does not anticipate any material collection losses in respect to the receivable balances.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Land improvements	40 years
Buildings	40 years
Building improvements	20 years
Vehicles and equipment	5-20 years

Pension

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District recognizes deferred outflow of resources as it related to the net pension liability.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District recognizes deferred inflow of resources as it relates to the net pension liability on the Statement of Net Position. In addition, the District recognizes deferred inflows of resources as they relate to property taxes and wildland fire reimbursements in the governmental fund financial statements.

Long-Term Liabilities

In the government-wide financial statements and the proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Compensated Absences

The costs involved in vacation time and sick leave benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements; costs are recorded as payroll costs only when the accumulated benefits are paid or accrued as a result of a termination of service.

The District provides for payment of accrued vacation. Upon death, retirement, permanent disability, or termination of an employee after ten years of full-time employment or its equivalent if the employee has not served as a full-time employee for reasons other than discharge for just cause, an employee shall be compensated for total accrued sick leave at the rate of one hour for every three hours earned up to a maximum hour limitation.

Fund Equity

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Restricted Net Position – Consists of net position with constraints placed on its use either by (1) external groups such as creditors, contributors, or laws or regulations; (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that does not meet the definition of restricted or net investment in capital assets.

In the governmental fund financial statements, fund balances are classified based primarily on the extent to which the District is bound to observe constraints imposed on the use of the resources in the fund. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form. The restricted fund balance occurs when constraints are placed on the use of resources externally (such as through debt covenants or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation). For the District, the restricted fund balance consists of restricted assets for capital projects, emergency resources and contributions to be used for specific purpose. The assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes and consists of the District's encumbrances as approved by the Board of Fire Commissioners and the amount of fund balance to be expended in the ensuing fiscal year as approved by the Board of Fire Commissioners and amounts internally reported for sick and annual compensation benefits and stabilization purposes. The remaining fund balance is shown as unassigned. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds, if any, are to be spent first, assigned funds second, and unassigned funds last.

Property Taxes

All real property in the District is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is determined by multiplying the assessed value by the tax rate applicable to the area in which the property is located.

Taxes on real property are a lien on the property and attach on July 1 of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January, and March, to the Treasurer of Washoe County. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial and mobile homes. In Washoe County, taxes on motor vehicles are collected by a State agency and remitted to the local governments in the County as part of the Consolidated Tax distribution.

Implementation of GASB Statement No. 77

As of July 1, 2016, the Truckee Meadows Fire Protection District adopted GASB Statement No. 77, *Tax Abatement Disclosures*. The implementation of this standard requires governments to disclosure information related to tax abatements. The additional disclosures required by this standard are included in Note 10.

Implementation of GASB Statement No. 82

As of July 1, 2016, the Truckee Meadows Fire Protection District adopted GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The implementation of this standard clarified data is presented in disclosures and required supplementary information related to pensions. The required supplementary information and disclosures included in Note 8 have been updated in accordance with this standard.

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code

While it appears that the actual expenses of the Workers' Compensation Internal Service Fund is over the statutory limit of \$1,350,000, per NRS 354.626 subsection 2, the NRS provides an exception directly related to a program of insurance. The District conformed to all significant statutory and administrative code constraints on its financial administration during the year.

Note 3 - Cash and Investments

The District is a voluntary participant in the Washoe County Investment Pool (WCIP). The Washoe County Board of County Commissioners administers and is responsible for the WCIP in accordance with NRS 355.175. The investment pool is not registered with the SEC as an investment company. Public Financial Management, LLC determines the fair value of the investment pool monthly. Washoe County has not provided or obtained any legally binding guarantees during the audit period to support these values. Each participant's share is equal to their investment plus or minus their pro-rata portion of monthly interest income and realized and unrealized gains/losses. The related fair value is determined as follows:

	<u>June 30, 2017</u>
	<u>Fair Value</u>
Washoe County Investment Pool	<u>\$ 25,575,003</u>

Credit Risk

Fixed income securities are subject to credit risk. Credit risk refers to the risk that a borrower will default on debt by failing to make required payments. The District does not hold any such investments directly, but participates in the WCIP. The WCIP is unrated by recognized statistical rating agencies

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Custodial Credit Risk

Custodial credit risk is the risk that an entity's deposits, which are in the possession of an outside party, will not be returned to the entity if the counterparty fails. The District is a participant in the WCIP. Balances in the WCIP are covered by one or more of the following: Federal depository insurance, the Securities Investor Protection Corporation, collateral held by the District's agent in the District's name, or by collateral held by depositories in the name of the Nevada Collateral Pool, and the balances are not exposed to custodial credit risk.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

Governmental Activities

	TMFPD 7/1/2016, Balance	SFPD 7/1/2016, Balance	Balance 7/1/2016, as restated	Increases	Decreases	Balance June 30, 2017
Capital assets, not being depreciated						
Land	\$ 2,073,174	\$ 121,000	\$ 2,194,174	\$ -	\$ -	\$ 2,194,174
Construction in progress	206,555	51,114	257,669	1,471,534	(719,991)	1,009,212
Total capital assets, not being depreciated	2,279,729	172,114	2,451,843	1,471,534	(719,991)	3,203,386
Capital assets, being depreciated						
Land improvements	344,132	24,105	368,237	25,110	-	393,347
Buildings and building improvements	11,942,390	2,901,259	14,843,649	24,490	-	14,868,139
Vehicles and equipment	14,383,001	3,307,257	17,690,258	1,285,976	(661,295)	18,314,939
Total capital assets, being depreciated	26,669,523	6,232,621	32,902,144	1,335,576	(661,295)	33,576,425
Less accumulated depreciation for						
Land improvements	(198,376)	(10,150)	(208,526)	(19,303)	-	(227,829)
Buildings and building improvements	(4,341,085)	(392,041)	(4,733,126)	(441,482)	-	(5,174,608)
Vehicles and equipment	(6,738,197)	(1,850,729)	(8,588,926)	(887,677)	613,624	(8,862,979)
Total accumulated depreciation	(11,277,658)	(2,252,920)	(13,530,578)	(1,348,462)	613,624	(14,265,416)
Total capital assets, being depreciated, net	15,391,865	3,979,701	19,371,566	(12,886)	(47,671)	19,311,009
Governmental activities capital assets, net	\$ 17,671,594	\$ 4,151,815	\$ 21,823,409	\$ 1,458,648	\$ (767,662)	\$ 22,514,395

The increase in accumulated depreciation includes depreciation expense of \$1,348,462 charged to the public safety function.

Truckee Meadows Fire Protection District
Notes to Financial Statements
June 30, 2017

Note 5 - Long-Term Liabilities

The District does not have any general obligation bonds outstanding as of June 30, 2017. Long-term liability activity for the year ended June 30, 2017, was as follows:

	Amount Outstanding July 1, 2016	Additions	Reductions	Amount Outstanding June 30, 2017	Due Within One Year
Compensated absences	\$ 1,987,264	\$ 1,413,611	\$ 1,071,132	\$ 2,329,743	\$ 1,330,050
Claims and judgments	533,000	2,543,610	1,747,481	1,329,129	96,133
Tax refund	-	373,272	-	373,272	62,212
	<u>\$ 2,520,264</u>	<u>\$ 4,330,493</u>	<u>\$ 2,818,613</u>	<u>\$ 4,032,144</u>	<u>\$ 1,488,395</u>

The tax refund liability of \$373,272 consists of a pending refund due to the State of Nevada-Department of Taxation for overpaid Nevada State Use taxes. Compensated absences and the net pension liability are generally liquidated from the General Fund and claims and judgments are liquidated from the Workers' Compensation Internal Service Fund.

Note 6 - Interfund Activity

Interfund transfers for the year ended June 30, 2017 consisted of the following:

	General Fund	Capital Projects Fund	Transfer in Workers' Compensation Fund	Total Transfers out
Transfers out				
General Fund	\$ -	\$ 6,300,000	\$ 350,000	\$ 6,650,000
Health Benefits Fund	616,544	-	-	616,544
Total transfers in	<u>\$ 616,544</u>	<u>\$ 6,300,000</u>	<u>\$ 350,000</u>	<u>\$ 7,266,544</u>

The transfer from the General Fund to the Capital Projects Fund was used to move unrestricted, one-time savings to fund one-time capital outlay expenditures. The transfer from the General Fund to the Workers' Compensation Fund was to fund higher than anticipated workers' compensation claims. The transfer from the Health Benefits Internal Service Fund to the General Fund was used to close the Health Benefits Internal Service Fund. The District is fully insured for employee health benefits; therefore the use of the internal service fund is no longer necessary.

Note 7 - Postemployment Health Care Benefits**Plan Description and Eligibility**

Prior to July 1, 2000, the District provided health insurance benefits to retired employees through a single-employer defined benefit plan. At June 30, 2000, ten retirees were participating in the District's health benefits program. On July 1, 2000, pursuant to an Interlocal Agreement for Fire Services and Consolidation, District fire operations were transferred to the City of Reno and the City accepted liability for the ten retirees under this plan. In accordance with the Interlocal Agreement, the District pays a proportionate share of employees' retiree health benefit costs based on service earned prior to July 1, 2000, for those employees who transferred employment to the City of Reno and retired prior to June 30, 2012 or during the term of the Interlocal Agreement. Health benefits under the City's plan included medical, prescription, vision, dental and life insurance. As of July 1, 2010, the Plan is administered through an irrevocable trust, Washoe County, Nevada OPEB Trust (Trust), established on May 11, 2010, by the Board of Washoe County Commissioners. The Trust, a multiple-employer trust, was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to Nevada Revised Statutes 287.017. The District is a participating employer in the Trust. Complete financial statements of the Trust may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, P.O. Box 11130, Reno, Nevada, 89520.

The Interlocal Agreement was terminated on June 30, 2012, and the District assumed responsibility for its own fire district operations as of July 1, 2012. As of June 30, 2012, in preparation of standing up the new fire operations, 11 former Reno firefighters transferred to the District with the provision the District would provide retiree health benefits for those 11 employees. Any former District employees remaining employed by the City of Reno as of July 1, 2012 retained retiree health benefits with the City and the City retained the liability for those employees. Benefits under the new District plan, a single-employer defined benefit plan, include health, dental, vision and prescription coverage. Eligible retirees who retire from the District will be required to pay for 50% of the retirees' health insurance premium and 100% of the cost of coverage for their families. Eligibility requirements, benefit levels, employee contributions and employer contributions may be amended by the mutual agreement of the Truckee Meadows Fire Protection District and the District's Fire Firefighters' Association.

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Funding Policy and Annual OPEB Cost

The amount of annual contributions each year are established through the annual budget process by the District's Board of Fire Commissioners and may be amended through negotiations with the employee association. The required contributions are based on projected pay-as-you-go financing requirements, with an additional amount, generally equal to the normal cost, to prefund benefits.

The annual OPEB Cost, the percentage of OPEB cost contributed to the Trust, and the net OPEB obligation (asset) at June 30, 2017 and the two preceding years were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
2015	\$ 214,891	\$ -	0.00%	\$ (786,447)
2016	257,678	-	0.00%	(528,769)
2017	488,496	-	0.00%	2,799,509

The net OPEB obligation (asset) as of June 30, 2017, was calculated as follows:

Determination of Annual Required Contribution:

Normal cost	\$ 436,941
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	126,921
Annual Required Contribution (ARC)	<u>\$ 563,862</u>

Determination of Net OPEB Obligation (Asset):

Annual Required Contribution	\$ 563,862
Interest on prior year net OPEB obligation (asset)	161,771
Adjustment to ARC	<u>(237,137)</u>
Annual OPEB Cost	488,496
Retiree benefit plan costs paid by district	-
District contributions made to OPEB Trust	<u>-</u>
Change in net OPEB obligation (asset)	488,496
Net OPEB Obligation (Asset), Beginning of Year, as restated	<u>2,311,013</u>
Net OPEB Obligation (Asset), End of Year	<u>\$ 2,799,509</u>

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

The funded status as of the most recent actuarial valuation was as follows:

Actuarial valuation date	July 1, 2016
Accrued actuarial liability (a)	\$ 6,128,670
Actuarial value of plan assets (b)	<u>4,972,679</u>
Unfunded actuarial accrued liability (asset) (a-b)	<u>\$ 1,155,991</u>
Funded ratio (b/a)	81.1%
Covered payroll* (active plan members) (c)	\$ 8,442,493
Unfunded actuarial accrued liability (asset) as a percentage of covered payroll [(a - b)/c]	13.69%

*The covered payroll for active plan members for the District's retiree group medical plan reported above represents salaries and wages for the 9 former Reno firefighters who transferred from the City of Reno to the District in June 2012 and who were still employed by the District at June 30, 2017 as well as employees who were hired by the District prior to July 1, 2014. The UAAL shown includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the 43 employees who transferred employment to the City of Reno and retired during the term of the Interlocal Agreement as well as current eligible employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information. The schedule will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

An actuarial valuation of retiree health and life benefits was completed as of July 1, 2014, using the Projected Unit Credit Method. Significant actuarial assumptions used were a 7.00% effective annual discount rate and an initial 9.84% health cost trend for non-Medicare and 7.00% for Medicare. The non-Medicare health cost trend assumes a staggered decline before an ultimate trend rate of 4.75% for 2074 and beyond. The Medicare health cost trend assumes a staggered decline before an ultimate trend rate of 5.00% for 2075 and beyond. The actuarial assumptions also assume that Medicare will be the primary coverage once the retiree reaches the age of 65. The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount over a 15 year closed amortization period.

Note 8 - Defined Benefit Pension Plan**Plan Description**

The District contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier, and for members entering on or after July 1, 2015, there is a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with thirty years of service, or at any age with 33 1/3 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2016 and 2017 the Statutory Employer/employee matching rates were 14.50% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate for fiscal years ending June 30, 2016 and 2017 was 28.00% for Regular and 40.50% for Police/Fire.

The District's contributions were \$3,793,840 for the year ended June 30, 2017.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2016:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2016, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's allocation percentage of the net pension liability was based on the District's total contributions due on wages paid during the measurement period. The District's proportion of the net pension liability is based on its combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2016. At June 30, 2016, the District's proportion was .21696 percent, which is a decrease of .00433 from the portion measured as of June 30, 2015.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the District as of June 30, 2016, calculated using the discount rate of 8.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	\$ 42,797,396	\$ 29,197,203	\$ 17,882,010

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions

The District's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2016 funding actuarial valuation

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2016, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the District recognized pension expense of \$4,091,777. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,955,120
Changes in assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments	2,714,243	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	1,929,221	473,584
District contributions subsequent to the measurement date	3,793,840	-
Total	<u>\$ 8,437,304</u>	<u>\$ 2,428,704</u>

Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date in the amount of \$3,793,840 will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2015 (the beginning of the measurement period ended June 30, 2016) is 6.48 years.

Truckee Meadows Fire Protection District
Notes to Financial Statements
June 30, 2017

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2018	\$ 110,285
2019	110,285
2020	1,297,646
2021	790,609
2022	(33,324)
Thereafter	<u>(60,741)</u>
Total	<u>\$ 2,214,760</u>

Additional Information

The PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 9 - Risk Management

The District is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has joined together with similar public agencies throughout the State of Nevada to create a pool, Nevada Public Agency Insurance Pool (NPAIP), under the Nevada Interlocal Cooperation Act. Property and liability is fully insured with NPAIP with a \$5,000 deductible. The District pays an annual premium to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that provides coverage for its members up to \$10 million per event. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

The District self-funded its health benefits until June 1, 2013. The Health Benefits fund was established to account for life insurance, medical, prescription, dental and vision programs. The self-funded plans contained within the Health Benefits fund are handled through contracts with an external claims administrator and through the purchase of various insurance plans. As of June 1, 2013, the District purchased a guaranteed health benefit plan and is no longer self-funded.

During the term of the Reno/Truckee Meadows Fire Protection District Interlocal Agreement, workers' compensation was fully insured with the City of Reno's self-funded workers' compensation plan. Due to the termination of the Agreement, as of July 1, 2012, the District is no longer self-funded with the City of Reno but has purchased a guaranteed workers compensation insurance plan. However, the District is still required to pay workers' compensation claims costs to the City of Reno for those years the District was self-funded through the City of Reno's workers' compensation plan.

During the fiscal year ended June 30, 2004, the District and the City of Reno instituted a "pay as you go" system for workers' compensation claims. The District shared the combined losses with the Reno Fire Department (RFD). Each year, the District was assigned the portion of paid losses corresponding to the ratio of employees originally transferred from the District to the total number of current RFD employees. The ratio applied to the District for the fiscal year ended June 30, 2012, which was the last fiscal year of the Agreement, was 25%. The

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

District established the Workers' Compensation Fund to account for this program. During the fiscal year ended June 30, 2017, the TMFPD paid the City of Reno \$1,548,405 for the purpose of buying out its final year of workers' compensation liability for fiscal year 2012. Claims incurred prior to fiscal year 2012 remain the liability of the City of Reno under the buyout agreement. TMFPD will remain responsible for future Heart and Lung related workers' compensation claims on a "pay as you go" system.

Claims' liability and activity for the past two years were as follows:

Claims liability, July 1, 2015	\$ 855,000
Claims and changes in estimates	166,623
Claims paid	<u>(488,623)</u>
Claims liability, June 30, 2016	533,000
Claims and changes in estimates	2,543,610
Claims paid	<u>(1,747,481)</u>
Claims liability, June 30, 2017	<u>\$ 1,329,129</u>

Note 10 - Tax Abatement

The District's tax revenues were reduced by \$323,820 under agreements entered into by the State Nevada. The state agreements include a partial abatement of one or more of personal property and local sales and use taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft, a partial abatement of one or more of property and local sales and use taxes imposed on a new or expanded data center and a partial abatement of sales and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses.

Note 11 - Merger – Sierra Fire Protection District

Effective July 1, 2016, the District merged with Sierra Fire Protection District (SFPD) in accordance with Washoe County Ordinance 1577. All of the Sierra Fire Protection District's fire services, powers, functions, responsibilities and obligations conferred upon and exercised by the Sierra Fire Protection District were assumed by the District.

Truckee Meadows Fire Protection District

Notes to Financial Statements

June 30, 2017

In accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, SFPD was merged into the District, with the District as the continuing entity. As such, the net Position and fund balances of SFPD, after applicable adjustments and eliminations, as of the beginning of the District's fiscal year, July 1, 2016 were combined with the District as of that date, resulting in a restatement of the District's beginning net position of \$4,088,643, General Fund beginning fund balance of \$2,096,972 and Emergency Special Revenue Fund beginning fund balance of \$640,386. The revenues and expenditures of SFPD were accounted for and incorporated into the District from July 1, 2016 forward.

The following table presents the financial position of SFPD's General Fund and Emergency Special Revenue Fund as of July 1, 2016:

	General Fund	Wildland Fire Emergency Fund
Assets		
Cash and investments	\$ 1,743,222	\$ 640,386
Taxes receivable	49,099	-
Due from other governments	346,933	-
Interest receivable	6,397	-
Total assets	\$ 2,145,651	\$ 640,386
Liabilities		
Accounts payable and accrued liabilities	\$ 9,427	\$ -
Deferred Inflows of Resources		
Unavailable revenues		
Property taxes	39,252	-
Fund Balances		
Restricted	-	640,386
Assigned	2,096,972	-
Total fund balances	2,096,972	640,386
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,145,651	\$ 640,386

The District reclassified SFPD's net OPEB asset to offset the District's net OPEB liability. Prior to the merger, all SFPD employees transferred to the District under the terms of an Interlocal Agreement for Fire Services and Consolidation between the two Districts. The health insurance benefits for SFPD were through the Truckee Meadows Fire Protection District Retiree Group Medical Plan; however, the liability for the payment for those retiree health benefits was retained by each District. As part of the merger, the liability for the payment of retiree health benefits is retained in total by the District.

Truckee Meadows Fire Protection District
Notes to Financial Statements
June 30, 2017

The following table presents the financial position of SFPD and the District as of July 1, 2016, adjustments and restated balances:

	TMFPD June 30, 2016	SFPD June 30, 2016	Adjustments	Merged Balances July 1, 2016
Assets				
Cash and investments	\$ 23,449,768	\$ 2,383,608	\$ -	\$ 25,833,376
Accounts receivable	141,966	-	-	141,966
Taxes receivable	102,242	49,099	-	151,341
Due from other governments	1,451,072	346,933	-	1,798,005
Interest receivable	59,048	6,397	-	65,445
Deposits	6,432	-	-	6,432
Net OPEB asset	528,769	-	(528,769)	-
Capital assets, not being depreciated	2,279,729	172,114	-	2,451,843
Capital assets, net of accumulated depreciati	15,391,865	3,979,701	-	19,371,566
Total assets	43,410,891	6,937,852	(528,769)	49,819,974
Deferred Outflows of Resources				
Pension related amounts	5,749,113	-	-	5,749,113
Liabilities				
Accounts payable and accrued liabilities	1,314,967	9,427	-	1,324,394
Due to other governments	133,368	-	-	133,368
Unearned reveunc	13,122	-	-	13,122
Noncurrent liabilities				
Due within one year				
Claims and judgments	533,000	-	-	533,000
Compensated absences	1,145,260	-	-	1,145,260
Due in more than one year				
Compensated absences	842,004	-	-	842,004
Other postemployment benefits	-	2,839,782	(528,769)	2,311,013
Net pension liability	25,358,762	-	-	25,358,762
Total liabilities	29,340,483	2,849,209	(528,769)	31,660,923
Deferred Inflows of Resources				
Pension related amounts	3,281,017	-	-	3,281,017
Net Position				
Investment in capital assets	17,671,594	4,151,815	-	21,823,409
Restricted for				
Wildland fire emergencies	659,745	640,386	-	1,300,131
Capital projects	7,022,011	-	-	7,022,011
Claims	3,908,425	-	-	3,908,425
Unrestricted	(12,723,271)	(703,558)	-	(13,426,829)
Total net position	\$ 16,538,504	\$ 4,088,643	\$ -	\$ 20,627,147



Required Supplementary Information

Truckee Meadows Fire Protection District

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
(Budgetary Basis)
Year Ended June 30, 2017
(Page 1 of 2)

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes				
Ad valorem, general	\$ 16,662,942	\$ 16,662,942	\$ 16,784,509	\$ 121,567
Ad valorem, AB 104	195,000	195,000	242,411	47,411
Licenses and permits				
Gaming, AB 104	3,500	3,500	123,928	120,428
Other	1,000	1,000	1,280	280
Intergovernmental				
Consolidated taxes	7,630,189	7,630,189	7,713,537	83,348
Real property transfer tax, AB 104	42,083	42,083	74,386	32,303
Supplemental city/county relief tax, AB 104	940,480	940,480	1,224,262	283,782
Interlocal cooperative agreement fire suppression	554,204	554,204	590,999	36,795
Local contributions	3,033,909	3,033,909	-	(3,033,909)
Charges for services				
Services to other agencies	10,000	10,000	10,000	-
Other	800	800	1,280	480
Miscellaneous				
Investment earnings	130,000	130,000	189,843	59,843
Net increase (decrease) in the fair value of investments	-	-	(200,539)	(200,539)
Reimbursements	500	500	365,576	365,076
Other	32,504	32,504	29,459	(3,045)
Total revenues	<u>29,237,111</u>	<u>29,237,111</u>	<u>27,150,931</u>	<u>(2,086,180)</u>
Expenditures				
Current				
Public safety function				
Fire				
Salaries and wages	13,187,423	13,187,423	12,478,928	708,495
Employee benefits	7,088,476	7,088,476	6,507,985	580,491
Services and supplies	5,328,844	5,328,844	4,098,551	1,230,293
Capital outlay	-	-	35,970	(35,970)
Total expenditures	<u>25,604,743</u>	<u>25,604,743</u>	<u>23,121,434</u>	<u>2,483,309</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,632,368</u>	<u>3,632,368</u>	<u>4,029,497</u>	<u>397,129</u>

Continued

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
(Budgetary Basis)
Year Ended June 30, 2017
(Page 2 of 2)

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Other Financing Sources (Uses)				
Proceeds from asset disposition	\$ -	\$ -	\$ 29,593	\$ 29,593
Transfers in				
Health Benefits Fund	638,592	638,592	616,544	(22,048)
Transfers out				
Capital Projects Fund	(6,300,000)	(6,300,000)	(6,300,000)	-
Workers' Compensation	-	(350,000)	(350,000)	-
Sick Annual Comp Benefits	(600,000)	(600,000)	(600,000)	-
Contingency	(350,000)	-	-	-
Total other financing sources (uses)	(6,611,408)	(6,611,408)	(6,603,863)	7,545
Net Change in Fund Balances	(2,979,040)	(2,979,040)	(2,574,366)	404,674
Fund Balances, Beginning of Year	9,755,783	9,755,783	10,619,291	863,508
Prior Period Adjustment	-	-	2,096,972	2,096,972
Fund Balances, Beginning of Year, as Restated	9,755,783	9,755,783	12,716,263	2,960,480
Fund Balances, End of Year	\$ 6,776,743	\$ 6,776,743	\$ 10,141,897	\$ 3,365,154

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Major Special
Revenue Fund – Emergency Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Other	\$ 640,386	\$ 640,386	\$ 851,450	\$ 211,064
Expenditures				
Public safety function				
Fire				
Salaries and wages	850,000	850,000	720,855	129,145
Employee benefits	25,000	25,000	12,334	12,666
Services and supplies	290,000	290,000	224,521	65,479
Total expenditures	1,165,000	1,165,000	957,710	207,290
Net Change in Fund Balances	(524,614)	(524,614)	(106,260)	418,354
Fund Balances, Beginning of the Year	653,002	653,002	658,264	5,262
Prior Period Adjustment	-	-	640,386	640,386
Fund Balances, Beginning of the Year, as Restated	653,002	653,002	1,298,650	645,648
Fund Balances, End of Year	\$ 128,388	\$ 128,388	\$ 1,192,390	\$ 1,064,002

Truckee Meadows Fire Protection District

Reconciliation of the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) to the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis)

Year Ended June 30, 2017

	General Fund (Budgetary Basis)	Internally Reported Funds	Eliminations	General Fund (GAAP Basis)
Revenues				
Taxes	\$ 17,026,920	\$ -	\$ -	\$ 17,026,920
Licenses and permits	125,208	-	-	125,208
Intergovernmental	9,603,184	-	-	9,603,184
Charges for services	11,280	-	-	11,280
Miscellaneous	384,339	861	-	385,200
Total revenues	<u>27,150,931</u>	<u>861</u>	<u>-</u>	<u>27,151,792</u>
Expenditures				
Current				
Public safety	23,085,464	82,170	-	23,167,634
Capital Outlay	35,970	-	-	35,970
Total expenditures	<u>23,121,434</u>	<u>82,170</u>	<u>-</u>	<u>23,203,604</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,029,497</u>	<u>(81,309)</u>	<u>-</u>	<u>3,948,188</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	29,593	-	-	29,593
Transfers in	616,544	600,000	(600,000)	616,544
Transfers out	(7,250,000)	-	600,000	(6,650,000)
Total other financing sources (uses)	<u>(6,603,863)</u>	<u>600,000</u>	<u>-</u>	<u>(6,003,863)</u>
Net Change in Fund Balances	<u>(2,574,366)</u>	<u>518,691</u>	<u>-</u>	<u>(2,055,675)</u>
Fund Balances, Beginning of Year	10,619,291	926,057	-	11,545,348
Prior Period Adjustment	<u>2,096,972</u>	<u>-</u>	<u>-</u>	<u>2,096,972</u>
Fund Balances, Beginning of Year as Restated	<u>12,716,263</u>	<u>926,057</u>	<u>-</u>	<u>13,642,320</u>
Fund Balances, End of Year	<u><u>\$ 10,141,897</u></u>	<u><u>\$ 1,444,748</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,586,645</u></u>

Truckee Meadows Fire Protection District
Schedule of Funding Progress – Other Postemployment Benefits
June 30, 2017

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Plan Assets (b)	Unfunded AAL (UALL) (a-b)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b)/c]
7/1/2013	\$ 4,079,936	\$ 3,573,083	\$ 506,853	87.58%	\$ 797,886	63.52 %
7/1/2014	3,293,617	3,981,559	(687,942)	120.89%	5,034,484	(13.66)%
7/1/2016	6,128,670	4,972,679	1,155,991	81.14%	8,442,493	13.69%

Truckee Meadows Fire Protection District
Schedule of District's Share of Net Pension Liability
Public Employee's Retirement System of Nevada (PERS)
Last Ten Fiscal Years

	2016	2015	2014
District's portion of net the pension liability	0.21696%	0.22129%	0.20583%
District's proportionate share of the net pension liability	\$ 29,197,203	\$ 25,358,762	\$ 21,451,071
District's covered payroll	\$ 9,271,513	\$ 8,435,593	\$ 7,783,987
District's proportional share of the net pension liability as a percentage of its covered payroll	314.91%	300.62%	275.58%
Plan fiduciary net position as a percentage of the total pension liability	72.23%	75.13%	76.31%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Truckee Meadows Fire Protection District
Schedule of District's Contributions
Public Employee's Retirement System of Nevada (PERS)
Last Ten Fiscal Years

	2017	2016	2015
Statutorily required contribution	\$ 3,793,840	\$ 3,671,552	\$ 3,415,736
Contributions in relation to the statutorily required contribution	\$ 3,793,840	\$ 3,671,552	\$ 3,415,736
Contribution (deficiency) excess	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 9,340,999	\$ 9,271,513	\$ 8,435,593
Contributions as a percentage of covered payroll	40.61%	39.60%	40.49%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Note 1 - Internally Reported (Budgetary Basis) Funds

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external reporting purposes.

Budget to actual comparisons are presented for all funds of the District, as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted and approved by the State of Nevada Department of Taxation. However, guidance provided by Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, specifies that two of these internally reported funds of the District do not meet the definition of special revenue funds and do not qualify to be separately presented for external reporting purposes.

These internally reported special revenue funds of the District (Sick Annual Comp Benefits Fund and Stabilization Fund) are combined with the General Fund for external reporting purposes.

Note 2 - Schedule of Funding Progress

Effective July 1, 2016, the District merged with Sierra Fire Protection District (SFPD) in accordance with Washoe County Ordinance 1577. All of the Sierra Fire Protection District's fire services, powers, functions, responsibilities and obligations conferred upon and exercised by the Sierra Fire Protection District were assumed by the District. As such, the net Position and fund balances of SFPD, after applicable adjustments and eliminations, as of the beginning of the District's fiscal year, July 1, 2016 were combined with the District

The District reclassified SFPD's net OPEB asset to offset the District's net OPEB liability. Prior to the merger, all SFPD employees transferred to the District under the terms of an Interlocal Agreement for Fire Services and Consolidation between the two Districts. The health insurance benefits for SFPD were through the Truckee Meadows Fire Protection District Retiree Group Medical Plan; however, the liability for the payment for those retiree health benefits was retained by each District. As part of the merger, the liability for the payment of retiree health benefits is retained in total by the District.

The Actuarial Accrued Liability (AAL) increased by \$2,835,053 and covered payroll increased by \$3,408,009 between the actuary valuation dated July 1, 2014 and the actuarial valuation date of July 1, 2016, primarily due to the merger with SFPD. The AAL decreased by \$786,319 between the actuary valuation dated July 1, 2013 and the actuarial valuation date of July 1, 2014, primarily due to a change under the current labor agreement, requiring retirees to enroll in Medicare at 65. Covered payroll increased by \$4,236,598 during this same period due to temporarily opening the plan to allow enrollment of active employees hired prior to July 1, 2014.

The District joined the Washoe County, Nevada OPEB Trust in the fiscal year 2011. Information on employer contributions can be found in the Trust's separately issued OPEB Trust, c/o Washoe County Comptroller's office, PO Box 11130, Reno, NV 89520.



Supplementary Information

Truckee Meadows Fire Protection District

Truckee Meadows Fire Protection District

Reconciliation of the General Fund Balance Sheet (Budgetary Basis) to the General Fund Balance Sheet
(GAAP Basis) – Governmental Funds

June 30, 2017

	General Fund (Budgetary Basis)	Internally Reported Funds	General Fund (GAAP Basis)
Assets			
Cash and investments	\$ 9,799,838	\$ 1,443,193	\$ 11,243,031
Restricted cash and investments	2,500	-	2,500
Accounts receivable	158,285	-	158,285
Taxes receivable	223,482	-	223,482
Due from other governments	1,746,533	-	1,746,533
Interest receivable	33,610	1,555	35,165
Deposits	6,432	-	6,432
Prepaid	14,657	-	14,657
Total assets	<u>\$ 11,985,337</u>	<u>\$ 1,444,748</u>	<u>\$ 13,430,085</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 1,431,433	\$ -	\$ 1,431,433
Due to other governments	218,991	-	218,991
Total liabilities	<u>1,650,424</u>	<u>-</u>	<u>1,650,424</u>
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	193,016	-	193,016
Fund Balances			
Nonspendable	21,089	-	21,089
Restricted	2,500	-	2,500
Assigned	4,086,147	1,444,748	5,530,895
Unassigned	6,032,161	-	6,032,161
Total fund balances	<u>10,141,897</u>	<u>1,444,748</u>	<u>11,586,645</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,985,337</u>	<u>\$ 1,444,748</u>	<u>\$ 13,430,085</u>

Truckee Meadows Fire Protection District
Combing Balance Sheet – Internally Reported (Budgetary Basis) Funds Reported as Part of the General Fund for
External Reporting Purposes
June 30, 2017

	Sick Annual Comp Benefits Fund	Stabilization Fund	Internally Reported Total
Assets			
Cash and investments	\$ 853,434	\$ 589,759	\$ 1,443,193
Interest receivable	-	1,555	1,555
Total assets	<u>\$ 853,434</u>	<u>\$ 591,314</u>	<u>\$ 1,444,748</u>
Fund Balances			
Assigned	<u>\$ 853,434</u>	<u>\$ 591,314</u>	<u>\$ 1,444,748</u>

Truckee Meadows Fire Protection District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Internally Reported (Budgetary
Basis) Funds Reported as Part of the General Fund for External Reporting Purposes
Year Ended June 30, 2017

	Sick Annual Comp Benefits Fund	Stabilization Fund	Internally Reported Total
Revenues			
Miscellaneous	\$ -	\$ 861	\$ 861
Expenditures			
Current			
Public safety	81,691	479	82,170
Excess (Deficiency) of Revenues over Expenditures	(81,691)	382	(81,309)
Other Financing Sources (Uses)			
Transfers in	600,000	-	600,000
Net Change in Fund Balances	518,309	382	518,691
Fund Balances, Beginning of Year	335,125	590,932	926,057
Fund Balances, End of Year	\$ 853,434	\$ 591,314	\$ 1,444,748

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Sick Annual Comp
Benefits Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Expenditures				
Public safety function				
Fire				
Salaries and wages	800,000	800,000	81,691	718,309
Employee benefits	20,000	20,000	-	20,000
Total expenditures	820,000	820,000	81,691	738,309
Excess (Deficiency) of Revenues over Expenditures	(810,000)	(810,000)	(81,691)	728,309
Other Financing Sources (Uses)				
Transfers in				
General Fund	600,000	600,000	600,000	-
Net Change in Fund Balance	(210,000)	(210,000)	518,309	728,309
Fund Balance, Beginning of Year	333,419	333,419	335,125	1,706
Fund Balance, End of Year	\$ 123,419	\$ 123,419	\$ 853,434	\$ 730,015

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Stabilization Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 7,000	\$ 7,000	\$ 7,868	\$ 868
Net increase (decrease) in the fair value of investments	-	-	(7,007)	(7,007)
Total revenues	7,000	7,000	861	(6,139)
Expenditures				
Public safety function				
Fire				
Services and supplies	500,000	500,000	479	499,521
Excess (Deficiency) of Revenues over Expenditures	(493,000)	(493,000)	382	493,382
Fund Balance, Beginning of Year	585,050	585,050	590,932	5,882
Fund Balance, End of Year	\$ 92,050	\$ 92,050	\$ 591,314	\$ 499,264

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Revenues				
Miscellaneous				
Investment earnings	\$ 50,000	\$ 50,000	\$ 123,065	\$ 73,065
Net decrease in the fair value of investments	-	-	(67,083)	(67,083)
Other	-	-	13,122	13,122
Total revenues	50,000	50,000	69,104	19,104
Expenditures				
Public safety function				
Fire				
Services and supplies	1,192,957	1,192,957	751,743	441,214
Capital outlay	11,285,954	11,285,954	2,378,677	8,907,277
Total expenditures	12,478,911	12,478,911	3,130,420	9,348,491
Excess (Deficiency) of Revenues over Expenditures	(12,428,911)	(12,428,911)	(3,061,316)	9,367,595
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	24,257	24,257
Transfers in				
General Fund	6,300,000	6,300,000	6,300,000	-
Total other financing sources (uses)	6,300,000	6,300,000	6,324,257	24,257
Net Change in Fund Balance	(6,128,911)	(6,128,911)	3,262,941	9,391,852
Fund Balance, Beginning of Year	6,656,872	6,656,872	7,022,011	365,139
Fund Balance, End of Year	\$ 527,961	\$ 527,961	\$ 10,284,952	\$ 9,756,991

Truckee Meadows Fire Protection District
Combining Statement of Net Position – Internal Service Funds
June 30, 2017

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Assets			
Current assets			
Cash and investments	\$ 2,609,675	\$ -	\$ 2,609,675
Interest receivable	6,371	-	6,371
Total assets	<u>2,616,046</u>	<u>-</u>	<u>2,616,046</u>
Liabilities			
Current liabilities			
Due to other governments	199,076	-	199,076
Claims and judgments	96,133	-	96,133
Total current liabilities	295,209	-	295,209
Noncurrent liabilities			
Claims and judgments	1,232,996	-	1,232,996
Total liabilities	<u>1,528,205</u>	<u>-</u>	<u>1,528,205</u>
Net Position			
Restricted	<u>\$ 1,087,841</u>	<u>\$ -</u>	<u>\$ 1,087,841</u>

Truckee Meadows Fire Protection District

Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds

Year Ended June 30, 2017

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Operating Expenses			
Services and supplies			
Claims	\$ 2,543,610	\$ -	\$ 2,543,610
Miscellaneous	2,568	-	2,568
Total operating expenses	2,546,178	-	2,546,178
Nonoperating Revenues (Expenses)			
Investment earnings	41,147	-	41,147
Net increase in the fair value of investments	(49,009)	-	(49,009)
Total nonoperating revenues (expenses)	(7,862)	-	(7,862)
Income (Loss) Before Transfers	(2,554,040)	-	(2,554,040)
Transfers			
Transfers in			
General Fund	350,000	-	350,000
Transfers out			
General Fund	-	(616,544)	(616,544)
Total transfers	350,000	(616,544)	(266,544)
Change in Net Position	(2,204,040)	(616,544)	(2,820,584)
Net Position, Beginning of Year	3,291,881	616,544	3,908,425
Net Position, End of Year	\$ 1,087,841	\$ -	\$ 1,087,841

Truckee Meadows Fire Protection District
Combining Statement of Cash Flows – Internal Service Funds
Year Ended June 30, 2017

	Governmental Activities		
	Workers' Compensation Internal Service Fund	Health Benefits Internal Service Fund	Total
Operating Activities			
Cash payments for services and supplies	\$ (1,615,762)	\$ -	\$ (1,615,762)
Noncapital Financing Activities			
Transfers in	350,000	-	350,000
Transfers out	-	(616,544)	(616,544)
Net Cash from (used for) Noncapital Financing Activities	350,000	(616,544)	(266,544)
Investing Activities			
Investment earnings	(4,766)	1,267	(3,499)
Net Change in Cash and Cash Equivalents	(1,270,528)	(615,277)	(1,885,805)
Cash and Cash Equivalents, Beginning of Year	3,880,203	615,277	4,495,480
Cash and Cash Equivalents, End of Year	\$ 2,609,675	\$ -	\$ 2,609,675
Reconciliation of operating income (loss) to net cash from (used for) operating activities			
Operating income (loss)	\$ (2,546,178)	\$ -	\$ (2,546,178)
Adjustments to reconcile operating loss to net cash used for operating activities			
Change in			
Due to other governments	134,287	-	134,287
Pending claims	796,129	-	796,129
Total adjustments	930,416	-	930,416
Net Cash used for Operating Activities	\$ (1,615,762)	\$ -	\$ (1,615,762)

Truckee Meadows Fire Protection District

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Workers' Compensation Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Operating Expenses				
Services and supplies				
Claims	\$ 995,000	\$ 1,345,000	\$ 2,543,610	\$ (1,198,610)
Miscellaneous	5,000	5,000	2,568	2,432
Total operating expenses	1,000,000	1,350,000	2,546,178	(1,196,178)
Nonoperating Revenues (Expenses)				
Investment earnings	50,000	50,000	41,147	(8,853)
Net increase (decrease) in the fair value of investments	-	-	(49,009)	(49,009)
Total nonoperating revenues (expenses)	50,000	50,000	(7,862)	(57,862)
Income (Loss) Before Transfers	(950,000)	(1,300,000)	(2,554,040)	(1,254,040)
Transfers In (Out)				
Transfers in General Fund	-	350,000	350,000	-
Change in Net Position	<u>\$ (950,000)</u>	<u>\$ (950,000)</u>	<u>\$ (2,204,040)</u>	<u>\$ (1,254,040)</u>
Net Position, Beginning of Year			<u>3,291,881</u>	
Net Position, End of Year			<u>\$ 1,087,841</u>	

Truckee Meadows Fire Protection District
Schedule of Cash Flows – Budget and Actual – Workers’ Compensation Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Operating Activities				
Cash payments for services and supplies	\$ (1,000,000)	\$ (1,350,000)	\$ (1,615,762)	\$ (265,762)
Noncapital Financing Activities				
Transfers in	-	350,000	350,000	-
Investing Activities				
Investment earnings	50,000	50,000	(4,766)	(54,766)
Net Change in Cash and Cash Equivalents	(950,000)	(950,000)	(1,270,528)	(320,528)
Cash and Cash Equivalents, Beginning of Year	4,062,548	4,062,548	3,880,203	(182,345)
Cash and Cash Equivalents, End of Year	<u>\$ 3,112,548</u>	<u>\$ 3,112,548</u>	<u>\$ 2,609,675</u>	<u>\$ (502,873)</u>
Reconciliation of operating income (loss) to net cash from (used for) operating activities				
Operating income (loss)			\$ (2,546,178)	
Adjustments to reconcile operating loss to net cash used for operating activities				
Change in				
Due to other governments			134,287	
Pending claims			796,129	
Total adjustments			930,416	
Net Cash Provided used for Operating Activities			<u>\$ (1,615,762)</u>	

Truckee Meadows Fire Protection District
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Health Benefits Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Transfers In (Out)				
General Fund	\$ (638,592)	\$ (638,592)	\$ (616,544)	\$ 22,048
Change in Net Position	<u>\$ (638,592)</u>	<u>\$ (638,592)</u>	(616,544)	<u>\$ 22,048</u>
Net Position, Beginning of Year			<u>616,544</u>	
Net Position, End of Year			<u>\$ -</u>	

Truckee Meadows Fire Protection District
Schedule of Cash Flows – Budget and Actual – Health Benefits Fund
Year Ended June 30, 2017

	2017 Budgeted Amounts		2017	
	Original	Final	Actual	Variance with Final Budget
Noncapital Financing Activities				
Transfers out	\$ (638,592)	\$ (638,592)	\$ (616,544)	\$ 22,048
Investing Activities				
Investment earnings (loss)	-	-	1,267	1,267
Net Change in Cash and Cash Equivalents	(638,592)	(638,592)	(615,277)	23,315
Cash and Cash Equivalents, Beginning of Year	638,592	638,592	615,277	(23,315)
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Truckee Meadows Fire Protection District (the District) (a component unit of Washoe County, Nevada) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 30, 2017



Auditor's Comments

To the Honorable Board of Fire Commissioners
Truckee Meadows Fire Protection District
Reno, Nevada

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Truckee Meadows Fire Protection District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, nothing came to our attention that caused us to believe that Truckee Meadows Fire Protection District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they related to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 of the financial statements.

Progress on Prior Year Statute Compliance

The District reported no instances of noncompliance with significant constraints on its financial administration during the year ended June 30, 2016.

Prior Year Recommendations

The prior year finding 2016-A was corrected.

Current Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal control for the current year.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 30, 2017



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 19, 2017

Fire Chief CM
Finance CV
Legal DWV
Risk Mgt DE
HR N/A

DATE: December 11, 2017
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Charles A. Moore, Fire Chief
Phone: (775) 328-6123 Email: cmoore@tmfpd.us
SUBJECT: Presentation, discussion and possible direction to staff regarding a review of the Green Waste Pilot Program and possible expansion of the program to include the acquisition of certain capital equipment in support of the expansion. (All Commission Districts)

SUMMARY

Presentation, discussion and possible direction to staff regarding a review of the Green Waste Pilot Program and possible expansion of the program to include the acquisition of certain capital equipment in support of the expansion.

Strategic Objective supported by this item: *Safe, Secure and Healthy Communities*

PREVIOUS ACTION

None

BACKGROUND

District staff is seeking approval to develop recommendations for future consideration by the Board regarding certain capital equipment to support the Green Waste program. The District launched a pilot program designed to assist citizens with the disposal of green waste. Citizens have limited options to dispose of green waste and fall fire weather conditions often preclude open pile burning. Sheer volume of material makes disposal difficult. Citizens cannot burn after November 1 due to air quality regulations.

The District accepted green waste at four fire stations on October 28th and November 18th to measure citizen demand and determine logistical needs. The demand for the service was very high. A conservative estimate on the material collected was an aggregate 750 tons over two collection days. Some of the green waste was delivered to RT Donovan for composting. Some material had to be disposed of at the landfill due to contaminated materials infiltrating into the containers.

The pilot program served as means to understand the logistical and financial responsibilities to continue the program long term. One significant finding of the pilot program was the infiltration of non-green waste into dumpsters. Dumpsters could not be immediately removed after the collection day and consequently, other waste was deposited after hours, such as tires, plastic, carpet and other non-green waste. In some cases, this caused the material to be rejected at the composting facility which required the material to be redirected to the landfill.

The District budgeted \$50,000 for fuels management in FY 17/18. If directed to expand the program to additional events, the cost per event for a large scale event, similar to the event on November 18th, are estimated as follows:

Dumpsters: \$400 each for 30 yard dumpsters. 13 @\$400 x 13 = **\$5,200.**

Tippage fee at RT Donovan for 30 yard dumpsters. 10 dumpsters x \$210 = **\$2,100.**

Payroll costs for additional staffing: **\$500.**

Lunch reimbursements for volunteers - **\$250.**

Event Total: \$8,050

If the program is to be expanded and maintained going forward, staff believes more control over dumpster access will be necessary. Staff is exploring the possibility of purchasing the rolling stock and equipment necessary to deploy our dumpsters so that they can be picked up immediately after the event.

Staff wants to explore purchasing a truck and j-hook along with two dumpsters and a water tank. This will allow green waste to be picked up after an event. The type of equipment is depicted below:





FISCAL IMPACT

Fiscal impact will be determined upon direction of the Board at a future date. Staff believes the budget has the financial capacity to acquire this equipment by re-purposing a \$400,000 line item for a command vehicle to additional equipment for the green waste program.

RECOMMENDATION

It is recommended that the Board accept the presentation and direct staff to continue research on expansion of the Green Waste program.

POSSIBLE MOTION

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

"I move to direct staff to provide recommendations on acquisition of certain capital equipment to support the Green Waste program"