



## City of Ketchum

### CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: August 18, 2025 Staff Member/Dept: Jade Riley – Administration

Agenda Item: Recommendation to approve Memorandum of Understanding 25-007 with the Ketchum Fire District

#### Recommended Motion:

"I move to approve Memorandum of Understanding 25-007 with the Ketchum Fire District."

#### Reasons for Recommendation:

- Ketchum voters approved (72.25% in favor) in November of 2024 to form a stand-alone Ketchum Fire District.
- The new Fire District will start its fiscal year on October 1 but will not receive its first property tax payment from the County until January of 2026.
- MOU seeks to outline key logistic coordination tasks between the City and the District to ensure a successful startup.
  - Transfer of personnel
  - Physical assets
  - Start-up costs
  - On-going service coordination

#### Key Policy Topics for discussion:

- Transfer of assets/fire station: the MOU outlines a process to transfer assets to the new district including the fire station (at no cost) once the existing facility bond is paid in full.
  - Transferring the bond payment to the District would require approval from the existing bond holders, which would not occur as the District does not have additional taxing authority in place to service the debt. In addition, the payers (Ketchum property taxpayers) would not change as the District's boundaries are the same as city limits.
  - This matter could be revisited in later years as nothing will occur until the bonds are paid off in approximately 15 years.
- Start-up costs: the MOU outlines the city to cover initial start-up costs for the District as it will not receive initial property tax funding until January 2026 and will only have funds from the Ambulance District contract. The city would advance \$800,000 with \$375,00 to be reimbursed within the same fiscal year.
- Service coordination: several aspects (e.g. planning/building fire inspections, impact fee collection) of agreement contemplate subsequent detailed agreements.

#### Sustainability Impact:

None

Financial Impact:

None OR Adequate funds exist in account:

- FY25: \$175,000 in start-up costs
- FY26: \$800,000 to cover first quarter operating costs with \$375,000 reimbursed to City.

Attachments:

1. (updated draft) MOU #25-007

## MEMORANDUM OF UNDERSTANDING

### *City of Ketchum and Ketchum Fire District*

THIS MEMORANDUM OF UNDERSTANDING (this “MOU”) is made and entered into as of August 18, 2025 (“Effective Date”) by and between the City of Ketchum, a municipal corporation of the State of Idaho (the “City”), and the Ketchum Fire District, fire protection district of the State of Idaho (the “District”). The City and the District are sometimes referred to herein collectively as the “Parties” and each individually as a “Party”.

### RECITALS

A. Prior to the execution of this MOU, all fire and emergency medical services (“EMS”) within the City of Ketchum were provided by the Ketchum Fire Department, a department of the City.

B. In recent years, emergency response agencies within the Wood River Valley, including the City, have faced increasing challenges in responding effectively to complex incidents, simultaneous emergencies, and growing service demands.

C. Independent studies have been conducted, concluding that consolidating fire and EMS services on a countywide basis would significantly enhance efficiency and address these response challenges.

D. The Parties acknowledge that several governmental entities in the Wood River Valley have expressed a shared interest in consolidating the provision of fire and EMS services into a single, unified entity.

E. On November 5, 2024, voters within the City of Ketchum approved the formation of the Ketchum Fire District, a new independent taxing entity comprising the same geographic boundaries as the City, with the intent that the District may consolidate with other emergency service districts.

F. To ensure uninterrupted fire protection and EMS services during this transitional period from the City to the District, and to facilitate the orderly transfer of operations, personnel, assets, and responsibilities, the Parties desire to enter into this MOU to memorialize the initial terms and conditions governing the transition of the Ketchum Fire Department from the City to the District, a separate legal entity.

G. The Parties further recognize that this MOU is intended to serve as an initial framework and does not resolve all matters necessary to establish and support the independent operation of the District. The Parties acknowledge that future agreements, planning efforts, and good-faith cooperation will be necessary to address remaining legal, operational, and financial issues over time, and they are committed to working collaboratively to that end.

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants and agreements contained herein, the City and the District hereby agree as follows:

## SECTION 1 PERSONNEL

**1.1 Personnel.** At 23:59 hours on September 30, 2025, City employment of Ketchum Fire Department personnel shall terminate. Effective 00:00 hours on October 1, 2025, all such personnel shall be immediately ‘hired’ as personnel of the District, and shall be hired into positions at the District equivalent to the positions they held at the City immediately prior to the transition. The Parties further agree to the following terms governing this personnel transfer:

- 1.1.1** The District shall compensate all transferred employees in accordance with the same pay scale and compensation structure that was in effect at the City immediately prior to the transition date.
- 1.1.2** The District agrees to assume the City’s obligations under Collective Bargaining Agreement (“CBA”) by and between the City and the International Association of Fire Fighters Local #3426 (the “Union”) for 2024-2025.<sup>1</sup> Further, the Parties acknowledge that the existing CBA expires at 00:00 hours on September 30, 2025. Therefore, the City agrees to initiate discussions with the Union, and obtain an extension of the CBA in order to make a proper hand-off to the District. Thereafter, District agrees to engage in good faith negotiations with the Union to establish a new CBA governing the compensation and working conditions of Union members at the District.
- 1.1.3** The City shall fulfill its obligations under any existing Health Reimbursement Agreements (“HRA”) by contributing the applicable amounts, up to the individual HRA limits, into the Voluntary Employees Beneficiary Association (“VEBA”) trust to be established by the District for eligible employees.
- 1.1.4** All accrued City leave balances as of September 30, 2025, including sick leave, vacation leave, holiday leave, and compensatory time off, shall transfer to the District with each employee and be tracked within the District’s timekeeping system, subject to the provisions of the CBA and City policy.
- 1.1.5** No accrued leave shall be cashed out to the employees as part of the transfer of benefits to the District, unless expressly required by the CBA or City policy.

## SECTION 2 FIRE PREVENTION AND RISK REDUCTION AND IMPACT FEES

**2.1 Fire Prevention and Risk Reduction.** Statutorily, the Fire Chief is the Fire Code Official for all areas within a Fire District. It is the intent of the Parties to provide a comprehensive and professional level of Fire Prevention and Risk Reduction to the community through

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<sup>1</sup> An unexecuted copy of this collected labor agreement can be accessed here:  
<https://mccmeetingspublic.blob.core.usgovcloudapi.net/ketchid-meet-e9e9d79bce664503914ecf65ffb39ff5/ITEM-Attachment-001-f00f8f31013d4c2bb1b9a06b8f59f168.pdf> (last accessed July 29, 2025).

the application and enforcement of the International Fire Code as adopted and amended by the Idaho State Fire Marshal and local ordinance. Both parties agree to establish Service Coordination Agreement that will outline the details of the following::

- 2.1.1 *Fire Plan Review Fees.*** The District shall establish a fee schedule for fire code plan review and inspections. The City agrees to collect these fees on the District's behalf as part of its Planning and Zoning, and Building Permit processes, and to remit the collected amount to the District on a regular basis. The fee schedule adopted by the District shall include a 10% administrative fee to be retained by the City for collection and processing services.
- 2.1.2** The District will provide Fire Code and Life-Safety reviews, inspections, and comments for all building permits, pre-application reviews, subdivision applications, and special events as needed as part of the plan check or application fee.
  - 2.1.2.1** Such reviews, inspections, and comments shall be performed in a timely manner as mutually agreed to by the City and the District.
- 2.1.3** Business License inspection and ongoing commercial occupancy inspections shall be performed by the District as a no-fee service to the City.
- 2.1.4** All Fire Code reviews and inspections shall be conducted pursuant to the International Fire Code as adopted and amended by the Idaho State Fire Marshal and local Ordinance.
- 2.2 Impact Fees.** The City and the District agree to collaborate in good faith to establish lawful development impact fees to support the District's capital improvements. Any such impact fees shall be limited to capital facilities, consistent with the Idaho Department Impact Fee Act, and shall not be used for personnel or operational costs. The Parties acknowledge that a separate intergovernmental agreement and compliance with the statutory requirements of Chapter 82 of Title 67, Idaho Code, including the formation of a Development Impact Fee Advisory Committee and adoption of a Capital Improvement Plan by the District, will be necessary before any impact fees can be adopted or collected for the District.
- 2.3 Short-Term Rental Program.** The Parties acknowledge that the City has adopted an ordinance regulating short-term rentals and agree that the City retains exclusive permitting authority.
  - 2.3.1** The District agrees to act as the City's agent for the purpose of conducting required inspections related to short-term rental permits.
  - 2.3.2** The District shall invoice the City for its inspection services based on the rates set in the District's adopted fee schedule.
  - 2.3.3** The City will maintain software to aid in the tracking of the Short-Term Rental permit and application processes.

### SECTION 3 FIRE DISTRICT START-UP COSTS

**3.1 Start-Up Costs.** The Parties acknowledge that although the District will assume operation responsibility on October 1, 2025, it will not receive tax-based revenue until 2026. Accordingly, the City agrees to continue funding the operational costs of the Fire District up to October 1, 2025, consistent with the level of funding provided in the City's FY 2024-25 adopted budget. Additionally, the City agrees to fund the following startup items for the District utilizing funds out of the City's budget:

1. Accounting and Timekeeping System/Software
2. The separation and standup for Information Technology (IT) systems
3. Additional Legal services for the District
4. Website startup
5. Other items as appropriate and approved by the City Council

**3.2 Temporary Fire Prevention and Risk Service Fee.** On October 1, 2025, the City agrees to make a one-time monetary transfer to the District in the amount of \$800,000. This payment shall constitute a fee for service. Namely, the District has agreed to begin operations on October 1, 2025, which is several months before it will receive any tax revenue. This early startup will likewise enable the City to cease operating its own Fire Department on September 30, 2025. In order to avoid a shut down in services to City and District residents between the time the City ceases Department Operations, and the time the District is funded through tax revenue, the City has agreed to pay and will pay the fee for service. After the District receives its first full year of tax revenue, the District agrees to make a one-time monetary transfer to the City no later than September 30, 2026, in an amount up to \$375,000. The purpose of this payment to the District is to refund any overpayment of service fees the City may have made to the District for fire prevention and fire risk services through its service fee payment.

### SECTION 4 TRANSFER OF OWNERSHIP

**4.1 Transfer of Ownership.** The City agrees to transfer ownership at no cost to the District, all equipment, vehicles, supplies, and apparatus that are both (a) currently owned outright by the City (i.e. the City possesses unencumbered title) and (b) utilized by its Fire Department. The City agrees to execute all documents necessary to effectuate the transfer of clear title to such assets.

**4.2 Leased Property.** The Parties agree to collaborate in good faith to facilitate the transfer of ownership and/or leasehold interests in any fire apparatus currently subject to existing lease-purchase agreements from the City to the District.

**4.2.1 *Ladder Truck.*** The City and District agree to work together to obtain written consent from the lessor to assign the City's lease-purchase agreement for the 2019 Pierce Apparatus Enforcer 107' Ascendant Aerial Ladder Truck (VIN #4P1BCAFF3KA020068) to the District. Subject to receiving such consent, the

District shall assume possession and full operational control of the ladder truck effective October 1, 2025, and shall be responsible for all remaining payments due under the lease-purchase agreement, subject to approval by the lessor, beginning on that date and continuing until the lease is fully satisfied.

- 4.2.2 Pumper Truck.** The City and District agree to work cooperatively and in good faith to effectuate the transfer of ownership of the Pierce Enforcer PUC Pumper Truck (“pumper truck”) from the City to the District. Of note, the pumper truck is currently being manufactured at the time of this MOU, therefore a VIN does not yet exist for this apparatus to more clearly identify the apparatus. The Parties acknowledge that the existing lease-purchase agreement for the pumper truck does not explicitly authorize assignment or transfer without amendment. Accordingly, the City and District agree to jointly request and negotiate an amendment to the lease-purchase agreement with the lessor that would permit the transfer of the lease, or, alternatively, authorize the District to assume operational control and/or ownership of the vehicle under terms acceptable to all parties.
- 4.2.3** Beginning October 1, 2025, the District agrees to maintain liability insurance coverage for the leased apparatus for the remainder of the lease-purchase term.
- 4.3 Fire Station.** The City agrees to lease the Fire Station located at 107 Saddle Rd., Ketchum, Idaho, to the District for an annual amount of one dollar (\$1.00), until the current Bond is satisfied. Upon satisfaction of the Bond, the City agrees to transfer ownership of the Fire Station building and a portion of the parcel of real property depicted in ***Exhibit A*** to the District, at no additional financial obligation to the District.
- 4.3.1** The Parties acknowledge that the parcel on which the Fire Station is located is shared with other uses, including the YMCA. Accordingly, the District’s leasehold and any future ownership interest will be limited exclusively to the portion of the lot depicted in ***Exhibit A***, and shall not extend to the remainder of the parcel.
- 4.3.2** The District agrees to maintain the Fire Station in good condition for the term of the lease.
- 4.3.3** Beginning October 1, 2025, the District agrees to maintain liability insurance for the Fire Station facility for the remainder of the lease term.
- 4.4 Training Facility.** The City agrees to transfer ownership of training facility infrastructure (not the land) at no cost to the District, located at 219 Lewis St., Ketchum, Idaho. Additionally, the City agrees to lease the Training Grounds located at 219 Lewis St., Ketchum, Idaho to the District for an annual amount of one dollar. The City agrees to coordinate with the District to locate an acceptable alternate location for the training operations should the city need to repurpose the property for other public uses.
- 4.5 Department Data.** The City’s agrees to cause its IT department to transfer all existing data related to the Fire Department, currently stored on the city servers. The transfer shall include all digital files, records, and materials maintained on the N Drive as of the effective date of this MOU. The City shall cooperate with the District to ensure the data is transferred

in a complete and accessible format.

## **SECTION 5 FIRE HYDRANT SYSTEM**

- 5.1 Fire Hydrant System.** The City's fire hydrant system is a critical system in the role of fire suppression. The City agrees to let the District utilize the City's hydrants for purposes the District deems necessary. This includes all water utilized from the system for fire suppression-related purposes. To facilitate fire suppression needs the City agrees to maintain the fire hydrant system in a fully functional and accessible manner. This includes enforcement of minimum clearance requirements and removal of snow. The District agrees to perform flow testing and flushing of the hydrant system as needed.

## **SECTION 6 FIRE STATION GROUNDS**

- 6.1 Fire Station Grounds.** The Parties agree to develop and execute a formal lease for the Fire Station grounds, which will address matters including, but not limited to, maintenance responsibilities, parking rights, and use of common areas. In the interim, the Parties agree to the following maintenance obligations: The District shall be responsible for mowing the grass on leased premises, and the City shall be responsible for performing seasonal blowouts of the shared sprinkler system. These interim responsibilities shall remain in effect until modified or replaced by the terms of the formal lease agreement.

## **SECTION 7 MISCELLANEOUS**

- 7.1 Attorneys' Fees.** In the event any Party shall file suit or action at law or equity to interpret or enforce this MOU, the provisions of Idaho Code Section 12-117, or any subsequent amendment or recodification of the same, shall apply to the determination of the prevailing Party and the award of reasonable attorney's fees, witness fees, and other reasonable expenses.
- 7.2 Effective Date.** This MOU shall become effective on the first date mentioned above and shall remain in full force and effect until amended or replaced upon the mutual consent of the City and the District.
- 7.3 Severability.** If any of the provisions of this MOU shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this MOU shall not be affected thereby.
- 7.4 Execution.** This MOU is executed for the District by its Board President, and executed for the City by the Mayor, attested to by the City Clerk, with the corporate seal of the City of Ketchum.
- 7.5 Entire Agreement.** This MOU, including all Exhibits attached hereto, contains the entire agreement between the Parties regarding the subject matter hereof, and all prior or



contemporaneous communications or agreements between the Parties or their respective representatives with respect to the subject matter herein, whether oral or written, are merged into this MOU and extinguished. No agreement, representation, or inducement shall be effective to change, modify, or terminate this MOU, in whole or in part, unless in writing and signed by the Party or Parties to be bound by such change, modification, or termination. If any term or provision of this MOU or any application thereof shall be unenforceable, the remainder of this MOU and any other application of any such term or provision shall not be affected thereby, and each provision of this MOU shall be valid and enforceable to the fullest extent permitted by Law. The Parties acknowledge and agree that this MOU represents a negotiated understanding, having been drafted, negotiated, and agreed upon by the Parties and their respective legal counsel. Therefore, the Parties agree that the fact that one Party or the other Party may have been primarily responsible for drafting or editing this MOU shall not, in any dispute over the terms of this MOU, cause this MOU to be interpreted against such Party. It is the Parties' collective intention to encourage, promote, and aid the Project so that the opportunities and positive community impacts of the Project are fully realized by the City, its citizens, and the District.

- 7.6 **Governing Law.** This MOU is governed by and shall be construed under the laws of the State of Idaho. Any action brought in connection with this MOU shall be brought exclusively in the Fifth Judicial District, Blaine County, Idaho.
- 7.7 **Waivers.** Neither Party may waive any condition or breach of any representation, term, covenant, or condition of this MOU, except in writing signed by the waiving Party and specifically describing the condition or breach waived. The waiver by either Party of any condition or breach of any representation, term, condition, or covenant contained in this MOU shall not be deemed to be a waiver of any other representation, term, condition, or covenant or of any subsequent breach of the same or of any other representation, term, condition or covenant of this MOU.
- 7.8 **Further Assurances.** Upon the request of the other Party, each Party agrees to (i) furnish to the other Party such requested information, (ii) execute and deliver to the other Party such requested documents and (iii) do such other acts and things reasonably required for the purpose of carrying out the intent of this MOU.
- 7.9 **Counterparts.** This MOU may be executed in as many counterparts as may be deemed necessary and convenient, and by the Parties in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. A scanned or photocopy signature on this MOU, any amendment hereto, or any notice delivered hereunder shall have the same legal effect as an original signature.
- 7.10 **Interpretation.** The section headings of this MOU are for the convenience of reference only and shall not be deemed to modify, explain, restrict, alter, or affect the meaning or interpretation of any provision hereof. Whenever the singular number is used, and when required by the context, the same includes the plural, and the masculine gender includes the feminine and neuter genders. All references herein to "Section" or "Exhibit" reference the applicable Section of this MOU or Exhibit attached hereto, and all Exhibits attached

hereto are incorporated herein and made a part hereof to the same extent as if they were included in the body of this MOU. The use in this MOU of the words “including”, “such as” or words of similar import when used with reference to any general term, statement, or matter shall not be construed to limit such term, statement, or matter to the specific terms, statements or matters unless the language of limitation, such as “and limited to” or words of similar import are used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such term, statement, or matter.

**7.11 Assignment.** Neither this MOU nor any of the rights, interests, or obligations hereunder shall be assigned, delegated, or otherwise transferred by either Party without the prior written consent of the other Party. Any attempted assignment in violation of this provision shall be null and void and of no force or effect. This restriction shall apply to assignments by operation of law, merger, or otherwise. Notwithstanding the foregoing, this MOU shall be binding upon and inure to the benefit of the Parties.

**7.12 Disclosure of Conflict of Interest.** Marc J. Bybee and Matthew A. Johnson, of the firm White, Peterson, Gigray & Nichols, P.A. (the “White Peterson”), are the attorneys for the City of Ketchum (the “City”) and for the Ketchum Fire District (the “District”). Namely, the Firm serves, and has served for some time, as the general counsel for both the City and the District prior to the entry of this MOU. Given the nature of this MOU for the transfer and continued cooperation between the City and the District, and the Parties prior relationship, it is the understanding of Mr. Bybee and Mr. Johnson that the Parties interests in this MOU are not adverse. Additionally, it has been affirmed by Mr. Bybee and Mr. Johnson that they each believe that they may provide competent and diligent representation to each affected client, and that their representation is proper under I.R.P.C. 1.7(b).

Dated: \_\_/\_\_/2025

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By: Marc J. Bybee

Dated: \_\_/\_\_/2025

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By: Matthew A. Johnson

The Mayor and City Council of the City of Ketchum and the Board President of the Ketchum Fire District have been advised of these facts and give their informed consent in writing to the continued representation, by Mr. Bybee and Mr. Johnson, of each Party in the drafting and providing advice

regarding this MOU.

**City:** CITY OF KETCHUM  
an Idaho municipal corporation

By: \_\_\_\_\_  
Neil Bradshaw, Mayor

ATTEST:

By: \_\_\_\_\_, City Clerk

**District:** Ketchum Fire District  
an Governmental Subdivision of Idaho

By: \_\_\_\_\_, Fire Chief  
ATTEST:

By: \_\_\_\_\_, Fire Clerk

[Signatures appear on the following page]

The City and the District have caused this MOU to be signed, in their names and on their behalf by their duly authorized officers, all as of the day and date first written above.

**CITY:**

The City of Ketchum, a municipal corporation of the State of Idaho

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Clerk

**DISTRICT:**

Ketchum Fire District

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Board President

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: District Secretary

## EXHIBIT A

