



City of Ketchum

May 23, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

FY23 Budget Development Kick-off Session

Recommendation & Summary

Staff will review the attached presentation (draft) which provides a starting point for policy direction in the development of the FY23 Budget. Staff seeks specific direction regarding revenue estimates for all funds as well as initial feedback on key issues (e.g. housing investments, inflation, employee compensation, etc.) that must be addressed as the draft budget is developed. No formal action is requested during the meeting.

Introduction and History

This session is the first in a multi-step budget development process. The session will focus on the affirmation of revenue forecasts for all funds. The next step will be to review proposed expenditure requests. The goal is to have a draft recommended budget by June 17th to allow the Council to have two weekends to review prior to the June 27th workshop. Staff also plans to conduct a public survey prior to the finalization of the draft budget as well as request feedback on the draft budget. During the June 27th workshop, staff will review each fund and department funding requests with the Council 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 18th public hearing.

General Fund

Attached is the detailed revenue forecast. The current fiscal year (FY22) adopted revenues were \$12,840,516. The revenue forecast for the General Fund was upgraded due to development activity within town and a post-COVID environment. Specifically, planning and building revenues were increased. Funds the city receives from the state were also increased due to the positive economic outlook. FY23 forecast is a base reduction to \$12,426,759 based on the following assumptions: (1) no federal COVID grants as received in FY22 (-\$307,050); (2) the three percent property tax adjustment (+328,617); (3) increase in state shared revenues (+\$134,812); and a base reduction in planning/building revenues (-\$129,550).

Capital Improvement Fund

During the FY22 budget development process, the Council approved the five-year plan with a commitment to review annually and make necessary adjustments moving forward. Staff has completed updates to years FY23-26 and added the new fifth year (27). The vast majority of proposed expenses in FY23 is related to maintenance and repair of existing assets/equipment. The most significant change to the plan from the last review by Council is the addition of Warm Springs Preserve improvements which would be fully funded from donations. A very small portion of the plan is associated with new service enhancements (sidewalks, bike

lanes/paths). It is important to note that the city has never had a significant dedicated revenue source to fund the plan outside the Idaho Power Franchise (\$265,000) and Impact Fees for Streets, Fire and Police (\$134,000). Historically, the city has funded the CIP via overperforming revenues from either the General Fund or Local Option Tax Fund.

Local Option Tax Fund

Attached is the revenue and expense forecast. FY22 was kept at a conservative base revenue forecast of \$2,400,000 knowing that it would likely overperform and those revenues would be utilized for the city's underfunded Capital Improvement Plan. FY23 forecast is \$2,846,469 based on current and previous fiscal year receipts. The draft proposed expenses are included. The most significant changes include: (1) no funding for Visit Sun Valley; (2) increase operating and capital funding for Mountain Rides; and (3) increased transfer to General Fund to cover Fire and Police expenses.

Water and Waste-Water Funds

Staff will be presenting (attached) new ten-year rate models to support the new five-year capital improvement plans in both funds. HDR will be presenting to the Council in June with the details of the Waste-water Facility Plan that informs the CIP. It is likely the city will need to issue debt to facilitate the implementation of the plan. Within the Water Fund, two policy issues must be address: (1) revenue impact transitioning from flat rates to metered rates; and (2) whether the Council desires a more aggressive rate tier structure similar to the City of Hailey.

Sustainability

The budget currently allocates funds (\$50,000) for sustainability activities in the Capital Improvement Fund.

Financial Impact

The city's current fiscal year appropriated budget is \$32,222,099 in total planned expenses and \$32,640,337 in revenues.

Attachments:

1. Draft PowerPoint
2. General Fund detailed revenue summary
3. Local Option Tax Fund – revenue and draft expense

REVENUE

	FY 2020 AUDITED ACTUALS	FY 2021 AUDITED ACTUALS	FY 2022 ADOPTED BUDGET	FY 2023 PROPOSED BUDGET	NOTES
1 1. PROPERTY TAX & FRANCHISE	4,774,388	5,143,167	5,178,869	5,507,486	
2 1000-GENERAL PROPERTY TAXES	4,438,061	4,603,017	4,603,267	4,895,073	AIC FY2021 + 3%
3 1050-PROPERTY TAX REPLACEMENT	11,416	11,416	12,848	11,714	AIC FY2021 + 3%
5 6110-GAS FRANCHISE	89,637	97,087	100,000	100,000	actual 2021 x 2 and 2% increase per IGC
6 6120-T.V. CABLE FRANCHISE	148,363	165,779	144,563	165,000	estimated prior two years
7 6130-WATER UTILITY ROW FEE (5%)	-	91,446	112,351	121,832	5% of Utility Fees
8 6140-WASTEWATER UTILITY ROW FEE(5%)	-	83,481	115,934	121,624	5% of Utility Fees
9 6150-SOLID WASTE FRANCHISE	72,997	75,230	77,906	80,243	3% increase
10 9000-PENALTY & INTEREST ON TAXES	13,915	15,711	12,000	12,000	-
11 2. LICENSES & PERMITS	422,664	612,469	348,500	370,750	
12 1110-BEER LICENSES	13,679	12,840	13,450	13,450	-
13 1120-LIQUOR LICENSES	8,353	6,678	8,400	8,400	-
14 1130-WINE LICENSES	14,583	14,617	14,000	14,000	-
15 1140-CATERING PERMITS	540	1,100	1,000	1,000	-
16 1150-OFF-SITE BUS./SPECIAL EVENTS P	17,110	13,716	15,000	13,000	-
17 1400-BUSINESS LICENSES	32,064	32,670	32,000	35,750	increase fee to 125 initial application \$50.00 for renewal
18 1520-TAXI-LIMO PERMITS	2,945	1,455	2,750	2,750	465 permits @ 35% =140 @525
19 2100-BUILDING PERMITS	330,098	516,904	250,000	200,000	-
20 2140-RIGHT-OF-WAY PERMITS	1,766	10,504	10,000	7,000	NOT TO BE ALLOCATED IN FUTURE YEARS 50% TO BASE EXPENSE
21 2160-STREET EXCAVATION PERMIT FEE	1,450	1,860	1,900	1,900	-
22 2600-SNOW STORAGE PERMITS	75	125	-	-	-
24 1410-SHORT TERM RENTAL LICENSES	-	-	-	73,500	-
25 3. GRANTS	40,511	418,475	307,050	-	
26 1120-FEDERAL GRANTS	-	307,050	-	-	-
27 4100-STATE GRANTS	30,511	107,675	-	-	-
29 4000-STATE TRANSPORTATION GRANT	-	-	-	-	-
30 4. STATE OF IDAHO SHARED	1,627,251	1,701,999	1,631,939	1,729,694	
31 5100-STATE LIQUOR APPORTIONMENT	401,989	428,870	385,000	409,315	AIC
32 5200-HIGHWAY USER'S REVENUE - STREE	132,411	172,462	138,216	200,568	AIC PROJECTED HB312 & HB362
33 5500-STATE SALES TAX ALLOCATION	78,308	-	-	-	COMBINED WITH STATE SHARED REVENUE PER AIC
34 5600-STATE SHARED REVENUE	1,014,543	1,100,666	1,108,723	1,119,811	AIC PROJECTED
35 5. COUNTY SHARED	1,200,216	1,233,336	1,270,238	1,307,295	
36 8400-COUNTY COURT FINES	35,881	34,071	35,000	35,000	-
38 9400-BLAINE COUNTY HOUSING AUTHORIT	-	-	-	-	-
39 6. CHARGES FOR SERVICES	677,793	1,095,012	625,550	496,000	
41 1110-BUILDING PLAN CHECK FEES	189,254	320,327	162,500	130,000	#REF!
42 1120-PLANNING PLAN CHECK FEES	125,686	215,899	113,750	91,000	NOT TO BE ALLOCATED IN FUTURE YEARS 50% TO BASE EXPENSE
43 1130-FIRE PLAN CHECK FEES	125,686	215,635	113,750	91,000	NOT TO BE ALLOCATED IN FUTURE YEARS 50% TO BASE EXPENSE
45 1500-REPRODUCTION/FINGERPRINT FEES	567	573	1,150	500	-
46 2200-RURAL FIRE PROTECTION FEES	-	-	-	-	-
47 2250-SPECIAL FIRE FEES	7,359	12,716	2,500	5,000	-
48 3000-ANIMAL TRANSPORTS	-	-	-	-	-
49 3600-BANNER FEES	5,600	3,150	6,000	6,000	-

REVENUE

		FY 2020 AUDITED	FY 2021 AUDITED	FY 2022 ADOPTED	FY 2023 PROPOSED	
		ACTUALS	ACTUALS	BUDGET	BUDGET	NOTES
50	6100-BC SCH DIST.PARK MAINT. CONTR	15,000	15,000	15,000	15,000	-
51	6300-PARK YOUTH PROGRAM FEES	63,593	57,680	60,000	70,000	-
52	6320-PARK USER FEES	6,914	17,109	8,000	10,000	-
53	6330-PARK SWIM TEAM	-	-	-	-	-
54	6700-PARK CONCESSION SALES	3,764	4,781	2,500	2,500	-
55	6800-TREE SERVICES	250	-	400	-	-
60	8. INTEREST & RENTS	144,038	105,129	111,789	102,788	changed after review
61	1000-INTEREST EARNINGS	65,889	19,516	35,000	20,000	
62	1020-INTEREST EARNINGS-491 SV ROAD	1	0	1	-	changed after review
63	1500-GAIN/LOSS ON INVESTMENTS	-	-	-	-	-
64	2000-RENT	-	4,750	-	6,000	-
65	2010-RENT-PARK RESERVATIONS	7,270	10,075	6,000	6,000	Shroeder \$500.00 per month
66	2020-RENT-491 SUN VALLEY ROAD	70,878	70,788	70,788	70,788	-
67	9. MISCELLANEOUS	246,412	146,921	460,056	100,000	CHECK RENT AMOUNT \$5899 per month
68	3600-REFUNDS & REIMBURSEMENTS	230,385	135,695	156,556	100,000	
69	3610-REFUNDS & REIMBURSEMENTS-ST	-	-	-	-	-
70	4000-SALE OF FIXED ASSETS	5,261	1,225	3,500	-	-
71	4100-SALE OF FIXED ASSETS-STREET	-	-	-	-	are we planning to surplus
72	7000-MISCELLANEOUS	2,815	9,626	300,000	-	TBD one time contingency to allow for flexibility of revenue
73	7010-MISCELLANEOUS-STREET	-	-	-	-	-
74	7020-FLOOD PLAIN PROG REIMBURSEMENT	219	375	-	-	-
75	7030-BUILDING PERMIT REIMBURSEMENT	7,733	-	-	-	-
83	8798-URA FND REIM-SALARIES/BENEFITS	87,048	-	111,814	50,000	use calc worksheet Mat & Srvs
84	8763-WATER FUND REIMB-ADMIN.EXPENSE	103,000	106,090	109,273	96,486	timesheet entries plus anticipated housing staff work time
85	8765-WW FUND REIMB-ADMIN.EXPENSES	141,892	146,149	150,533	131,989	-
86	8798-URA FUND REIMB-ADMIN. EXPENSES	32,868	32,869	33,855	43,790	should match transfer from LOT GEN ADMIN
87	8722-LOT REIMB-GF ADMIN.EXPENSES	2,500	2,500	3,000	3,000	use calc worksheet Mat & Srvs
88	8718-TRANSFER STREET GO BOND	-	-	3,212	-	use calc worksheet Mat & Srvs
91	9000-FUND BALANCE	-	-	557,050	21,153	
92	Grand Total	11,204,912	12,685,892	12,840,516	12,426,759	-

City of Ketchum FY 2022-2023 Budget Worksheet

Local Option Tax Original Fund

City of Ketchum FY 2022-2023 Budget Worksheet

Local Option Tax Original Fund

REVENUES		FY 2020 Audited Actuals	FY 2021 Audited Actuals	FY 2022 Adopted Budget	FY 2022 Amendments	FY 2023 Proposed Budget	One-Time	EXPENDITURES	FY 2020 Audited Actuals	FY 2021 Audited Actuals	FY 2022 Adopted Budget	FY 2022 Amendments	FY 2023 Proposed Budget	One-Time
		2,606,873	3,391,025	2,400,000	2,275,100	2,846,469			2,350,891	2,207,093	2,400,000	2,275,100	2,846,469	268,000
Projected Revenue Changes		FY 2020 Audited Actuals	FY 2021 Audited Actuals	FY 2022 Adopted Budget	FY 2022 Amendments	FY 2023 Proposed Budget	One-Time	EXPENDITURES	FY 2020 Audited Actuals	FY 2021 Audited Actuals	FY 2022 Adopted Budget	FY 2022 Amendments	FY 2023 Proposed Budget	One-Time
1.	Fund Revnue	2,606,873	3,391,025	2,400,000	-	2,700,000	268,000	1. City Emergency Services	1,103,317	1,309,465	1,307,444	411,228	1,900,000	
2.	Fund Balance				-	146,469		2. Transfer to GF CIP	-	45,000	-	1,626,362	-	-
Sub-Total		2,606,873	3,391,025	2,400,000	-	2,846,469	268,000	3. Consolidated Dispatch	152,282	156,850	161,556		166,403	
Inflationary Changes								4. Wagon Days	42,500	80,000	117,000		132,250	
1.	Fund Balance FY21 GF CIP	-	-	-	348,627			5. Events	22,157	32,830	75,000		85,000	
2.	Fund Balance FY21 GF CIP Sun Valley Road				1,277,735			6. Visit Sun Valley SVMA	400,000	110,000	200,000		-	
3.	Fund Balance GF Emergency Services				411,228			7. Mountain Rides	624,700	469,000	527,000	160,000	527,000	242,000
4.	Fund Balance FY22 NGO's & Other				237,510			8. Administrative GF Direct Costs	2,500	2,500	3,000		5,000	
3.								9. Contingency	-	-	9,000		-	
4.								10. SVED	-	-	-	10,000	-	15,000
Sub-Total		-	-	-	2,275,100	-		11. Idaho Dark Sky Alliance	-	-	-	2,200	-	2,500
								12. Friends of the Sawtooth National FSAC	-	-	-	4,000	-	4,000
								13. Sawtooth Animal Shelter				-		4,500
Total Revenue		-	-	2,400,000	2,275,100	2,846,469	268,000	14. Other				1,000	1,000	
								Total Expenditures	2,347,456	2,205,645	2,400,000	2,214,790	2,816,653	268,000
Total Expenditures		2,347,456	2,205,645	2,400,000	2,275,100	2,846,469	268,000	14. Granicus	-	-	-	29,810	29,816	
								15. Audio Systems Equipment Events				30,500	0	
Total Revenue Over/(Under)		(2,347,456)	(2,205,645)	-	-	0	0	Total Expenditures	2,347,456	2,205,645	2,400,000	2,275,100	2,846,469	268,000