



## City of Ketchum

September 11, 2019

Mayor Bradshaw and City Councilors  
City of Ketchum  
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

### **Recommendation to Hold Public Hearing and Adopt Ordinance No. 1203 The FY 19-20 Annual Appropriations Ordinance**

#### Recommendation and Summary

Staff respectfully recommends that the Ketchum City Council conduct the first and final reading of the Annual Appropriation Ordinance No. 1203, thereby waiving the second and third readings of the ordinance, and read by title only using the following motions:

1<sup>ST</sup> Motion: "PURSUANT TO IDAHO CODE 50-902, I MOVE TO WAIVE THE SECOND AND THIRD READINGS OF ORDINANCE NO. 1203 AND READ BY TITLE ONLY."

2<sup>ND</sup> Motion: "I MOVE TO APPROVE THE FIRST READING, BY TITLE ONLY, OF ORDINANCE NO. 1203, AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, ENTITLED THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, APPROPRIATING TO THE VARIOUS BUDGETARY FUNDS, SUMS OF MONEY DEEMED NECESSARY TO DEFRAY ALL NECESSARY EXPENSES AND LIABILITIES WITHIN EACH FUND FOR THE ENSUING FISCAL YEAR, AUTHORIZING A LEVY OF A SUFFICIENT TAX UPON THE TAXABLE PROPERTY AND SPECIFYING THE OBJECTS AND PURPOSES FOR WHICH SAID APPROPRIATION IS MADE, AND PROVIDING AN EFFECTIVE DATE."

The reasons for the recommendation are as follows:

- State statute establishes requirements for approving a budget.

#### Introduction and History

Per Idaho Code 50-1003, the City Council of each city shall, prior to the commencement of each fiscal year, pass an Ordinance to be termed the Annual Appropriation Ordinance.

On July 15, 2019, the Council adopted Resolution No. 19-016 approving the proposed budget for Fiscal Year Beginning October 1, 2019, and ending September 30, 2020, containing the proposed revenues and expenditures necessary for all purposes for said fiscal year to be raised and appropriated within said City. The Council subsequently conducted the first reading of Ordinance 1199 by title only. During the August 5, 2019, meeting, the Council conducted the second reading. Prior to conducting the third reading of Ordinance 1199, the Council proposed modifications that increased the overall budget level.

Pursuant to Idaho Statute, the City has re-advertised the budget in the legal notices section of the local newspaper of general circulation incorporating the Council’s requested changes. The changes are detailed below as well as in Attachments A & B.

Analysis

Since the first reading of the ordinance, the City has been advised by the Blaine County Sheriff that the contract level is able to be reduced by \$24,812 to \$1,503,560 for FY 20 as a result of lower than anticipated benefit costs. In response to Council deliberations during the August 19 meeting, Ordinance 1203 includes modifications to the budget to utilize the budget savings from the Sheriff contract and also to address Council discussion. The proposal, including revised pages for the budget book, is detailed in Attachment C and summarized below.

As detailed below, the proposed modifications would result in a net increase of \$120,488 in the City budget, resulting in a \$25,074,136 budget for FY 20. The net increase to the General Fund is funded by through two sources: (1) a reduction in the level of General Fund reserves of \$35,188 and (2) a transfer of \$100,000 from the General Capital Improvement Fund to the General Fund. This increase is offset by a decrease in the Wagon Days Fund associated with defunding the concert.

**General Fund** (net increase of \$135,188)

Decrease BCSO Contract	( \$24,812 )
Decrease KFD Paid On-Call Funding	( \$35,000 )
Decrease Contingency Funding	( \$20,000 )
Increase Contracts for Service (Fund KSAC Sustainability Consultant)	\$15,000
Increase Funding for KFD Positions	\$200,000

**LOT Fund** (no net change)

Decrease Transfer to Wagon Days (Defund concert)	( \$14,700 )
Decrease Events (Defund dog event)	( \$10,000 )
Increase Mountain Rides (Maintain summer late-night Blue Route)	\$24,700

**Wagon Days Fund** (net decrease of \$14,700)

Decrease Concert Funding (Defund concert)	( \$14,700 )
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**General Capital Improvement Fund** (no net change)

Decrease New Sidewalk Funding	( \$100,000 )
Transfer to General Fund for KFD Positions	\$100,000

Financial Impact

The Fiscal Year 2019-20 City Budget provides budget authority for the services and projects the City anticipates providing during the new fiscal year. The proposed budget appropriates a total of \$25,074,136 including \$10,761,459 in the General Fund.

Attachments

- Attachment A: Ordinance 1203
- Attachment B: Proposed Modifications to Preliminary Adopted Budget