



City of Ketchum

### CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

**Recommended Motion:**

No motion is requested at this time. Mayor and Council discussion and direction is needed to further the FY 2027 Budget Development process.

**Reasons for Recommendation/Background:**

The CIP has been a focus and consistent topic for over a year. The purpose of this discussion is to align the priorities of Mayor and City Council to the FY 2027 “starting point” project list as well as align those priorities to the “out years” (FY 2028 – FY 2032). This is the first discussion leading to a final FY 2027 list and an approved print version of the 5-Year list at the May 14, 2026, City Council meeting.

Staff will produce a draft project list as a result of the April 9, 2026, meeting and take that to the KURA board for input. The City’s CIP is heavily dependent on the partnership, and the KURA board input may alter what projects will be tied to their funding.

After KURA board input, a new draft will be sent to Mayor and City Council in preparation for the May 14, 2026, City Council meeting and final approval for the FY 2027 project list and preliminary approval for the “out years” (FY 2028 – FY 2032).

**Sustainability Impact:**

The FY 2027 Budget “Starting Point” maintains the partnership with the County regarding sustainability (~\$135k).

**Financial Impact:**

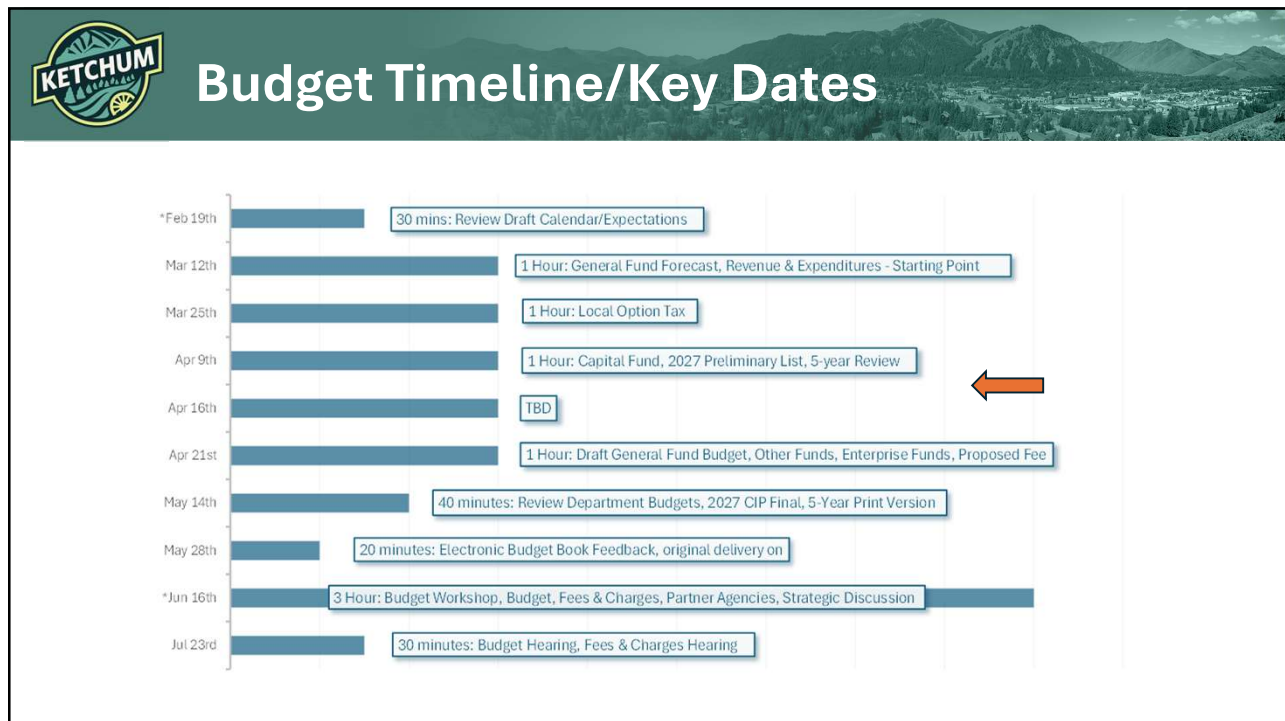
No financial impact at this time. However, resulting decisions will culminate in a proposed FY 2027 budget document, budget workshop, and budget hearing.

**Attachments:**

- 1. CIP Slide Deck
- 2. CIP Attachments/Handouts



# FY 2027 Budget Development/Strategic Planning Capital Improvement Plan (CIP)





# What have we heard?

## Council Direction : “Needs Versus Wants”

- Streets repair/maintenance
- Equipment replacement
- Frugality regarding enhancements



# CIP FY2027

- See handout

	FY 2027
<b>1 REVENUE</b>	
2 IDAHO POWER FRANCHISE	\$ 300,000
3 INTEREST EARNINGS	\$ 25,000
4 TRANSFER FROM GENERAL FUND	\$ -
5 CIP FUND BALANCE (CARRY-FORWARD)	\$ 338,400
6 FY 2026 END OF YEAR GENERAL FUND TRANSFER	\$ 500,000
7 FY 2026 END OF YEAR ORIGINAL LOT TRANSFER	\$ 250,000
8 TRANSFER FROM LOT FUND	\$ 1,038,600
9 URA FUNDING	\$ 5,718,845
<b>10 TOTAL REVENUE</b>	<b>\$ 8,170,845</b>
<b>11 EXPENDITURES</b>	
12 DOWNTOWN CORE SIDEWALK (P)	\$ 900,000
13 PAVEMENT MANAGEMENT PROG (P)	\$ 2,000,000
14 POWER LINE UNDERGROUNDING (P)	\$ 150,000
15 FOREST SERVICE PARK COMMUNITY BUILDING	\$ 350,000
16 TECHNOLOGY UPGRADES/REPLACEMENT	\$ 65,000
17 SUSTAINABILITY INFRASTRUCTURE	\$ 50,000
18 REPLACE CITY TRASH CANS	\$ 10,000
19 TASERS	\$ 7,000
20 SH 75 PATHWAY CONSTRUCTION	\$ 500,000
21 ZAMBONI (USED)	\$ 60,000
22 TOOL CAT/BOBCAT REPLACEMENT (STREETS)	\$ 90,000
23 CRACK SEALER REPLACEMENT	\$ 100,000
24 MOWER REPLACEMENT (ADDED TO 2026 CARRY-OVER)	\$ 70,000
25 SNOW BLOWER	\$ 818,845
26 HOUSING PROPERTY ACQUISITION	\$ 3,000,000
<b>27 TOTAL EXPENDITURES</b>	<b>\$ 8,170,845</b>
<b>28 ANNUAL NET POSITION</b>	<b>\$ -</b>



## CIP FY2027 Revenue

Revenues	FY 2027
Idaho Power Franchise Fee	\$300,000
Interest Earnings	\$25,000
Transfer from General Fund	\$ -
CIP Fund Balance (FY2026 Carry-Over)	\$338,400
FY 2026 End of Year GF Transfer	\$500,000
FY 2026 End of Year Original LOT Transfer	\$250,000
Transfer from Original LOT Fund	\$1,038,600
KURA Funding	\$5,718,845
<b>Total Revenue</b>	<b>\$8,170,845</b>

- Pavement Management Program
  - Funded in FY 2027, concerns going forward
- Reliance on One-time Funds
  - FY 2026 CIP fund balance carry-over (\$328,400)
  - FY 2026 End of Year Commitments
    - One-time General Fund and Original LOT balance transfers (\$500,000 & \$250,000, respectively)
- Planned Original LOT transfer (\$1,038,600)
- Significant KURA funding (draft)
  - Pending KURA review & approval



## CIP FY2027 Expenses

Expenditures	FY 2027
Downtown Core Sidewalk (P)	\$900,000
Pavement Management (P)	\$2,000,000
Power Line Undergrounding (P)	\$150,000
Forest Service Park Community Building	\$350,000
Technology Upgrades/Replacement	\$65,000
Sustainability Infrastructure	\$50,000
Replace City Trash Cans	\$10,000
Tasers	\$7,000
SH-75 Pathway Construction	\$500,000
Zamboni (Used)	\$60,000
Tool Cat/Bobcat Replacement (Streets)	\$90,000
Crack Sealer Replacement	\$100,000
Mower Replacement (FY2026 Carry-Over)	\$70,000
Snow Blower	\$818,845
Housing Property Acquisition	\$3,000,000
<b>Total</b>	<b>\$8,170,845</b>

- Proposed KURA expenses (pending KURA Board Approval)
  - Sidewalks
  - Power undergrounding
  - Highway 75
  - Snowblower
  - Housing
- See handout for further breakdown of expenses



# CIP 5-Year Forecast

- See handout

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>REVENUE</b>					
1 IDAHO POWER FRANCHISE	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
2 INTEREST EARNINGS	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
3 TRANSFER FROM GENERAL FUND	TBD	TBD	TBD	\$ 600,000	\$ 600,000
4 TRANSFER FROM LOT FUND	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
5 URA FUNDING	\$ 2,130,000	\$ 4,880,000	\$ 1,080,000		
<b>TOTAL REVENUE</b>	<b>\$ 3,455,000</b>	<b>\$ 6,205,000</b>	<b>\$ 2,405,000</b>	<b>\$ 1,925,000</b>	<b>\$ 1,925,000</b>
<b>EXPENDITURES</b>					
6 DOWNTOWN CORE SIDEWALK (P)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
7 PAVEMENT MANAGEMENT PROG (P)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
8 POWER LINE UNDERGROUNDING (P)	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
9 TECHNOLOGY UPGRADES/REPLACEMENT	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
10 SUSTAINABILITY INFRASTRUCTURE	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
11 VAC TRUCK SWEEPER	\$ 500,000				
12 MINI SWEEPER (FACILITIES)	\$ 150,000				
13 REPLACEMENT DUMP TRUCK (STREETS)	\$ 300,000			\$ 350,000	
14 00' FLAT BED REPLACEMENT (STREETS)	\$ 70,000				
15 HOT PATCHER REPLACEMENT	\$ 100,000				
16 BIKE/PEDESTRIAN PHASED IMPLEMENTATION*	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
17 REPLACE CITY TRASH CANS	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
18 TASERS	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
19 POLICE VEHICLE REPLACEMENT (SAVINGS USED IN 2026)	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
20 HOUSING PROPERTY ACQUISITION	\$ 3,000,000				
21 YMCA PARKING PHASE 2 (PUSHED TO 2029)	\$ 800,000				
22 SADDLE & SH-75 UNDERGROUND PATHWAY (GRANT ASSUMPTION)	\$ 2,000,000				
23 LOADER REPLACEMENT (STREETS)	\$ 550,000				\$ 600,000
24 WARM SPRINGS/LEWIS ROUNDABOUT (GRANT ASSUMPTION)	TBD	TBD	TBD	TBD	TBD
25 VEHICLE REPLACEMENT (STREETS)	\$ 75,000	\$ 75,000			
26 PLOW REPLACEMENT (STREETS)				\$ 600,000	
27 RIFLE REPLACEMENT (MOVE TO 2026)					\$ 18,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,615,000</b>	<b>\$ 10,027,000</b>	<b>\$ 3,570,000</b>	<b>\$ 4,552,000</b>	<b>\$ 4,113,000</b>
<b>ANNUAL NET POSITION</b>	<b>\$ (1,160,000)</b>	<b>\$ (3,822,000)</b>	<b>\$ (1,165,000)</b>	<b>\$ (2,627,000)</b>	<b>\$ (2,188,000)</b>



# CIP 5-Year Revenue

Revenues	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Idaho Power Franchise Fee	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Interest Earnings	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Transfer from General Fund	TBD	TBD	TBD	\$600,000	\$600,000
Transfer from Original LOT Fund	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
KURA Funding	\$2,130,000	\$4,880,000	\$1,080,000	\$ -	\$ -
<b>Total</b>	<b>\$3,455,000</b>	<b>\$6,205,000</b>	<b>\$2,405,000</b>	<b>\$1,925,000</b>	<b>\$1,925,000</b>

- Current funding scenario is insufficient for expenses
- Average \$2.2M deficit/year
- No KURA funding in FY 2031 – 2032
- Assumed \$600,000 for General Fund transfer starting in FY 2031 (as result of KURA sunset)



## CIP 5-Year Expenses

Expenditures	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Downtown Core Sidewalk (P)	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Pavement Management (P)	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Power Line Undergrounding (P)	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
Technology Upgrades/Replacement	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Sustainability Infrastructure	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Vac Truck Sweeper	\$500,000				
Mini Sweeper (Facilities)	\$150,000				
Replacement Dump Truck (Streets)	\$300,000			\$350,000	
Flatbed Replacement (Streets)	\$70,000				
Hot Patcher Replacement	\$100,000				
Bike/Ped Network Phased Implementation	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Replace City Trash Cans		\$10,000		\$10,000	
Tasers		\$7,000		\$7,000	
Police Vehicle Replacement (FY 2026 Savings)		\$90,000		\$90,000	
Housing Property Acquisition		\$3,000,000			
YMCA Parking Phase 2		\$800,000			
Saddle & SH-75 Underground Pathway		\$2,000,000			
Loader Replacement (Streets)		\$550,000			\$600,000
Warm Springs/Lewis Roundabout (Grant Assumption)		TBD	TBD	TBD	TBD
Vehicle Replacement (Streets)		\$75,000	\$75,000		
Plow Replacement (Streets)				\$600,000	
Rifle Replacement					\$18,000
<b>Total</b>	<b>\$4,615,000</b>	<b>\$10,027,000</b>	<b>\$3,570,000</b>	<b>\$4,552,000</b>	<b>\$4,113,000</b>

- Holds sidewalks at \$900/year (KURA funds FY 2028 – 2030)
- Holds streets at \$2M/year
- Assumes static Original LOT transfer of \$1M/year
- Estimated \$600k General Fund transfer starting in FY 2031 (KURA sunset)



## CIP 5-Year Net Position

Line Item	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Revenue	\$3,455,000	\$6,205,000	\$2,405,000	\$1,925,000	\$1,925,000
Expenditures	\$4,615,000	\$10,027,000	\$3,570,000	\$4,552,000	\$4,113,000
<b>Net Position</b>	<b>(\$1,160,000)</b>	<b>(\$3,822,000)</b>	<b>(\$1,165,000)</b>	<b>(\$2,627,000)</b>	<b>(\$2,188,000)</b>

- Average \$2.2M deficit/year
- No KURA funding in FY 2031 - 2032



## Council Direction/Discussion

- Projects Missing?
- Projects you don't support?
- Projects to progress to planning stage?
- Any other issues/comments?

**GENERAL CIP FUND  
FY 2027 ANNUAL CIP**

	<b>FY 2027</b>
<b>1 REVENUE</b>	
2 IDAHO POWER FRANCHISE	\$ 300,000
3 INTEREST EARNINGS	\$ 25,000
4 TRANSFER FROM GENERAL FUND	\$ -
5 CIP FUND BALANCE (CARRY-FORWARD)	\$ 338,400
6 FY 2026 END OF YEAR GENERAL FUND TRANSFER	\$ 500,000
7 FY 2026 END OF YEAR ORIGINAL LOT TRANSFER	\$ 250,000
8 TRANSFER FROM LOT FUND	\$ 1,038,600
9 URA FUNDING	<u>\$ 5,718,845</u>
<b>10 TOTAL REVENUE</b>	<b>\$ 8,170,845</b>
<b>11 EXPENDITURES</b>	
12 DOWNTOWN CORE SIDEWALK (P)	\$ 900,000
13 PAVEMENT MANAGEMENT PROG (P)	\$ 2,000,000
14 POWER LINE UNDERGROUNDING (P)	\$ 150,000
15 FOREST SERVICE PARK COMMUNITY BUILDING	\$ 350,000
16 TECHNOLOGY UPGRADES/REPLACEMENT	\$ 65,000
17 SUSTAINABILITY INFRASTRUCTURE	\$ 50,000
18 REPLACE CITY TRASH CANS	\$ 10,000
19 TASERS	\$ 7,000
20 SH-75 PATHWAY CONSTRUCTION	\$ 500,000
21 ZAMBONI (USED)	\$ 60,000
22 TOOL CAT/BOBCAT REPLACEMENT (STREETS)	\$ 90,000
23 CRACK SEALER REPLACEMENT	\$ 100,000
24 MOWER REPLACEMENT (ADDED TO 2026 CARRY-OVER)	\$ 70,000
25 SNOW BLOWER	\$ 818,845
26 HOUSING PROPERTY ACQUISTION	<u>\$ 3,000,000</u>
<b>27 TOTAL EXPENDITURES</b>	<b>\$ 8,170,845</b>
<b>28 ANNUAL NET POSITION</b>	<b>\$ -</b>

**GENERAL CIP FUND**  
**5-YEAR CIP**  
**FY 2028 - 2032**

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>1 REVENUE</b>					
2 IDAHO POWER FRANCHISE	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
3 INTEREST EARNINGS	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
4 TRANSFER FROM GENERAL FUND	TBD	TBD	TBD	\$ 600,000	\$ 600,000
5 TRANSFER FROM LOT FUND	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
6 URA FUNDING	\$ 2,130,000	\$ 4,880,000	\$ 1,080,000		
<b>7 TOTAL REVENUE</b>	<b>\$ 3,455,000</b>	<b>\$ 6,205,000</b>	<b>\$ 2,405,000</b>	<b>\$ 1,925,000</b>	<b>\$ 1,925,000</b>
<b>8 EXPENDITURES</b>					
9 DOWNTOWN CORE SIDEWALK (P)	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
10 PAVEMENT MANAGEMENT PROG (P)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
11 POWER LINE UNDERGROUNDING (P)	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
12 TECHNOLOGY UPGRADES/REPLACEMENT	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
13 SUSTAINABILITY INFRASTRUCTURE	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
14 VAC TRUCK SWEEPER	\$ 500,000				
15 MINI SWEEPER (FACILITIES)	\$ 150,000				
16 REPLACEMENT DUMP TRUCK (STREETS)	\$ 300,000			\$ 350,000	
17 00' FLAT BED REPLACEMENT (STREETS)	\$ 70,000				
18 HOT PATCHER REPLACEMENT	\$ 100,000				
19 BIKE/PED NETWORK PHASED IMPLEMENTATION*	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
20 REPLACE CITY TRASH CANS		\$ 10,000		\$ 10,000	
21 TASERS		\$ 7,000		\$ 7,000	
22 POLICE VEHICLE REPLACEMENT (SAVINGS USED IN 2026)		\$ 90,000		\$ 90,000	
23 HOUSING PROPERTY ACQUISTION		\$ 3,000,000			
24 YMCA PARKING PHASE 2 (PUSHED TO 2029)		\$ 800,000			
25 SADDLE & SH-75 UNDERGROUND PATHWAY (GRANT ASSUMPTION)		\$ 2,000,000			
26 LOADER REPLACEMENT (STREETS)		\$ 550,000			\$ 600,000
27 WARM SPRINGS/LEWIS ROUNDABOUT (GRANT ASSUMPTION)		TBD	TBD	TBD	TBD
28 VEHICLE REPLACEMENT (STREETS)		\$ 75,000	\$ 75,000		
29 PLOW REPLACEMENT (STREETS)				\$ 600,000	
30 RIFLE REPLACEMENT (MOVE TO 2026)					\$ 18,000
<b>31 TOTAL EXPENDITURES</b>	<b>\$ 4,615,000</b>	<b>\$ 10,027,000</b>	<b>\$ 3,570,000</b>	<b>\$ 4,552,000</b>	<b>\$ 4,113,000</b>
<b>32 ANNUAL NET POSITION</b>	<b>\$ (1,160,000)</b>	<b>\$ (3,822,000)</b>	<b>\$ (1,165,000)</b>	<b>\$ (2,627,000)</b>	<b>\$ (2,188,000)</b>

\* Neighborhood (2nd, 6th, Leadville, Warms Springs) / 4th St / North South New Connections

**KURA  
Financial Forecast**

Version 04.14.2026

Revenue Source	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Adopted Budget	Projected	Projected	Projected	Projected	Projected
1 Undesigned Fund Balance		\$6,080,523		\$4,922,841	\$885,682	\$913,182	-\$1,519,122
2 Tax Increment Revenue	\$2,700,848	\$2,619,773	\$2,862,899	\$3,034,673	\$3,186,407	\$3,345,727	\$3,513,013
3 Property Tax Replacement	\$15,272	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
4 Penalty & Interest	\$14,604	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
5 Interest Earnings	\$225,653	\$140,000	\$140,000	\$50,000	\$20,000	\$10,000	\$5,000
6 Interest Earnings on Debt	\$25,866	\$0	\$0	\$0	\$0	\$0	\$0
7 Rent	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0
8 Refunds & Reimbursements	\$2,325	\$0	\$0	\$0	\$0	\$0	\$0
<b>9 Total</b>	<b>\$2,987,569</b>	<b>\$2,779,773</b>	<b>\$3,022,899</b>	<b>\$3,104,673</b>	<b>\$3,226,407</b>	<b>\$3,375,727</b>	<b>\$3,538,013</b>
<b>Expenditures</b>							
Expenditure Type	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actual	Adopted Budget	Projected	Projected	Projected	Projected	Projected
10 Materials & Services including Other	\$136,049	\$288,100	\$288,100	\$300,000	\$300,000	\$300,000	\$300,000
11 OPA Payments	\$0	\$138,000	\$138,000	\$231,526	\$231,526	\$85,526	\$85,526
12 Housing Partnership (ARCH)				\$350,000			
13 Capital Outlay	\$1,088,019	\$2,050,000	\$2,300,000	\$5,718,845	\$2,130,000	\$4,880,000	\$1,080,000
14 Debt Service	\$541,706	\$539,481	\$539,481	\$541,461	\$537,381	\$542,506	\$541,306
<b>15 Total</b>	<b>\$1,765,774</b>	<b>\$3,015,581</b>	<b>\$3,265,581</b>	<b>\$7,141,832</b>	<b>\$3,198,907</b>	<b>\$5,808,032</b>	<b>\$2,006,832</b>
<b>16 Net/Assumed Use of Fund Balance</b>	<b>\$1,221,794</b>	<b>-\$235,808</b>	<b>-\$242,682</b>	<b>-\$4,037,159</b>	<b>\$27,500</b>	<b>-\$2,432,304</b>	<b>\$1,531,182</b>
<b>17 FY 2025 Capital Reimbursements</b>		<b>\$915,000</b>	<b>\$915,000</b>				
<b>18 Projected Unassigned Fund Balance</b>		<b>\$4,929,715</b>	<b>\$4,922,841</b>	<b>\$885,682</b>	<b>\$913,182</b>	<b>-\$1,519,122</b>	<b>\$12,060</b>

\*Annual growth assumptions (revenues): FY 2026 Projection Reset and 6% increment growth thereafter  
 The 6% may not be sufficient to account for large project adds  
 Any unapproved OPA payments are not included above