



Agenda Item: 12.C
Date of Meeting: January 12, 2026
Department: Fire

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Fire Department Mid-Year Budget Adjustment Proposal**
Prepared On: January 5, 2026
Attachments: Fire Department Mid-Year Budget Adjustment Proposal

Background/History:

City staff typically present a city-wide, mid-year budget adjustment proposal for City Council review following the conclusion of December. However, based on the time sensitivity of certain department objectives, and the need to concurrently present an adjustment proposal to the Rural Fire Protection District, staff decided to present the mid-year budget adjustment proposal for the Fire Department prior to the adjustment proposal for the remaining City departments.

If the budget adjustment proposal is approved, the Fire Department will proceed in hiring one additional full-time employee and will purchase two significant improved pieces of equipment. One of the pieces of equipment is a used Pumper Tender Apparatus being marketed at a discount compared to perceived value of the equipment, the potential to purchase this piece of equipment is one of the drivers in expediting the mid-year budget adjustment proposal for the Fire Department.

A third-party auditor advised that it is critical for Bishop Fire Department to increase its paid staffing and upgrade its existing equipment. The proposed adjustment would allow for the Fire Department to address critical needs and adhere to the critical indicator received from the independent auditor.

Staff spent months discussing the scope of the proposed change to the Fire Department. One can review page 8 of the City's Financial Statements for June 30, 2025, to see that one of management's key focuses this fiscal year is on service expansion and strengthening public services, with specifics on a change to the operations of the Fire Department. When determining the scope of department change and budget adjustment, topics included:

- The type of full-time position to provide the most value to the department and more importantly, the public and their property.
- The equipment to be upgraded that will improve the effectiveness of service to the public, while attempting to prioritize replacement for the oldest, or most faulty, existing

equipment.

- How to address the critical needs of increased staffing and upgraded equipment, while adhering to financial constraints and considering future financial positioning.

Staff are confident that the proposed budget adjustment outlines a carefully conceived scope of department change that will maximize positive public impact, address critical department needs, and will be conducted in a fiscally responsible manner.

Analysis/Discussion:

Attached is a copy of a line-item worksheet used to analyze current trends and log adjusted budget figures to include for the budget adjustment proposal. The attachment includes only City Fire Department expense accounts and the YTD figure listed does not represent YTD at 12/31/2025. The spreadsheet was generated prior to the end of December, and analysis was completed by real-time review of the City's ERP system. The only City Fire Department revenue account to be materially modified following mid-year analysis is strike team revenue, which will be increased \$110,000, in alignment with the increase in strike team pay expense in the amount of \$100,000 within the attached proposal. The revenue adjustment will be presented for review and consideration at a later date.

Four material changes dictate the increased spending within the City Fire Department budget adjustment proposal. These changes are:

1. Hiring of a full-time Deputy Fire Chief. The cost to the City in FY 25-26 would total \$36,843 spanning multiple personnel expense accounts. In subsequent years, the cost to the City would total \$74,000-\$94,000. The total is dependent upon the scope of enrollment in City provided benefits and is subject to year over year cost escalations such as COLA and health insurance premium increases.
2. Increase in strike team pay budgeted expense. The \$100,000 adjustment is being proposed to account for actual strike team wages paid through December 2025 and to budget for a conservative amount of additional spending. This increased expense is offset by increased strike team revenue, as all strike team pay is submitted for reimbursement.
3. Purchase of a used Pumper Tender Apparatus. An adjustment to capital equipment expense is proposed and includes \$310,000 for 50% of the cost of the apparatus, along with \$27,125 for 50% of estimated taxes owed on the purchase.
4. Purchase of an air compressor to fill SCBAs. Based on a professional technician's evaluation, the current compressor unit is in poor repair and could permanently fail at any time. This equipment failure would result in significant operational/preparedness challenges. An adjustment to capital equipment expense is being proposed in the amount of \$59,500 for 50% of the cost of the air compressor replacement.

Budget Impacts:

The impacts on the FY 2025-26 budget are outlined in the attached worksheet. If the proposal is approved, the "YTD Budget" figures would be changed to the "Adjusted Budget" figures.

The budgets for subsequent years would be impacted by the continued employment of a Deputy Fire Chief.

An implicit budgetary impact of the changes being proposed is increased revenue from fire prevention activities conducted by the Deputy Fire Chief, as well as increased revenue from strike team deployments while ensuring no decrease in Fire Department services within the

department's sphere of influence during deployments.

Legal Review:

City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:

City Council consideration to approve the Fire Department Fiscal Year 2025-2026 Mid-Year Budget Adjustment proposal as presented and authorize the Fire Chief to hire a full-time Deputy Fire Chief.

Approved By: Ethan Aukee 1/6/2026

Approved By: Pam Foster 1/7/2026

Approved By:

Approved By: