



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: June 2, 2025 Staff Member/Dept: Jade Riley – Administration; Seth Martin – Fire

Agenda Item: Briefing on draft Memorandum of Understanding (MOU) #25-007 with the Ketchum Fire District.

Recommended Motion:

No motion is requested at this time; staff is seeking general direction on the draft document. Final MOU will be placed at a future meeting for final review/approval.

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.
- The attached draft 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 relationship

Sustainability Impact:

None

Financial Impact:

- | | |
|--|--|
| None OR Adequate funds exist in account: | <ul style="list-style-type: none">• FY25: \$175,000 in start-up costs• FY26: \$800,000 to cover first quarter operating costs with \$350,000 reimbursed to City.• The remaining \$450,000 would be utilized to establish operating reserve for the district. |
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Attachments:

1. (draft) MOU #25-007

MEMORANDUM OF UNDERSTANDING
#25-007
BETWEEN THE KETCHUM FIRE DISTRICT AND
CITY OF KETCHUM; BLAINE COUNTY, IDAHO

PARTIES

THIS AGREEMENT (“Agreement”) is made and entered into this ____ of ____ 2025 by and between the **CITY OF KETCHUM**, hereafter called the **CITY**, and the **KETCHUM FIRE DISTRICT**, hereafter called the **DISTRICT**.

PURPOSE

Recognizing the need for consistent and high-quality fire and emergency medical services (EMS) across the Wood River Valley, and in response to limitations in the current emergency response system, the voters of the City approved the formation of the Ketchum Fire District on November 5, 2024. The District encompasses the current city limits and is intended to serve as the foundation for regional fire department consolidation.

This MOU outlines the initial terms and conditions for the transition of the Ketchum Fire Department from a City-operated entity to an independent legal entity operated by the District.

The Parties agree as follows:

SECTION I. PERSONNEL

At midnight September 30, 2025, employment for all personnel of the City of Ketchum Fire Department will end. The District agrees to hire all such employees into their previously held positions as of October 1, 2025, at 00:01hrs. As part of this process,

1. The City agrees to fund all HRA balances held by the employees and transfer that balance to the employee’s Voluntary Employees' Beneficiary Association (VEBA) accounts or as designated by the District and allowed by law.
2. All employees’ accrued leave hours as of September 30, 2025, will transfer with the employee to the District and be accounted for in the District’s timekeeping software, as allowed by the Collective Bargaining Agreement (CBA) and City policy.
3. No leave hours will be cashed out to the employees, except as required by the CBA and City policy.

SECTION II. 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. As such the Parties agree as follows:

DEVELOPMENT IMPACT FEES

1. The City will remit all development impact fees designated for fire services to the District quarterly.
1. Fee methodology and structure will be reviewed jointly and periodically by the parties.
2. The District will provide annual accounting of impact fee expenditures or as requested by the City.

FIRE PLAN REVIEW FEES

1. The City will remit collected Fire Plan Review fees to the District, retaining a 10% administrative fee.
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. A service level agreement will be developed between the City and the District to memorialize coordination efforts.
 - a. Such reviews, inspections, and comments shall be performed in a timely manner.
3. Business license inspections and ongoing occupancy inspections will be provided by the District at no charge.
4. The District will directly invoice applicants for technical reviews, permits, and other services.
5. All Fire Code and Life-Safety reviews and inspections shall be based on the District's adopted code.

SHORT-TERM RENTAL PROGRAM

1. The District shall invoice the City for fire inspection services related to short-term rentals within the City.
2. Short-term rental inspection fees will align with the District's adopted fee schedule.
3. The City will manage software for short-term rental tracking and compliance as permitted by statute.

SECTION III. FIRE DISTRICT START UP COSTS

It is recognized that there are significant costs associated with running the Fire Department that are not itemized in the City's Departmental budgets. The City agrees to provide funding to assist with the startup costs for the District before the District receives tax revenue in January 2026. The City will continue to fund the Fire Department as provided in the City's FY 2025 budget up to September 30, 2025. Additionally, the City agrees to fund the following startup items outside of the current Fire Department's budget prior to October 1, 2025 (estimated total of \$175k):

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

On October 1, 2025 (start of Fiscal Year 2026), the City agrees to make a one-time monetary

transfer to the District in the amount of \$800k. Subsequently, The District agrees to make a one-time monetary transfer to the City no later than September 30, 2026, in the amount of \$350k. The balance (\$525k) shall be utilized by the District to establish an Operational Fund Reserve account to benefit the District.

SECTION IV. TRANSFER OF OWNERSHIP

1. The City agrees to transfer ownership of all equipment, supplies, and apparatus currently owned by the City to the District at no financial obligation to the District. This includes but is not limited to the following.
 - a. All Fire Fighting and EMS equipment currently housed and operated by the Fire Department.
 - b. All vehicles and apparatus currently housed and operated by the Fire Department.
 - c. All furniture, equipment, supplies and other materials currently used and housed by the Fire Department.
 - d. The Fire Training Facility and land currently addressed as 219 Lewis St., Ketchum, ID.
 - e. Any items purchased as part of the Fire Department's FY 24/25 City Budget before October 1, 2025.
2. The City agrees to lease the Fire Station located at 107 Saddle Rd., Ketchum, ID. to the District for an annual amount of one dollar (\$1.00), until the current Bond is satisfied. At which point the Bond is satisfied, the City agrees to transfer ownership of the Fire Station building and property located at 107 Saddle Rd., Ketchum, ID. to the District with no additional financial obligation.
 - a. The District agrees to maintain the Fire Station in good condition for the term of the lease.
 - b. The District agrees to maintain liability insurance for the Fire Station facility for the term of the lease.
3. The City agrees to transfer ownership of all apparatus currently under a lease-purchase agreement to the District at no additional financial obligation upon satisfaction of the lease-purchase program.
 - a. The District agrees to pay the annual lease-purchase costs until the individual lease-purchase agreements are satisfied.
 - b. The District agrees to maintain liability insurance for all apparatus under this provision for the term of the lease-purchase program.

SECTION V. FIRE HYDRANT SYSTEM

The District may use City fire hydrants for fire suppression purposes. The City will maintain the hydrant system, including clearance enforcement and snow removal. The District will perform flow testing and flushing as needed.

SECTION VI. FIRE STATION GROUNDS

The Parties agree that the City will manage irrigation equipment in the City's ROW adjacent to the Fire Station and Saddle Rd. Additionally, the City agrees to periodically haul snow from the South side of the Fire Station. The District agrees to move all snow needing hauling to the appropriate

location as indicated by the Street Department.

Parking spaces on the South side of the Fire Station are to be utilized for the needs of the District. As needs allow, public parking shall also be available to benefit the community. Such additional uses shall not inhibit use by the District and may be unavailable as deemed necessary by the District.

BOTH PARTIES AGREE THAT:

This Agreement shall become effective on the first date mentioned above and shall remain in full force and affect until amended or replaced upon the mutual consent of the **CITY** and the **DISTRICT**.

SEVERABILITY

If any of the provisions of this agreement shall be held or made invalid by a court decision, statute, or rule, or shall be otherwise rendered invalid, the remainder of this Agreement shall not be affected thereby.

EXECUTION

This agreement 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**.

KETCHUM FIRE DISTRICT

Board President

ATTEST:

CITY OF KETCHUM

Trent Donat, City Clerk

Neil Bradshaw, Mayor