



# **City Council | Budget Workshop**

June 26, 2023



## Agenda

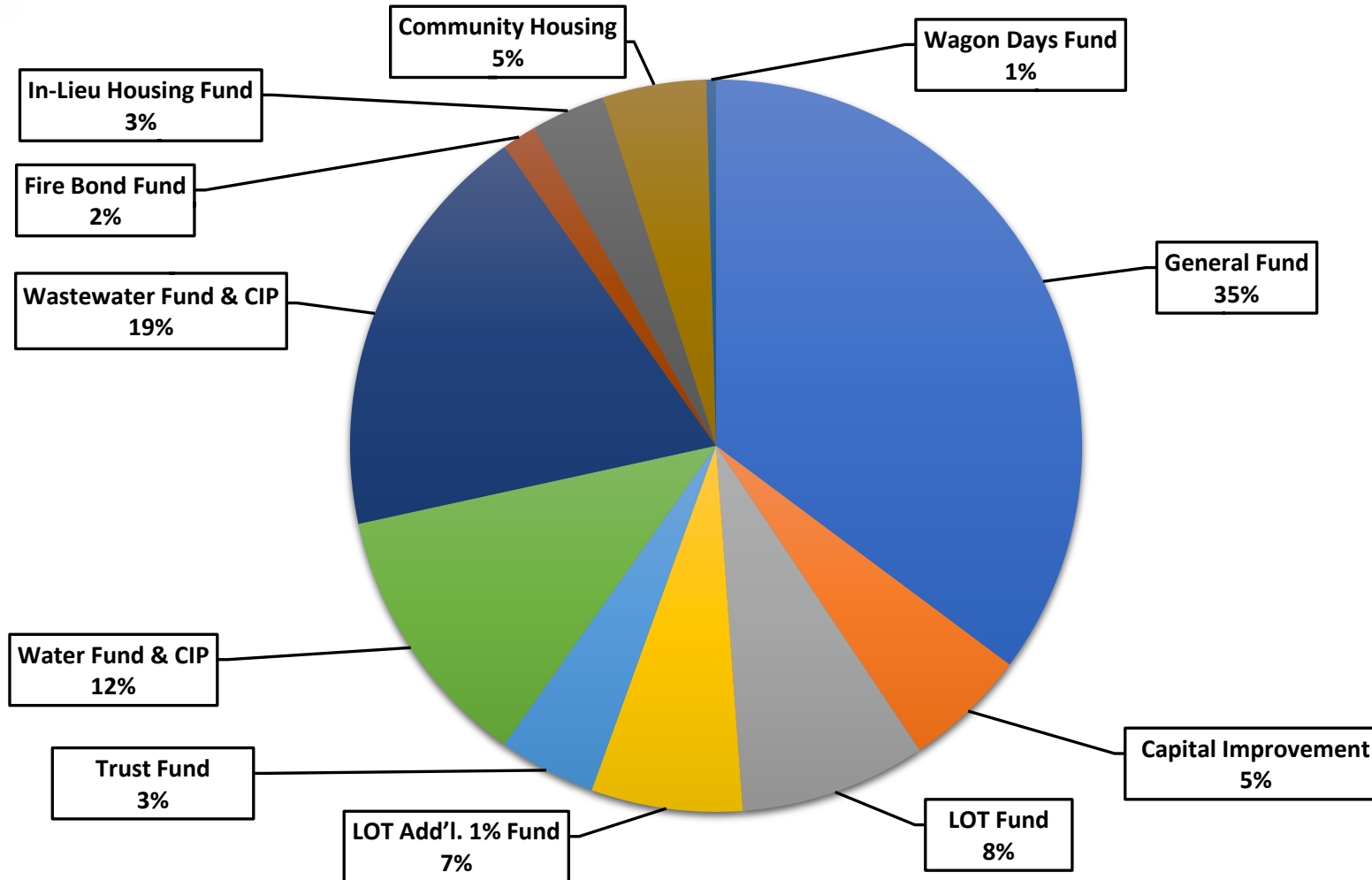
- FY24 Overview
  - General Fund
  - Local Option Tax
  - Other Funds
  - Capital Improvement Plan
- Department Presentations
- Contractual Partner Presentations
- Feedback from Council and Preliminary Motions
- Adjournment



# Fiscal Year 2024



# Total Budget Overview - \$40,146,618



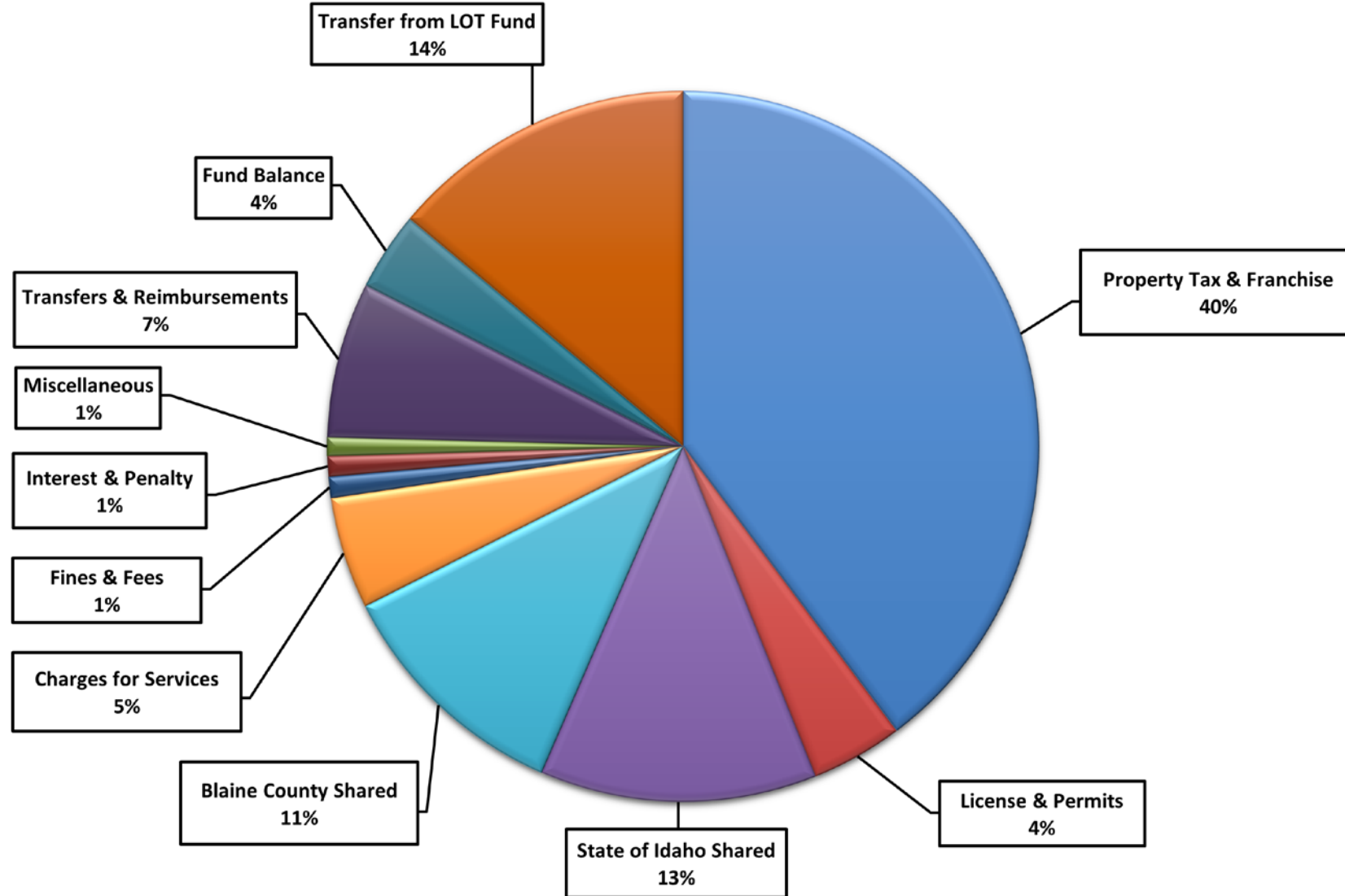


# General Fund

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**FY24 General Fund Resources**





## FY24 Revenue Changes to General Fund

### Miscellaneous Material Changes

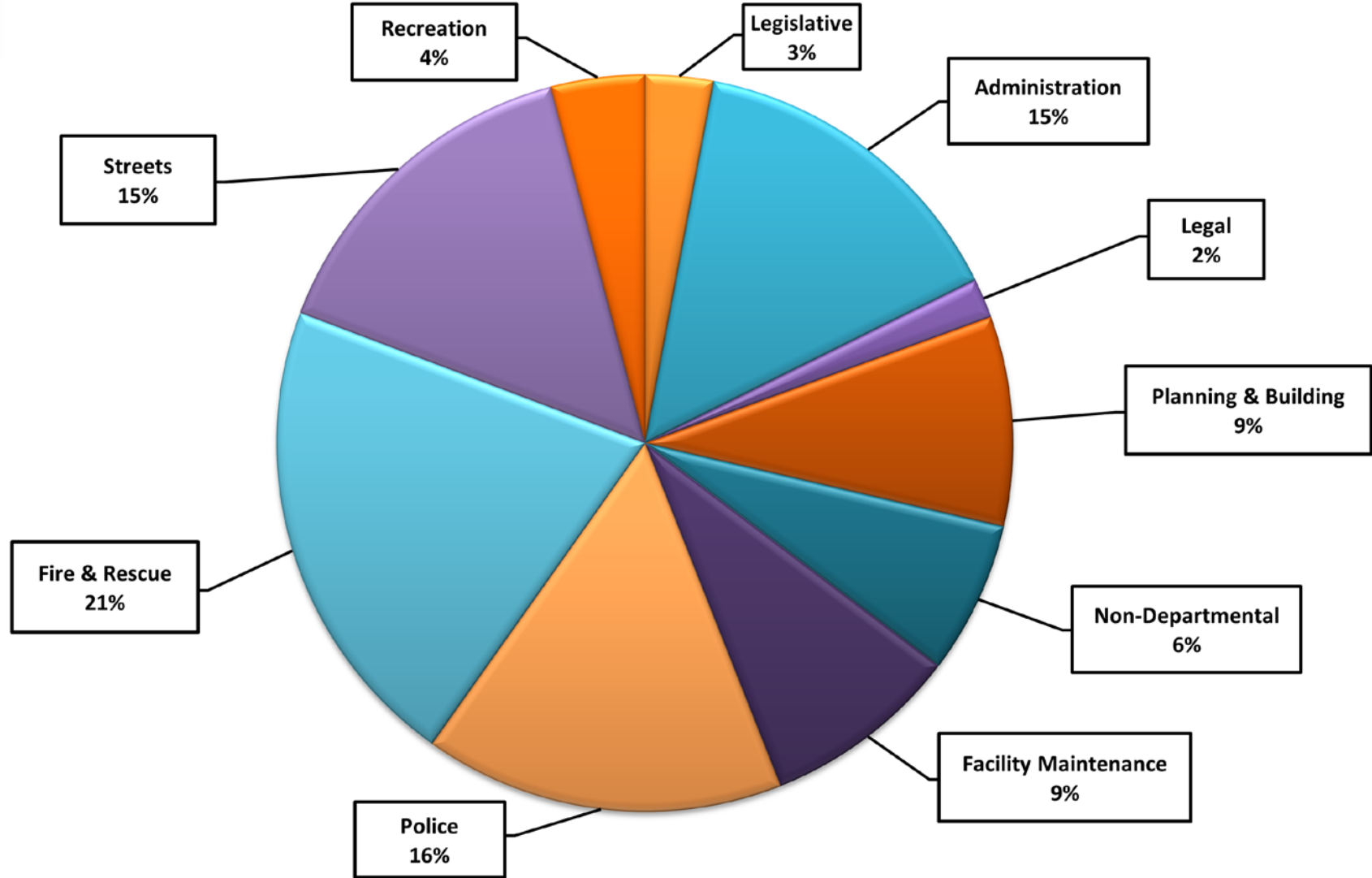
- State shared ↑ \$ 358,325
- Transfer from LOT (Fire & Police) ↑ \$ 100,000
- STR licenses Rate ↑ \$ 130,000

### Property Tax

- Forecast assumes 3% increase ↑ \$ 196,788



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**FY24 General Fund Expenses**







## Big Picture Issues

- Inflationary costs: utilities (Idaho Power – 8.5%)
- Employee compensation/benefits
  - Increase in health insurance
    - Initial forecast assumed 10% for FY24 - recently notified it will be closer to 6.1%
- LOT passing (.5% for Housing) – setting initial priorities
- Local match for Mountain Rides federal grant
- Lack of dedicated funding source for CIP



## FY24 General Fund Expense Overview

### Operating Expenses (policy decision)

- Employee Compensation
  - Proposed base compensation increase – 3%
  - Proposed tiered one-time compensation – 3%
  - Address wage compression for specific positions – \$50,000
    - (vs. \$35,000 in FY 2023)
- One new full-time position
  - Administration Department
- Blaine County Sheriff – contract changed to 3% salary increases



## Local Option Tax Fund

Original

1% for Air/Housing

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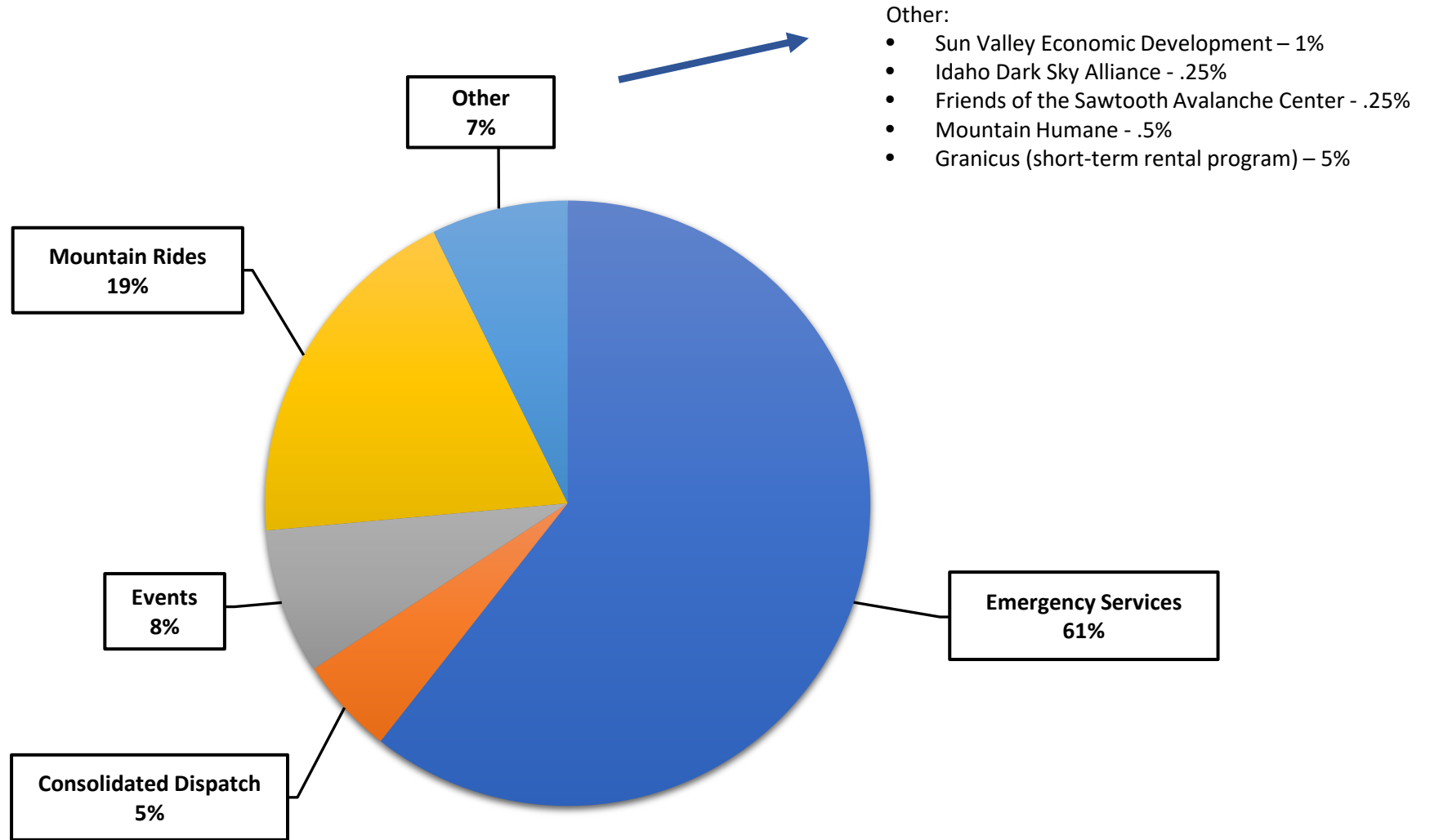


## Revenue Changes to General Fund | Original Local Option Tax

<b>Historical Context</b>	<b>Budget</b>	<b>Actuals</b>
FY21	\$2,400,000	\$3,391,025
FY22	\$2,400,000	\$3,784,297
FY23	\$3,637,935 (amended)	\$2,585,944 (as of May 31)
<b>Fiscal Year 2024</b>	<b>Base</b>	<b>One-Time</b>
FY24	\$3,299,890	\$191,578



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**Local Option Tax Expenses**





## Original Local Option Tax Expenses

	FY23	FY24
Emergency Services	\$1,900,000	\$2,000,000
Mountain Rides	\$527,000 + \$242,000	\$631,000 + \$165,000
Events	\$85,000	\$85,000
Consolidated Dispatch	\$166,403	\$171,395
SVED	\$15,000	\$15,000
Idaho Dark Sky Alliance	\$2,500	\$2,500
Avalanche Center	\$4,000	\$5,000
Mountain Humane	\$4,500	\$4,078
Granicus	\$21,591	\$21,591
Visit Sun Valley	N/A	N/A
Wagon Days	\$132,250	\$171,250
Other	\$1,000	\$1,000



## Revenue Changes to General Fund | 1% Local Option Tax

Historical Context	Budget	Actuals
FY21	\$2,406,101	\$2,847,371
FY22	\$2,226,247	\$3,137,741
FY23	\$2,766,247 (amended)	\$2,286,169 (as of May 31)
Fiscal Year 2024	Base	
FY24	\$2,682,842	



# Other Funds

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## Other Funds Expenses

	<b>FY23</b>	<b>FY24</b>
General Obligation Fire Bond	\$611,769	\$610,769
General Obligation Fire Construction Bond	\$268,722	\$0
Wagon Days	\$151,550	\$171,250
In-Lieu Housing	\$2,671,256	\$1,320,000



# Capital Improvement Plan

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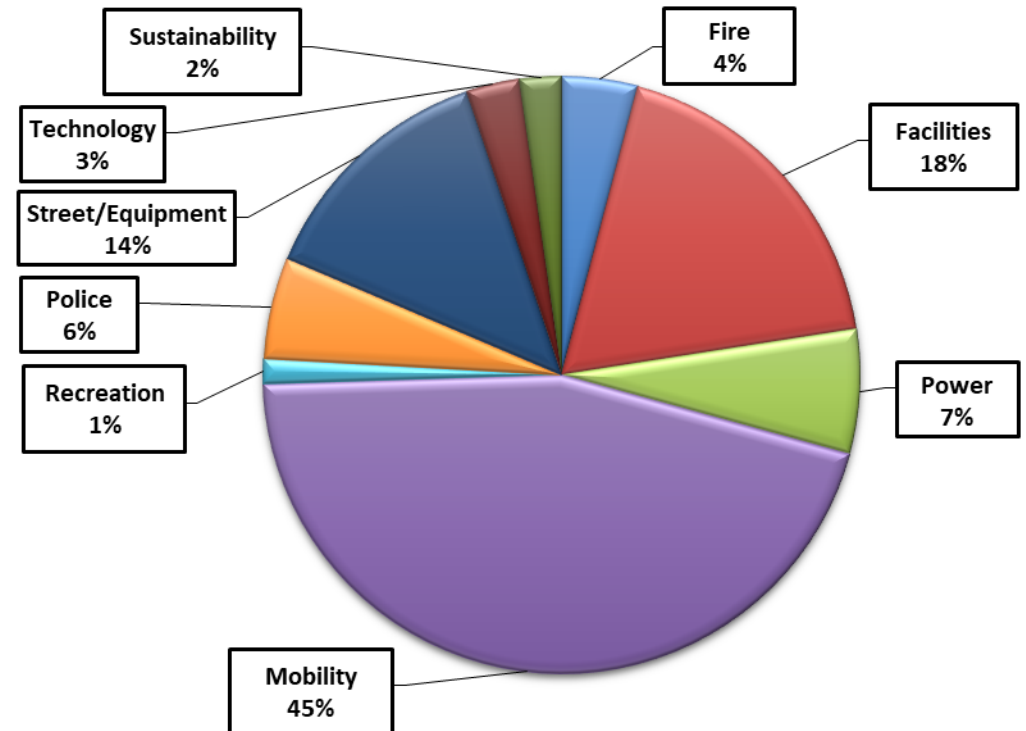
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**Capital Improvement Plan**

**FY24 Total Proposed Expense: \$2,226,174**

**| Constrained: \$1,719,174**

Since the last presentation, the CIP has been balanced due to:

- Main Street design cost (ITD partial reimbursement)
- ID Power under grounding south of town
- Lease to Purchase option for sweeper:
  - Purchase Price: \$279,476 Delivered
  - 3 Year \$0 Residual Lease: \$100,311 annually
  - 5 Year \$0 Residual Lease: \$64,618 annually
- URA reimbursement on select projects (Main Street, Town Square)





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**Capital Improvement Plan**

**FY24 Total Expected Revenue** **\$1,924,654**

- FY24 Revenue Sources:
  - Idaho Power Franchise \$ 291,000
  - Use of CIP Carry Over \$ 1,320,000
  - Use of LOT Fund Balance \$ 213,654
  - Police Contract Rebate \$ 100,000
  - KURA reimbursements
    - Main Street project
    - Town Square



## Department Summaries



# Administration Department

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2023 Amended Amount: **\$1,794,066**

### Highlights:

- General fund portion related to Public Works Director moved to the Non-Departmental section.
- Professional Services increased due to 10% contract increase with Ketchum Computers.
- Telephone & Communications budget increased due to operating two separate facilities (Fire Station and City Hall).



2024 Proposed: **\$2,078,370**

### Highlights:

- Request for one FTE (Admin Support Position) that would support City Clerk/Business Manager. Partial funding (\$50,000) was identified through altering the current communications contract. Budget request = \$72,000.
- Professional Services increased due to contract increase with Ketchum Computers.





# Legal Services

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2023 Amended Amount: **\$244,360** | 2024 Proposed: **\$250,293**

### Highlights:

- 2023 – Assumed a 3% increase in contract with the city attorney.
- 2024 – Assumes a 3% increase in contract with the city attorney.



# Legislative and Executive Department

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2023 Amended Amount: **\$383,452** | 2024 Proposed: **\$422,986**

Highlights:

- 2023 – No changes.
- 2024 – Increase in healthcare cost.



# Non-Departmental

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2023 Budgeted Amount: **\$1,686,616**

Highlights:

- One-time allocation compensation increase for employees of \$105,000 and \$35,000 for market adjustments.
- Included one-third (General Fund portion) of the proposed Public Works Director salary.
- Blaine County increase of \$69,215 to the shared Sustainability position over previous year.



2024 Proposed: **\$944,009**

## Highlights:

- Implementation of a 3% base/on-going increases to compensation market of \$50,000, and an additional 3% one-time bonus.
- Included one-third (General Fund portion) of the proposed Public Works Director salary. Due to the unsuccessful recruitment effort, staff is pivoting to recruiting a CIP Project Manager who could be a local contractual resource.
- Draft budget assumes new .5% and County contribution fully funds the Community Housing (City/County) department.



# City/County Housing Department

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2023 Budget: **\$1,441,434** | 2024 Requested: **\$1,833,708**

## Hot Topics:

- Does Council want to use General Fund dollars to support housing programs?
- Programs (over) budgeted for:
  - Conversion (L2L) + light preservation incentives - \$ 200,000
  - Conversion (L2L) + light preservation professional services - \$ 100,000
  - Forest Service Park preservation for housing - \$ 300,000
  - Emergency housing - \$ 150,000



# Fire and Rescue Department

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2023 Amended Amount: **\$2,868,326**

## Highlights:

- Budget funds include the 2nd year of the labor contract.
- Assumed a 3% revenue increase for ambulance contract. A higher budget request (\$371,062) was submitted to the Ambulance District.
- Reflects new Short Term Rental Fire Inspector position.



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## Fire and Rescue Department

2024 Amount Proposed: **\$2,959,407**

### Highlights:

- Funding for the 3rd and final year of the collective labor agreement.
- FY23 interim budget change included two positions to keep up with 49% increase in calls for service over last four years.



## Hot Topics

- Record call volume in the past year, with the busiest winter ever.
- Fire consolidation update.



# Planning and Building Department

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## Planning and Building Department

GENERAL FUND – Planning/Building Revenues			
	FY 2023 Adopted	FY 2023 Amended	FY 2024 Proposed
Building Plan Check Fees	\$130,000	\$227,500	\$195,000
Planning Plan Check Fees	\$91,000	\$159,250	\$136,500
Fire Plan Check Fees	\$91,000	\$159,250	\$136,500
Charges for Services	\$200,000	\$350,000	\$300,000
<b>Total</b>	<b>\$512,000</b>	<b>\$896,000</b>	<b>\$768,000</b>

FY23 original budget	\$256,000
FY23 amended budget	(\$128,000)



## 2023 Amended Amount: **\$1,080,116**

### Highlights:

- Increased contract with IDBS to align with revenue projections. The contract is set up to only pay for actual hours completed.
- Requested one-time funds to update the zoning code – a one-time expense – reflected on the General Fund Expenditures chart.
- Added an Associate Planner position.





## 2024 Amount Requested: **\$1,300,052**

### Highlights:

- Increased professional services budget by one-time \$129,500 to fund consulting fees for update to comprehensive plan and land use regulations update.
- Planning and Building Department revenue projections assume a 3% decrease in revenues from FY23.
- Planning fee revenues do not include fee increase assumptions.
- Senior Planner position vacant but funded.



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## Planning and Building Department

### Hot Topics

- Fee updates - 75% or 100% cost recovery.
  - Details attached in packet.



# Police Department

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2023 Amended Amount: **\$2,063,870**

### Highlights:

- Implemented similar compensation as the City – 5% increase plus a one-time 4% bonus.



2024 Proposed Amount: **\$2,234,297**

Highlights:

- Contract request to increase by \$154,373.
- Contract assumes a 6% base adjustment; city financial model assumes 3%.



# Recreation Department

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2023 Amended Amount: **\$552,463**

## Highlights:

- Staff changes during 2022 lead to savings via benefits coverage.



2024 Proposed Amount: **\$581,518**

## Highlights:

- Procurement of a passenger van for our youth programming.
- Continue to offer the most affordable year-round youth recreation programs in the valley.
- Working with the BCSD on their Hemingway masterplan.
- FY24 budget includes a small increase in professional service to accommodate environmental education through our partner, the ERC.





## Recreation Department - 2023 Fees

	COK (2:30-5)	YMCA (2:30-6)	BCRD (2:30-6)
<b><u>After School</u></b>			
daily	\$ 12.00		
monthly	\$ 88.00	\$ 212.00	\$ 142.00
year (9 months)	\$ 630.00		
	COK (8:30-4:30)	YMCA (9-5)	BCRD (8:30-5)
<b><u>Summer Programming</u></b>			
weekly	\$ 130.00	\$ 230.00	\$ 155.00
5 weeks	\$ 460.00		
10 weeks	\$ 920.00		\$ 1,503.00
<b><u>Supplemental Programming &amp; Out of School Days</u></b>			
	\$ 45.00	\$ 50.00	\$ 36.00
soccer/hockey/tennis/ x-country skiing (4 week programs)	\$68.00		\$ 70.00



# Streets and Facilities Department

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Streets 2023 Amended Amount: **\$2,326,537**

Facilities 2023 Amended Amount: **\$1,137,417**

### Highlights:

- Increased fuel and petroleum-related costs to reflect market conditions.
- First year full year of operating and expenses related to management of Warm Springs Preserve.



Streets 2024 Proposed Amount: **\$2,137,521**

Facilities 2024 Proposed Amount: **\$1,227,328**

### Highlights:

- If the new chip seal oil works out, we would like to use it on 4th street next year.
- Roof replacement at Rotary Park.
- Phase 1 for Warm Springs Preserve (pending fundraising progress).
- Request to increase professional services budget (snow hauling) by \$25,000 was not funded. Staff feels that one-time funds could augment in a large snow year.



## Hot Topics

- Employee retention/recruitment – vacant positions in both departments
- Sidewalk curb and gutter work (contractor/scheduling changes)



# Utilities Division – Water

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2023 Amended Amount: **\$3,645,621**

[\$2,815,101 in operations & \$830,520 in CIP]

Highlights:

- Adopted new tiered rate structure to promote water conservation.
- Increased funding to implement multi-year Capital Improvement Plan.



2024 Requested Amount: **\$3,960,720**

[\$3,175,720 in operations & \$785,000 in CIP]

## Highlights:

- Finish up construction of back-up generation to our main water-producing well Northwood.
- Continue planning, development and implementation of CIP projects.
- Purchasing a small hydro-vac system to aid in our valve maintenance program.
- Financial model assumes 5% rate increase to off-set personnel and implement CIP.





## Utilities Division - Wastewater



2023 Adopted Amount: **\$6,868,120**

[\$2,620,030 in operations & \$4,248,090 in CIP]

### Highlights:

- HDR has recently completed a draft Facility Plan to guide investment at the treatment plant for next 20 years.
- Voters approved debt issuance up to \$14M. Initial \$7M in debt has been issued.
- Draft budget assumed at least a 5% rate increase.
- Unplanned CIP purchase: Collections Sewer Camera - \$114,439



2024 Requested Amount: **\$7,476,126**

[\$3,552,473 in operations & \$3,923,653 in CIP]

## Highlights:

- Complete the Collection System Facility Plan to identify maintenance and growth needs of the sewer infrastructure.
- Proposed rate increase of 5%.
- Unplanned CIP expense: Trail Creek Bridge sewer line relocation
- Capital Improvement Projects for treatment plant expansion and upgrades:
  - Modify Aeration Blower Building
  - Aeration Basin modification to improve nitrogen removal and reduce electricity consumption.
  - Develop preliminary plans for solids handling upgrades.



## Contractual Service Partners



# City/County Sustainability Program



2023 Amount: **\$88,802** | 2024 Requested Amount: **\$88,802**

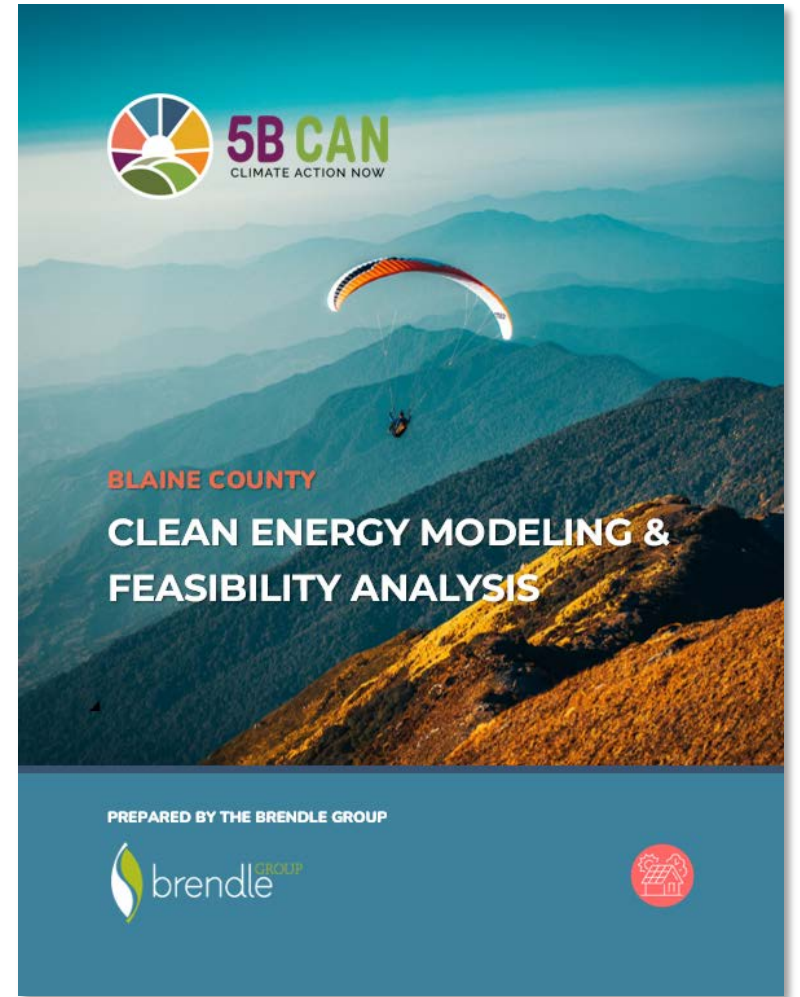
## Highlights:

- Cost Saving Efficiencies:
  - Grant writing coordination with Region IV Development
  - Communications and Marketing contractor
  - Anticipated program operational cost savings +/- \$40k



## Performance Metrics

- Reduction in greenhouse gas emissions from municipal operations and county-wide energy and fuel use.
- Increase in clean energy for municipal electricity and fuel use and county-wide electricity use.
- Increase in recycling rate.
- Community engagement in 5B CAN through social media, newsletter, and activities such as meetings and surveys.





## Hot Topics

- Integrated climate action planning and implementation
- Microgrid renewable energy generation
- Expand solar and energy storage
- Increase participation in energy efficiency and weatherization incentives
- Promote building electrification
- Encourage transition to electric vehicles and invest in charging infrastructure





## Idaho Dark Sky Alliance



2023 Amount: **\$2,500** | 2024 Requested Amount: **\$2,500**

## Highlights:

- Two Astronomers in Residence will provide lectures and stargazing this summer in Ketchum and throughout the Reserve. Boise State AstroTAC students and local dark sky advocates will present additional programs.
- Working with the International Dark Sky Association and UCLA's Institute of the Environment and Sustainability to improve the sky quality monitoring efforts throughout the Reserve.
- Coordinate with Ketchum city staff to develop consistent protocols for both sky quality monitoring and lighting inventories as required by IDA.
- Board members continue outreach in the Treasure Valley to encourage better lighting designs that help protect the night sky in the Boise area and within the Reserve.



# Friends of the Sawtooth National Forest Avalanche Center



2023 Amount: **\$4,000** | 2024 Requested Amount: **\$5,000**

### Highlights:

- The Daily Avalanche Forecast is our most important resource for sharing critical information with the public in order to save lives.  
Funds collected from the City will be used to ensure this goal is met, which can include SAC website maintenance, expanded forecast territory, and social media outreach.
- The City of Ketchum is displayed as dedicated sponsor on the FSAC website.



## Mountain Humane



2023 Amount: **\$4,500** | 2024 Requested Amount: **\$4,078**

## Highlights:

- Focusing on microchipping community animals
  - Will improve community relations and decrease the number of animals impounded.
- Requesting a 3-day holding period to replace the current 7-day holding period for stray impounds.
  - Historical data shows that animals are returned to owners typically within the first 24 hours.
  - Those not reclaimed within 24 hours are typically never reclaimed.
- Implementing these changes will reduce the total cost of the impound program from \$107,000 in FY 2023 to \$76,226 in FY 2024, a decrease of 29 percent! By 2025, the cost of the program is projected to cost \$62,303, a decrease of 42 percent from 2023. As a result, the annual impoundment renewal contract for the City of Ketchum will decrease from \$4,500 to \$4,078 in FY 2024, a decrease of 9.4 percent from FY 2023.



# Sun Valley Economic Development



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## Sun Valley Economic Development

2023 Amount: **\$15,000**

### Highlights:

- \* Expansion of the Sun Valley Culinary Institute student body, staff, programs & events
- Support growth of Wild Rye & Revelry relocation with Tax Reimbursement Incentive
- Vocational needs assessment & program development under ID Workforce Development Council grant
- Childcare needs assessment & strategic plan development with community partners
- Delivery of economic data and analyses to inform public & private decision-making
- Guidance to businesses on accessing external capital going into slowing economy
- Positive ROI, with a return to the city of between \$19 and \$148 for every dollar invested over the last 3 yrs.





2024 Requested Amount: **\$15,000**

### Highlights:

- **Better Local Jobs:** Retain existing and attract new more diverse community-oriented businesses
- **Improved Sales:** Increase business traffic & reduce seasonality
- **Better Decision Making:** Provide timely data & analysis on the local economy
- **Remove Obstacles:** Improve the local business environment for Main Street & local investors
- **Access Grants:** Help secure funding for childcare, vocational and/or broadband improvements
- **Deliver Significant ROI:** real and positive community-wide impact from sponsored projects & programs



# Mountain Rides Transportation Authority



## Mountain Rides

2023 Amount : **\$769,000**

**\$527,000** – Operations/Service | **\$242,000** – Capital Improvements Local Match

### Highlights:

- Operate and support our Valley & Blue Routes, including enhanced, more frequent, seven-day service on the Valley Route and continuing late-night service – daily until 12:30am year-round – on the Blue Route.
- Underwrite a portion of the expense for operating ~36,000 hours of service system-wide
- Manage and operate an ADA Paratransit/NEMT Service.
- Augment grant funding to support, manage, and operate a Safe Routes to School Program
- Engage in regional transportation planning and coordination.
- Operate and support our regional commuter van pool services bringing workers into the Wood River Valley from points south.



## Mountain Rides

2024 Amount Requested: **\$796,000**

**\$631,000** – Operations/Service | **\$165,000** – Capital Improvements Local Match

### Highlights:

- Operate 33,000+ hours of annual service on routes serving the City.
- Provide quality transportation services and infrastructure that underpin and promote economic growth, vitality, and livability.
- Provide critical transportation services to transit-dependent essential workers who buttress our local economy.
- Positively impact the local economy, with ~45 employees earning – and spending – ~\$2.6MM in annual wages and benefits.
- Bring two (2) light-duty electric buses (LD BEBs) and related charging infrastructure into our operations (total investment, ~\$800K), which will bring our total BEBs to thirteen (13) in a fleet of twenty-four (24) buses.
- Build, occupy, and put in-service a ~5,400SF state-of-the-art battery electric bus depot and maintenance facility, including charging infrastructure, on Mountain Rides' Bellevue campus.



## 2024 Amount Requested for Capital Project **\$600,000**

- Received ~\$4.8M federal grant – need the local match
- Funding to underwrite the construction and equipping of an approximately 5,400SF building. The new facility will be put in service as part of and supporting Mountain Rides' 5311 Rural Operations in the Wood River Valley.



## **Council Feedback**

Missed Items

Budget Book



## Next Steps

- July 3 - Workshop Follow-up
- July 17 - Public Hearing
- August 7 - First Reading of Ordinance
- August 21 - Second Reading of Ordinance
- September 5 - Third Reading of Ordinance



## Preliminary Motion

Option #1 – *“I move to adopt the proposed budget as presented.”*

Option #2 – *“I move to adopt the proposed budget as presented with the following amendments:”*