



**CONFIRE**

## STAFF REPORT

**DATE:** March 24, 2026

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**TO:** CONFIRE Administrative Committee

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**SUBJECT: 2026-27 Preliminary Budget Overview and Approval**

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### **Recommendation**

Consider the following options regarding approval of the 2026-27 Preliminary Budget.

1. Option 1 – Approve Targeted Preliminary Budget with Reserve subsidy.
2. Option 2 – Approve Preliminary Budget for all funds with new positions in Fund 5008 and agency funding of Emergency Communications Nurse System.
3. Option 3 – Approve Preliminary Budget for all funds with no additional staffing positions added in Fund 5008 (operations) and agency funding of Emergency Communications Nurse System.

In the event the Court rules in favor of CONFIRE and the County and ambulance services are to begin in the 2026-27 budget year, revised budgets impacting all of the above options will be submitted to the Board and Administrative Committee for approval.

### **Background Information**

As part of the annual budget process, staff has prepared a preliminary budget 2026-27. The proposed preliminary budget focuses on maintaining current services levels. This report outlines projected changes, including new expenditures, and offsetting reductions as well as three budget options and associated implications for each option.

Key Cost Increases:

- Memorandum of Understanding (MOU) increases: Contractually obligated wage and benefit adjustments negotiated under current labor agreements.

- New Positions: strategic additions to staffing to support current services and operational efficiency.
- Increased Rent: Additional costs for the space at the new Valley Communication Center (1 full year).
- Rackspace Rent
- Increases in Radio/Console Rates.

#### Offsetting Reductions:

To manage growth responsibility, the following cost-saving measures are incorporated:

- Streamlining of Software services, eliminating redundant subscriptions.
- Realignment of Equipment Reserve items (hardware)

These offsets partially mitigate the overall impact of increasing expenditures and help to maintain a responsible fiscal trajectory.

Due to the projected revenue short fall of \$1,147,670 in Emergency Communications Nurse System (ECNS) revenues. Staff is presenting three preliminary budget options for consideration.

#### **Option 1 – Approve Targeted Preliminary Budget for All Funds with Reserve Subsidy**

Approves the preliminary budgets for all funds, including the continuation of the ECNS program utilizing \$1.15 million in available reserves to subsidize program operations. Staff will continue to pursue other funding sources. In the event that CONFIRE can start providing ambulance services under the contract with San Bernardino County, these revenues would be used to fund ECNS going forward, eliminating the need to utilize reserves.

#### Implications

- Maintains current ECNS service levels
- Avoids immediate agency cost increases
- Reduces organizational reserves
- Provides additional time to secure sustainable external funding

#### **Option 2 – Approve All Funds Preliminary Budgets with New Positions in Fund 5008 and Agency Funding of ECNS**

Approves the preliminary budgets for all funds, including the addition of two (2.0) new positions within fund 5008 (Operations) , with member and contract agencies paying the unfunded costs of ECNS operations based on ECNS call volumes per each agency.

#### Implications

- Maintains operational capacity and service delivery
- Establishes a structural funding model for ECNS
- Increases financial obligation of member and contract agencies
- Preserves organizational reserves

#### **Option 3 – Approve All Funds Preliminary Budgets with No New Positions in Fund 5008**

Approve preliminary budgets for all funds with no additional staffing positions added in Fund 5008. This represents a reduction in cost of \$331,370.

#### Implications

- Limits expenditure growth
- May constrain operations and service responsiveness
- Maintains current staffing workload pressures
- Preserves reserves and avoids new agency costs

Staff recommends Option 1 as it best supports the organization’s strategic priorities related to maintaining current service levels and operational readiness, without immediately financially impacting the agencies, while allowing for the impending decision on the ambulance contract.

#### **Fiscal Impact**

The current draft budget reflects an 8.3% net increase in costs. Budget refinements may adjust this figure prior to final approval.

#### **Attachments**

- Attachment A-Fund Summaries (Option.1&2)
- Attachment A-Fund Summaries (Option.3)
- Attachment B-Agency Costs (Option.1)
- Attachment B-Agency Costs.ECNS (Option.2&3)