



City of Ketchum

## CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

### Recommended Motion:

There is no formal recommended motion or requested action. Staff will review the presentation and seek general direction from Council in preparation for the June 18 budget workshop.

### Reasons for Recommendation:

- Staff will review the attached presentation (draft) which provides a starting point for policy direction in the development of the FY25 budget, including the Capital Improvement Plan.
- The CIP plan has been financially constrained to reflect alignment with available resources.
- Staff's goal is to deliver the draft budget book to Council by June 7.

### Policy Analysis and Background:

This session kicks off the multi-step budget development process.

The goal is to have a draft recommended budget by June 7 to allow the Council proper time to review prior to the June 18 workshop. During the workshop, staff will review each fund and departments' detailed funding requests to receive feedback on any adjustments. Following the workshop, staff will update the draft budget and publish in the paper twice in preparation for the July 25 public hearing.

Staff has attached the 2025 Capital Improvement Plan for the General Fund. The green highlighted items are recommended for initial funding authorization; remaining items would be dependent on revenue performance. The vast majority of proposed expenses in FY25 are related to maintenance and repair of existing assets/equipment.

The city does not have a significant ongoing revenue source for the plan outside the Idaho Power Franchise (\$300,000). Historically, the city has utilized excess revenues and expense savings from the previous fiscal year to fund the upcoming year.

### Sustainability Impact:

The General Fund budget assumes continued 50% split with Blaine County on the Sustainability Program. The Capital Improvement Plan currently allocates \$200,000 for solar installation at the fire station and \$50,000 for miscellaneous sustainability infrastructure investments.

Financial Impact:

None OR Adequate funds exist in account:	Staff is recommending an initial allocation of \$2,615,000 for CIP expenses based on available funds.
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Attachments:

1. Presentation
2. FY25 Capital Improvement Fund summary



# General Fund Budget Discussion

2025 Budget Process

May 20, 2024



# Agenda

- General Fund Assumptions
- Current Status
  - Notable Items
    - Base
    - One-time
- Questions/Discussion
- Next Steps
- Topics Forthcoming





# General Fund Assumptions



# General Fund Assumptions

## Revenue

### Property Tax

- 3% + New Construction

### State Shared Funding

- Sales Tax Sharing
- Highway Funds
- Liquor Sharing

## Expenses

### Wages

- Compensation Market Analysis
- 3% Assumed

### Operations

- Line by line approach





# Current Status



# Notable Items

## Notable Base Items

- Compensation Market Analysis \$44,200
- State Shared Funding \$129,500
- Fire Pumper Lease \$141,000  
Moved from CIP to General Fund
- Total \$314,700
- **Current Base Position \$86,892**





# Notable Items

## Notable One-time Addition

- Comp Plan/Zoning Code Project \$165,000

**Current Total Position\*** **(\$78,108)**

\*Includes Both Base and One-time Items

\*Planned Use of Fund Balance



# Questions/Discussion

- General Fund Budget Development
  - Assumptions
  - Adjustments
  - Additional Information





# Budget Development Next Steps





# Topics Forthcoming

Amanda	Courtney	Neil	Spencer	Tripp
<b>Housing Programs Crossover:</b>				
Lease to Locals	Lease to Locals	Lease to Locals		Lease to Locals (move in house)
Ownership Preservation Program	Ownership Preservation Program	Ownership Preservation Program	Ownership Preservation Program	Ownership Preservation Program
Housing Development (new)		Housing Development (new)		Housing Development (new)
	Rental Preservation Program	Mediation		Explore land acquisition
<b>Crossover:</b>				
Comp Plan & Code Rewrite	Comp Plan & Code Rewrite	Comp Plan & Code Rewrite		
		Forest Service Park		Forest Service Park
Sidewalk infill		Sidewalk infill (4 <sup>th</sup> Street)		
Fire consolidation		Fire consolidation		
		Undergrounding of lines (5 <sup>th</sup> & 4 <sup>th</sup> St)		Undergrounding of lines (WS path)
<b>Other:</b>				
	Electric vehicles	10 <sup>th</sup> Street roundabout	Consultants (review overall spend)	Consider a new law firm
	Fire station solar	Streets assessment	Historical district	Grow & expand Mountain Rides
	Funding for KSAC conference	Town Square revamp & Starbucks lease	Mountain overlay district	Rebuild of Atkinson Park soccer field
		Warm Springs Preserve		Undergrounding of lines along WS path
<b>Staffing:</b>				
	Consider HR personnel		Explore less people, paid more	Competitive comp. for Housing
	Consider sustainability personnel			Consider a grant writing position
				Consider sustainability personnel



# Capital Improvement Plan Financial Discussion



# Agenda

- 2025 Capital Improvement Plan
  - Historical CIP Funding
  - Priority Discussion
  - 2025 Funding Snapshot
  - Projects by Type/Department
  - Future Fiscal Year Funding
- Questions
- Next Steps





# 2025 Capital Improvement Plan *Proposed*



# Historical CIP Funding

## Base Funding Sources FY 2021-2023 (Average)

- General Fund Transfer: \$610k (very difficult to sustain)
- Idaho Power: \$301k (dedicated funding)
- **Total: \$911k**

## Base Funding Goal

- Eliminate deferred maintenance and fully fund an equipment replacement cycle



# Priority Discussion

**Recommendation to ensure preservation of current assets/service levels are the highest priority for resources.**

## Category Priority Order

- Repair & Maintenance
- Replacement
- Enhancement
- Percent for Art

## Fine Tuning FY 2025 Project List

- Deferred street projects based on pending street assessment
  - Predominately enhancement projects
- Equipment needs
  - Lease/Buy: \$100,000 lease costs versus \$722,000 to purchase

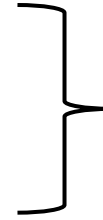




# 2025 Funding Snapshot

## Proposed Funding: \$2,615,000

- Idaho Power: \$300,000
- LOT: \$400,000
- CIP Fund Balance Use: \$500,000
  - Estimated Remaining Balance: \$536,400
- Donations/Grants: \$100,000
- URA: \$1,315,000
  - CIP Alignment
  - Project Specific



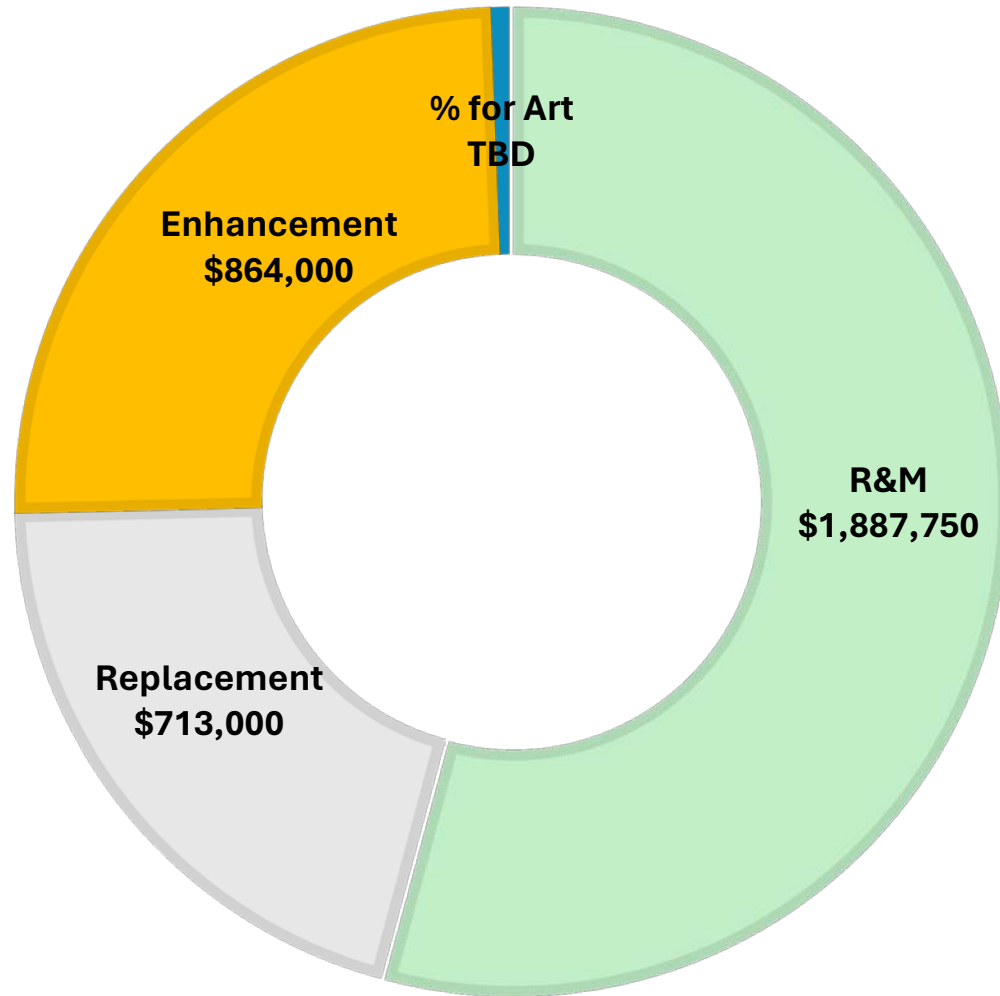
**\$1.2 Million Total**

## Other funds may include:

- LOT Overage
- EOY Allocation

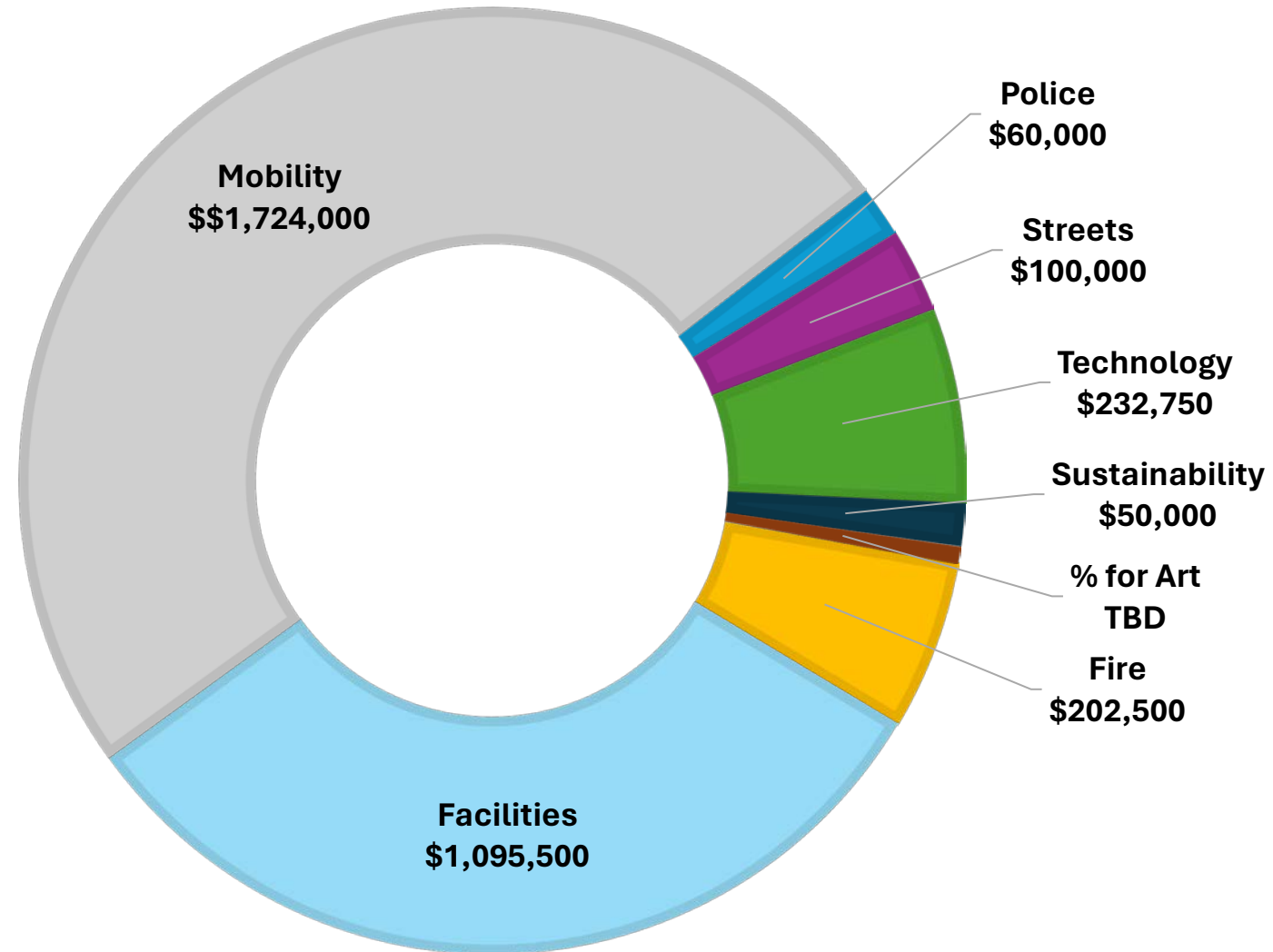


# Projects by Type





# Projects by Function







[See Project Handout](#)



# Project Groupings

## Repair & Maintenance (Funded)

\$1,887,750 Project Costs

- \$837,750 CY Funding → **70% of \$1.2 Million**
- \$1,050,000 URA Funding

## Replacement (Funded)

\$713,000 Project Costs

- \$350,500 CY Funding → **29% of \$1.2 Million**
- \$262,500 LOT Funding
- \$100,000 Donations/Grants



# Current Year Funding Snapshot Cont.

## Enhancement

\$864,000 Project Costs

- \$599,000 CY Funding
- \$265,000 URA Funding

## Percent for Art (Main Street)

Phase 1 \$25,000 (Current Year)

Phase 2 (Amount TBD)





# Future Year Funding Source

**No significant, ongoing/base, dedicated revenue source to address both short-term and long-term Capital Infrastructure needs.**

Strategic conversations to identify a stable base resource.

- Trade-offs – General Fund cuts
- LOT (Expiration/Amendment of LOT)
- Fire Transition

Base Funding Need

- \$1.5 – 2.0 million annually



## Questions

- 2025 Capital Improvement Plan
  - Adjustments
  - Additional Information
  - Project Expectations
- Future Years
  - Dialogue on Long-Term CIP Funding



# Next Steps

- Refinements, as needed
- Refine 2026 – 2029 CIP: “Out Years”
- Continued discussions regarding a base funding source



**Ketchum Capital Improvement Program  
Sources/Uses Summary - FY 2025**

Version Date 5/15/24

**DRAFT 2025**

				Projected Funding Sources				
Description	Department	Expenditure Category	Projected Cost	Local Option Tax	Current Year Funding*	Donations/ Grants	Urban Renewal Agency	
1	<b>FY 2024 End of Year Resources (GF Trans Year End)</b>							
2	<b>Current Year/Planned Use Resources</b>							
	<b>FY 2025</b>							
3	FIREFIGHTIN EQ (TOOLS)	Fire	Replacement	\$15,000	\$15,000			
4	PPE (TURNOUT GEAR)	Fire	Replacement	\$32,000	\$32,000			
5	RADIOS (PORTABLE)	Fire	Replacement	\$14,000	\$14,000			
6	MEDICAL (CITY PROVIDED)	Fire	Replacement	\$4,000	\$4,000			
7	RESCUE (CITY PROVIDED)	Fire	Replacement	\$25,000	\$25,000			
8	UTILITY PICKUP	Fire	Replacement	\$110,000	\$110,000			
9	SHOP TOOLS	Fire	Replacement	\$2,500	\$2,500			
10	WATER CONSERVATION UPGRADES	Facilities	Enhancement	\$20,000		\$20,000		
11	GRAVELY ZERO TURN MOWER	Facilities	Replacement	\$16,000		\$16,000		
12	ROTARY PARK REPLACE IRRIGATION	Facilities	Replacement	\$106,000		\$106,000		
13	ROTARY PARK DRINKING FOUNTAIN	Facilities	Replacement	\$3,500		\$3,500		
14	ROTARY PARK RIVER PATHWAY	Facilities	Replacement	\$15,000		\$15,000		
15	FARNLUN PARK IRRIGATION HOOKUP	Facilities	Enhancement	\$10,000		\$10,000		
16	FARNLUN PARK PORTABLE WATER	Facilities	Enhancement	\$15,000		\$15,000		
17	SKATE PARK (PERMANENT BATHROOMS)	Facilities	Enhancement	\$125,000		\$125,000		
18	SOLAR (FIRE)	Facilities	Replacement	\$200,000		\$100,000	\$100,000	
19	BONNING CABIN PRESERVATION	Facilities	R&M	\$105,000		\$105,000		
20	ORE WAGON DOORS	Facilities	R&M	\$45,000		\$45,000		
21	ORE WAGON PHASE 1	Facilities	Enhancement	\$125,000		\$125,000		
22	FOREST SERVICE PARK ROOF & SIDING RENOVATIONS	Facilities	R&M	\$200,000		\$50,000	\$150,000	
23	REPLACE TRASH CANS (CITY WIDE)	Facilities	Replacement	\$10,000		\$10,000		
24	TOWN SQUARE PHASE 1 DESIGN	Facilities	Enhancement	\$100,000		\$40,000	\$60,000	
25	PAVEMENT MANAGEMENT PROGRAM	Mobility	R&M	\$250,000		\$250,000		
26	TOWN SQUARE ALLEY-ASPHALT	Mobility	R&M	\$50,000		\$50,000		
27	BIKE NETWORK IMPROVEMENTS	Mobility	Enhancement	\$80,000		\$30,000	\$50,000	
28	FINAL MAIN STREET FURNISHINGS & TRANSIT	Mobility	Enhancement	\$234,000		\$174,000	\$60,000	
29	DOWNTOWN CORE SIDEWALK INFILL	Mobility	R&M	\$900,000			\$900,000	
30	SIDEWALK CURB AND GUTTER	Mobility	R&M	\$115,000		\$115,000		
31	PARKING MANAGEMENT	Mobility	Enhancement	\$95,000			\$95,000	
32	POLICE VEHICLE (NEW)	Police	Replacement	\$60,000	\$60,000			
33	ELGIN GEOVAC (2000) - SWEEPER	Street/Equipment	Replacement	\$50,000		\$50,000		
34	140 GRADER (TBD)	Street/Equipment	Replacement	\$50,000		\$50,000		
35	TECHNOLOGY UPGRADES	Technology	R&M	\$172,750		\$172,750		
36	WEBSITE REBUILD	Technology	Enhancement	\$60,000		\$60,000		
37	SUSTAINABILITY	Sustainability	R&M	\$50,000		\$50,000		
38	% for Art	% for Art	% for Art	TBD		TBD		
39	<b>2025 Proposed Totals</b>			<b>\$3,464,750</b>	<b>\$262,500</b>	<b>\$1,787,250</b>	<b>\$100,000</b>	<b>\$1,315,000</b>
40	SURPLUS/(DEFICIT)				\$137,500	-\$987,250	\$0	\$0