



## City of Ketchum

### CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

#### Recommended Motion:

Staff is seeking direction from the Council regarding the potential tax implications/reductions related to the creation of the Ketchum Fire District.

#### Reasons for Recommendation:

- On August 5<sup>th</sup>, City Council approved a resolution to join the fire district on its formation pending a successful vote. As part of that discussion, tax implications were to be further researched. Direction on the tax implications is an integral part of the conversation and will also be part of the notice required prior to the district creation vote.
- A work group consisting of staff/elected members from City of Ketchum, Wood River Fire and Rescue, Magic Fire District and Smiley Creek Fire District evaluated several consolidation options. The work group concluded this path would be most effective, resulting in greater efficiency, improved firefighter safety and improved public safety.
- Staff completed a focus group on July 31<sup>st</sup> with residents and business owners regarding this topic.

#### Policy Analysis and Background (non-consent items only):

For the past thirty years, efforts to consolidate fire and EMS in the Wood River Valley have been explored both by community members and with the assistance of professional consultants. Following a joint meeting between the City of Ketchum, Wood River Fire and Rescue District, West Magic Fire District and Smiley Creek Fire District on February 12, 2024; a work group was formed to evaluate different consolidation options allowed under state law. The group identified an option to form a new fire district to be called the Ketchum Fire District which could then be directly merged with the Wood River Fire & Rescue District. Annexation of the city into a fire district is virtually impossible, so this presents the best option for creating a new, combined fire agency.

The following key actions must be completed to have this matter placed on the November 5<sup>th</sup> ballot:

- Petition signatories submitted to County Commissioners & County Clerk – **completed**
- City council resolution to join fire district on formation – **completed**
- City council direction regarding fire property tax implications – **August 19<sup>th</sup>**
- County commissioner hearing – **September 5 (or earlier)**
- Ballot question submission deadline – **September 6**
- Election – **November 5<sup>th</sup>**

Sustainability Impact:



None.

Financial Impact:

Should the ballot to form a fire district be successful, responsibility for the cost of fire and EMS would shift to the new fire district. A key policy decision of the City Council is to determine whether the city's property taxing authority should be reduced, to the desired level, to partially or fully offset the taxes associated with the new Fire District.

Attachments:

1. Presentation



## Fire Consolidation Tax Impact

August 19, 2024

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## Consolidation Logistics


### Current Fire Funding:

Ketchum contributes \$1,623,500 annually for Fire/EMS services (about \$723,500 from property taxes and \$900,000 from original LOT).

### Fire District Dynamic:

- Ketchum is considering property tax reductions up to 100% (\$1,623,500) of its annual Fire contribution.
- The newly formed Ketchum Fire District would institute a new tax levy, for the area served. (The levy amount/calculation is governed by Idaho State Statute.)

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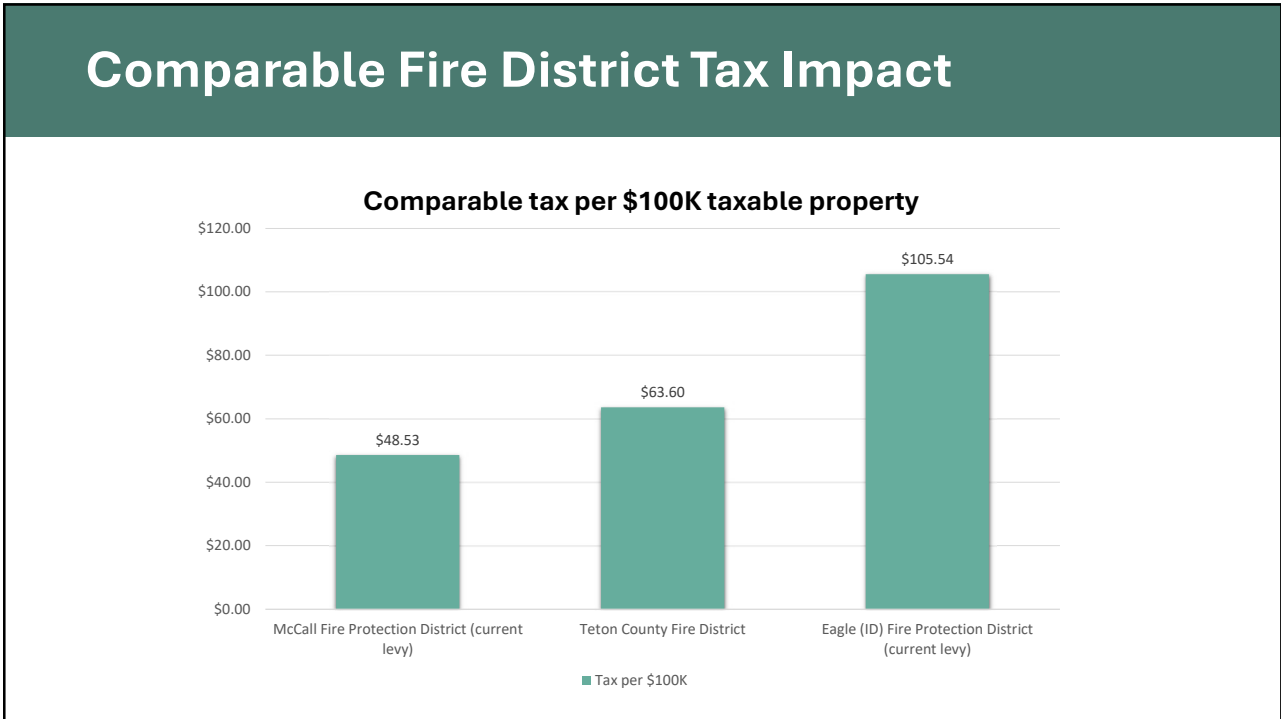


## Tax Impact Comparables/Scenarios

August 19, 2024

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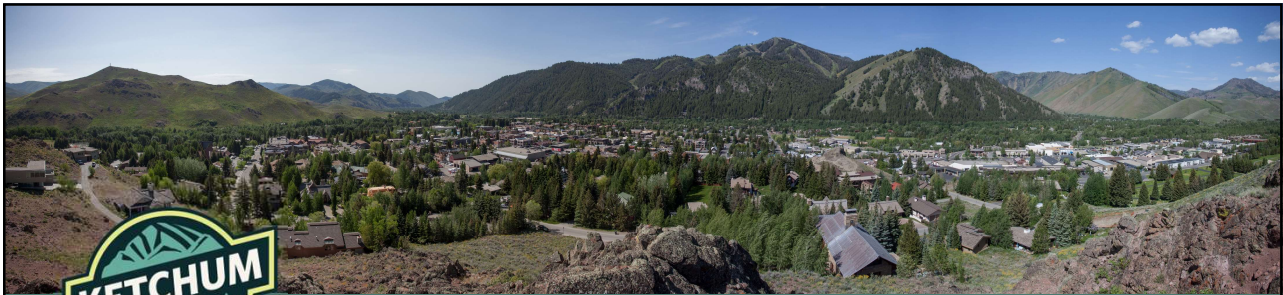


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## Tax Impact by Scenario

	PER \$100K	PER \$1.0M
<b>Before consolidation</b> (Assumed based on budget)	\$26.37	\$263.74
<b>Impact of Ketchum Tax Reduction</b>		
<b>Tax Impact</b> (Full Ketchum tax reduction, \$1.623M)	\$8.34	\$83.40
<b>Tax Impact</b> (50% Ketchum tax reduction)	\$21.53	\$215.30
<b>Tax Impact</b> (No Ketchum tax reduction)	\$34.71	\$347.14

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## Questions/Discussion

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