



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:

October 20, 2025

 Staff Member/Dept:

Jade Riley – Administration

Agenda Item:

Quarterly update and recommendation to approve FY26 contract (26006) for services with Mountain Rides Transit Authority.
--

Recommended Motion:

"I move to approve contract #26006 with Mountain Rides."
--

Reasons for Recommendation:

- | |
|---|
| <ul style="list-style-type: none">• The City contracts with MRTA for public transportation services as identified in the contract.• The funding was approved in the adopted FY2026 budget. |
|---|

Policy Analysis and Background (non-consent items only):

- | |
|--|
| <ul style="list-style-type: none">• Executive Director Wally Morgus Discussion will present a quarterly update and stand for questions.• One topic/councilmember request (not in contract): <i>Mountain Rides shall expand operating hours (late-night service/final pick-up to 1:11AM on Friday and Saturday) on its Valley Route; such expansion shall be in place no later than January 1, 2026.</i> |
|--|

Sustainability Impact:

Approval of contract will assist with the economic sustainability of our community.

Financial Impact:

None OR Adequate funds exist in account:	The approved budget allocates \$723,000 for operations/services and one-time funding of \$125,000 for capital improvement items from the Local Option Tax Fund (original LOT).
--	--

Attachments:

- | |
|-----------------------------|
| 1. Proposed contract #26006 |
| 2. Purchase order #26006 |
| 3. FY2026 funding request |

CONTRACT FOR SERVICES

THIS CONTRACT FOR SERVICES (hereinafter the “Contract”) is made and entered this 6th day of October 2025, by and between the **CITY OF KETCHUM, IDAHO**, a municipal corporation (hereinafter referred to as “the City”) and the **MOUNTAIN RIDES TRANSPORTATION AUTHORITY** (hereinafter referred to as “Mountain Rides”), an Idaho Transportation Authority, formed and existing pursuant to a Joint Powers Agreement duly executed, extended, and recorded as Instrument #629888 in Blaine County, Idaho (recorded 9/29/15). This Contract is hereby entered into in contemplation of the following findings:

FINDINGS

1. The City is a municipal corporation duly organized and existing under the law of the State of Idaho §50-101 et seq.
2. Mountain Rides is an Idaho Transportation Authority formed and existing pursuant to a Joint Powers Agreement duly executed and recorded as Instrument #629888 in Blaine County, Idaho.
3. The City is a destination resort city as defined by Idaho Code § 50-1044, as it derives a major portion of its economic well-being from businesses catering to the recreational needs and meeting the needs of people traveling to the City for an extended period of time. The City, as a resort city, is eligible to collect a local option non-property tax.
4. Pursuant to Idaho Code §50-301 and §50-302, the City is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the City and its trade, commerce, and industry. Accordingly, the City has the power as conferred by the State of Idaho to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic wellbeing of the City.
5. Mountain Rides provides an efficient and responsive public transportation system which is easily identifiable, is coordinated in a manner to encourage the ease of ridership, is charged with planning and implementing multi-modal transportation technologies, when feasible, and will seek to reduce the congestion and pollution of individual vehicular trips within Blaine County.
6. Mountain Rides’ mission is to establish, implement, maintain, fund, and operate a comprehensive public transportation system by motor buses, vans, or other appropriate means, including but not limited to multi-modal transportation systems, on a scheduled or unscheduled and charter basis throughout Blaine County for the benefit of the inhabitants and visitors in Blaine County. Mountain Rides strives to provide services that are safe, user oriented, environmentally friendly, economically stable, and supportive of a strong local economy.
7. The organizational purpose and goals of Mountain Rides are complementary to those of the City.
8. Mountain Rides has faithfully and diligently carried out its mission to provide services that promote and enhance the trade, commerce, and industry of the City. It is in the best interests of the public health, welfare, and prosperity of the City to provide regional transportation services.
9. The City intends to contract with Mountain Rides to provide such services for consideration as hereinafter provided.
10. Mountain Rides desires to enter into a contract with the City to provide transportation services all as hereinafter provided.

NOW, THEREFORE, on the basis of the foregoing Findings the Parties agree as follows:

1. Services to be Provided by Mountain Rides. Mountain Rides hereby agrees to provide transportation services for the City and to provide public transportation services to residents and visitors to the City and the Mountain Rides service area, within the confines of the Mountain Rides budget. Mountain Rides' FY2026 Service Plan is summarized in Exhibit A. Mountain Rides agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, insurance, fidelity bonds, and all necessary equipment and facilities required to provide the transportation services as set forth in this Contract.
2. Term. The Term of this Contract shall commence October 1, 2025, and terminate September 30, 2026.
3. Consideration.
 - a. In consideration for the services described herein, the City agrees to pay Mountain Rides SEVEN HUNDRED TWENTY-THREE THOUSAND DOLLARS (\$723,000) for operations and services and ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000) for one-time capital funding for a total sum of EIGHT HUNDRED FORTY EIGHT THOUSAND DOLLARS (\$848,000), payable in four equal quarterly installments on November 14, 2025; February 13, 2026; May 15, 2026; and August 14, 2026. Mountain Rides will provide the City an invoice 30 days in advance of each due date setting forth the amount of the installment due. The City shall pay Mountain Rides the amount set forth in each such invoice no later than thirty (30) days after the date of each such invoice.
 - b. The City's contribution to Mountain Rides is part of Mountain Rides FY2026 Budget adopted by the Mountain Rides' Board on August 20, 2025. Mountain Rides' FY2026 Operating Budget is summarized in Exhibit B of this Contract.
 - c. In consideration and as part of this Contract, and upon request, Mountain Rides will provide to Ketchum City Council via presentations at City Council meetings, periodic reports including activities, ridership, financial conditions, and other information describing the then-current condition of the transportation system or requested by Council. Unless otherwise agreed, these Reports will be delivered to Ketchum City Council during said body's meeting in the following months: October (in concert with contract renewal), January, May, and June (in concert with annual budget workshop). In addition, Mountain Rides will provide a budget request and, upon request, a report coincident with the City's FY2026 budget deliberations.

Mountain Rides and the City shall work together to develop route optimization and/or restructuring options that may be required in the face of a potential increase and/or decrease in funding from the City; best efforts shall be made to complete this task not later than June 1, 2026.
 - d. In the event that budgeted revenue from any of Mountain Rides' funding partners (local government, federal government, fares, or private business funding) identified in Mountain Rides' FY2026 Operating Budget is not collected as expected, Mountain Rides may adjust its adopted FY2026 Service Plan in order to balance revenue with expenses. In this event, Mountain Rides will give notice to the City as to the adjustments that impact transit service within the City. Mountain Rides and the City will work to come to a mutually acceptable adjusted service plan. If a mutually acceptable adjusted service plan cannot be reached, the City may terminate this Contract upon thirty (30) days written notice to Mountain Rides.
4. Termination. The City may, at its sole discretion, terminate, with or without cause, this Contract immediately upon one hundred twenty (120) days prior written notice to Mountain Rides. In the event of such termination, the City shall make all payments due to Mountain Rides through the end of the 120-day notice period and thereafter shall have no further responsibility to make any payment to Mountain Rides under this Contract. Mountain Rides, in its sole discretion, shall adjust services

as may be necessitated as a result of any termination of this Contract.

5. Equal Employment Opportunity. Mountain Rides covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin.
6. Default. In the event either Party fails to perform its responsibilities, as set forth in this Contract during the contract term, this Contract may, at the option of the non-defaulting Party, be terminated. Upon termination under this paragraph, Mountain Rides, in the event it intentionally breaches its responsibilities, shall not be entitled to receive any unpaid installments of the consideration called for in paragraph 3 of the Contract.
7. Independent Contractor Status. The Parties acknowledge and agree that Mountain Rides shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the City. Mountain Rides and its agents, employees, and volunteers shall not accrue leave, retirement, insurance, bonding, or any other benefit afforded to employees of the City. The sole interest and responsibility of the City under this Contract is to assure itself that the services covered by this Contract shall be performed and rendered by Mountain Rides in a competent, efficient, and satisfactory manner.
8. Hold Harmless. Any contractual obligation entered into or assumed by Mountain Rides, or any liability incurred by reason of personal injury and/or property damage in connection with or arising out of Mountain Rides' obligations pursuant to this Contract shall be the sole responsibility of Mountain Rides, and Mountain Rides covenants and agrees to indemnify and hold the City harmless from any and all claims or causes of action arising out of Mountain Rides' activities and obligations as set forth hereinabove, including, but not limited to, personal injury, property damage, and employee complaints.
9. Non-Assignment. This Contract may not be assigned or transferred by either Party, in whole or in part, without the prior written consent of the other Party.
10. Miscellaneous Provisions.
 - a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Contract or any of the provisions of the Contract.
 - b. Provision Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.
 - c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any Party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the Parties under this Contract are given in addition to any other rights the Parties may have by law, statute, ordinance or otherwise.
 - d. Successor and Assigns. This Contract and the terms and provision hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the Parties hereto.
 - e. Entire Contract. This Contract contains the entire agreement between the Parties respecting the matters herein set forth and supersedes all prior agreements between the Parties hereto respecting such matters.
 - f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.

- g. Preparation of Contract. No presumption shall exist in favor of or against any Party to this Contract as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either Party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.
- i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the Parties.

- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:

- i. The City: City Clerk
City of Ketchum
PO Box 2315
Ketchum, ID 83340-2315
- ii. Mountain Rides: Executive Director
Mountain Rides Transportation Authority
PO Box 3091
Ketchum, ID 83340-3091

IN WITNESS WHEREOF, the Parties have executed this Contract as of the day and year first written above.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY

CITY OF KETCHUM

Wallace E. Morgus, Executive Director

Neil Bradshaw, Mayor

ATTEST:

Trent Donat, City Clerk

EXHIBIT A

Mountain Rides FY2026 Service Plan Summary



Service	Service Hours	Notes
Blue	12,018.5 hours	Sun - Thu: 7:00am - 12:30am; Fri - Sat: 7:00am - 2:00am
Valley	16,163.0 hours	Sun - Sat: 6:00am - 1:30am
Hailey	2,193.0 hours	Mon - Fri: 7:30am - 4:00pm
Red	1,689.5 hours	Nov 27, 2025 - Apr 19, 2026: 8:30am - 5:00pm; Jul - Aug 2026 Music Festival (15-16 days): 5:30pm - 8:00pm
Bronze	1,024.0 hours	Dec 13, 2025 - Apr 19, 2026: 8:30am - 4:30pm
Silver	2,151.0 hours	Nov 27, 2025 - Apr 19, 2026: 8:00am - 6:30pm; June 29, 2026 - Sep 7, 2026: 10:00am - 7:00pm
Gold	963.0 hours	Dec 13, 2025 - Mar 29, 2026: 8:00am - 5:00pm
Total	36,202.0 hours	

EXHIBIT B
Mountain Rides FY2026 Operating Budget

Income	
41000 · Federal Funding	\$ 2,789,375
43000 · Local Funding	1,823,100
44000 · Fares Revenue (Vanpool)	210,000
45100 · Advertising Revenue	90,000
47000 · Donations	5,000
48000 · Transfer from Housing Fund	16,400
49000 · Interest Income	17,000
50000 · Excess Operating Funds	150,000
Total Income	\$ 5,100,875
Expenses	
51000 · Payroll Expenses	\$ 3,924,400
52100 · Insurance: Liability/Vehicles	324,800
53000 · Professional Fees	42,000
54000 · Equipment/Tools	11,000
55000 · Rent & Utilities	40,000
56000 · Supplies	35,500
57000 · Repairs & Maintenance	38,000
58000 · Communications Exp.	51,000
59000 · Travel, Training & Meetings	25,400
60000 · Business Expenses	16,800
61000 · Advertising	28,500
62000 · Marketing & Promotion	28,500
63000 · Printing & Reproduction	10,500
64000 · Fuel Expense	350,000
65000 · Vehicle Maintenance	164,500
69500 · Contribution to Fund Balance	9,975
Total Expenses	\$ 5,100,875
Net Surplus (Deficit)	\$ -



CITY OF KETCHUM

PO BOX 2315 * 191 5TH ST. * KETCHUM, ID 83340
Administration 208-726-3841 (fax) 208-726-8234

PURCHASE ORDER

BUDGETED ITEM? ____ Yes ____ No

PURCHASE ORDER - NUMBER: 26006

To: 3097 MOUNTAIN RIDES P.O. BOX 3091 KETCHUM ID 83340	Ship to: CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340
---	---

P. O. Date	Created By	Requested By	Department	Req Number	Terms
09/12/2025	CCHING	CCHING			

Quantity	Description	Unit Price	Total
1.00	2026 Transportation Services 22-4910-6080	848,000.00	848,000.00
	SHIPPING & HANDLING		0.00
	TOTAL PO AMOUNT		848,000.00

Authorized Signature



City of Ketchum

Mountain Rides Transportation Authority

Agency Name: Mountain Rides Transportation Authority
Project Name: Public Transportation Operations & Capital
Contact Person: Wally Morgus, Executive Director
Address: 800 1 st Ave. North, PO Box 3091, Ketchum, ID 83340
Email: wally@mountainrides.org
Phone Number: 208.788.7433 x. 101

Please provide the information requested below and return via email to aswindley@ketchumidaho.org by end of day **Thursday, May 1, 2025**.

- City Council's Budget Strategic Session will be on Tuesday, June 24 from 9am~2pm.
- The public hearing will be on July 21, with the ordinance readings as follows:
1st – August | 2nd – August 18 | 3rd – September 2

Feel free to expand the text fields. Supporting documents or any additional information for consideration are welcome as attachments. If any of the below items do not apply to your request, please indicate with N/A.

1. Amount requested for fiscal year 2025: \$ 848,000
2. What percentage of your overall budget does the requested amount represent? ~10.3 %
Please submit a budget sheet for FY2024 and FY2025 that shows detailed revenue and expenditures.
3. How would your program or project be impacted if it did not receive funding from the City or if funding were reduced? (Expand the box as needed or submit separately.)

To qualify for FTA funding, which underwrites the lion's share of our budget, Mountain Rides must receive local match funds. There is a direct relationship – intensified by the leverage from the Federal match – between funding from our Joint Powers, including Ketchum, and the quality and quantity of public transportation services we deliver. In Operations, with ~\$2.75 of FTA funding per \$1.00 of local funding, each \$100,000 of local funding results in ~\$375,000 of total funding, which translates to ~3,700 hours of bus service. On the Capital side, the match is ~\$4.00 of Federal funding per \$1.00 of local funding.

Mountain Rides deploys resources efficiently to deliver quality services critical to the community. Reduced funding from Ketchum would likely trigger service cuts on our Blue & Valley Routes – serving ~550,000 riders per year (~76% of MRTA ridership) – which, in turn, would exacerbate challenges – traffic congestion; parking shortages; accelerated wear-and-tear on highways/streets; safety and environmental issues due to increased SOV trips – that Mountain Rides, historically, has helped to mitigate.

For FY26, Mountain Rides is requesting \$848,000 (+3.0% over FY25's \$824,000) from Ketchum: i) for Operations/Service -- \$748,000 -- which is higher than the FY25 funding allocated to Operations and is attributable to inflationary impacts on Mountain Rides' expenses and the reduced requirement, in FY26, based on lower projected capital spending, for local match funds for Capital Grants; and ii) for Capital Expenditures -- \$100,000 -- which is allocated as local match for Federal awards earmarked for capital expenditures. including buses. vans. and equipment.

4. If you received funds from the City in fiscal year 2025, please provide specific examples of how those funds were used to benefit the community. (Expand the box as needed or submit separately.)

In FY25, Mountain Rides is using City funds to: i) operate and support our Valley & Blue Routes, including continuing, more frequent, seven-day service and late-night service on the Valley Route and continuing late-night service on the Blue Route: Sun-Thu until 12:30a, Fri-Sat until 1:30a; ii) underwrite a portion of the overall expense for operating ~36,000 hours of service system-wide; iii) manage and operate an ADA Paratransit Service; iv) engage in regional transportation planning and coordination; and v) operate and support our regional van pool services bringing workers into the Wood River Valley from points south. Community benefits include:

- Workers accessing affordable, reliable, safe transportation getting them to/from jobs.
- Senior citizens accessing affordable, reliable, safe transportation getting them to/from health care services, shopping, and activities.
- Children experiencing greater and safer mobility and independence.
- Less traffic; more balanced transportation options; mitigated parking shortages; higher quality of life.

5. If you receive funds from the City in fiscal year 2026, please provide specific goals set by your organization. (Expand the box as needed or submit separately.)

Mountain Rides goals, set by our Board of Directors, remain consistent and relevant:

- Provide/advocate for well-funded public transportation that meets our communities' needs.
- Promote knowledge and awareness of the social, financial, environmental, and community benefits of public transportation.
- Promote regional cooperation on transportation issues.

Specifically, in FY26, look for Mountain Rides to:

- 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 essential transportation services to transit-dependent workers.
- Positively impact the local economy, with ~45 employees earning – and spending – ~\$3.0M in annual wages and benefits.
- Occupy and operate from our new Bellevue depot (total investment, ~\$5.5M), accommodating fleet electrification and complementing our Ketchum depot. Continue enhancing the infrastructure in our Ketchum depot to further accommodate fleet electrification.
- Bring two (2) LD BEBs and two (2) HD BEBs into our fleet (total investment, ~\$2.8M), which will bring our total BEBs to nineteen (19) in a fleet of twenty-four (24) buses.

For a comprehensive look at Mountain Rides' goals, please see Attachment B, "Mountain Rides Transportation Authority, Strategic Framework: Pentad of Focus."

For a summary of Mountain Rides' FY26 Funding Request from the City, please see Attachment C.

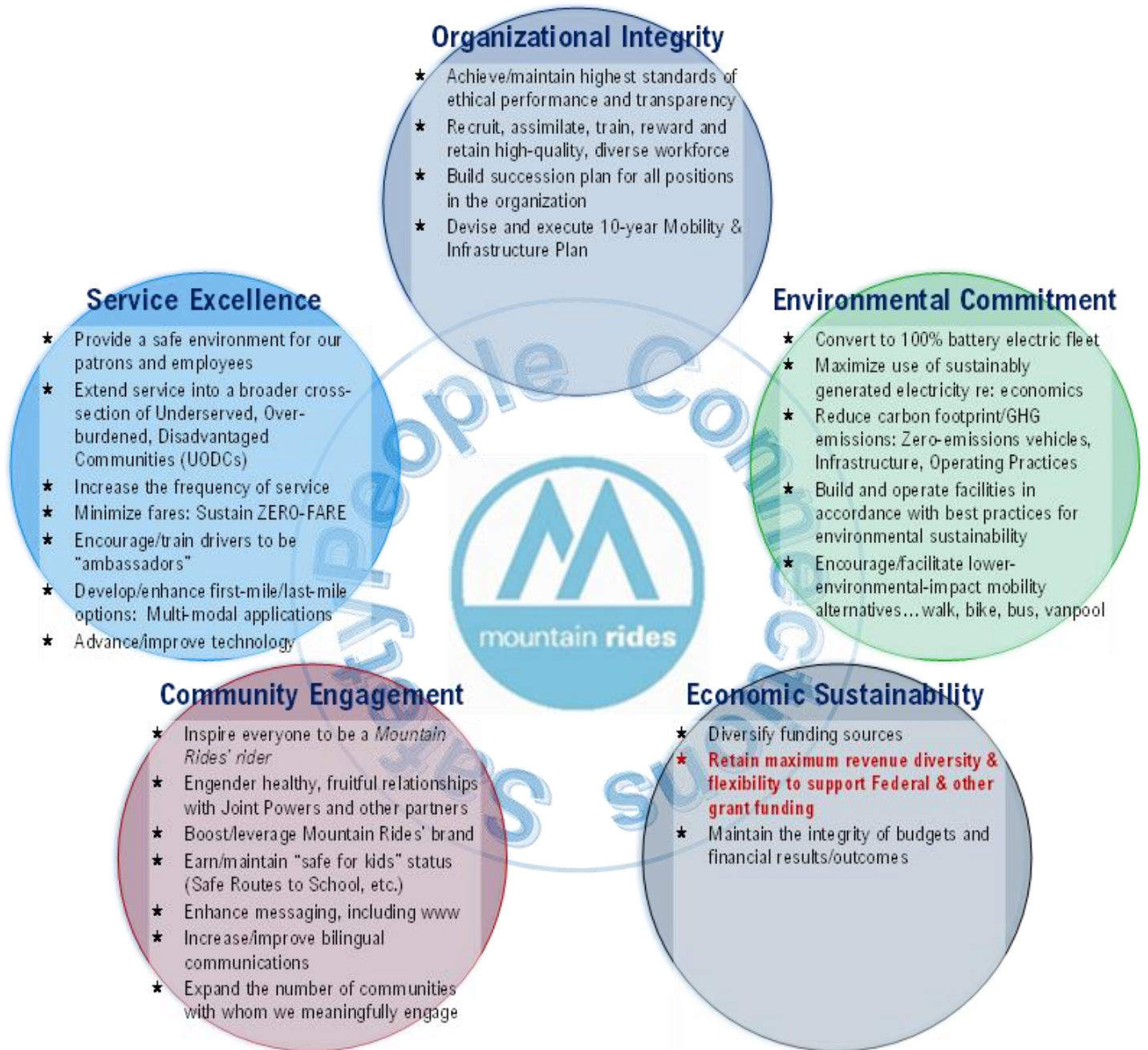
Attachment A

BUDGET SHEET: MOUNTAIN RIDES		
REVENUE	FY 2024	FY 2025
Operations Fund	\$ 4,481,700	\$ 4,940,300
Cap. Eqpt. Fund	683,000	1,488,300
Facilities Fund	6,267,100	4,730,700
WFH Fund	33,600	34,000
Total Revenue	\$ 11,465,400	\$ 11,193,300
EXPENSE	FY 2024	FY 2025
Operations Fund	\$ 4,481,700	\$ 4,940,300
Cap. Eqpt. Fund	872,000	1,572,000
Facilities Fund	6,366,300	4,770,000
WFH Fund	33,600	34,000
Total Expense	\$ 11,753,600	\$ 11,316,300
FUNDS BALANCE	(\$ 288,200)	(\$ 123,000)

Attachment B

Mountain Rides Transportation Authority
Strategic Framework: Pentad of Focus
2022 - 2026

...it's the journey that matters



Attachment C-1



FY26 Funding Request: City of Ketchum

Respectfully: \$ 848,000



May 2025

...it's the journey that matters



Mountain Rides Transportation Authority

Crucial Infrastructure; Vital Service; Key Cog in the Economy

➤ **Mountain Rides:**

- ★ *Provides mobility and access to employment, community resources, medical care, and recreation*
- ★ *Benefits those who choose to ride and those who are transit dependent, relying on public transportation for mobility*
- ★ *Supports community efforts to expand business opportunities, mitigate the impacts of workforce housing shortages, and foster a sense of community – buttressing economic vitality & resilience*
- ★ *Reduces road congestion & travel times, air pollution, and energy consumption – benefiting riders and the community-at-large*
- ★ *Stands ready, in times of emergency, as a critical transportation alternative for safe and efficient evacuation*

FY26 Funding Request: City of Ketchum (\$ 848,000)

2

Attachment C-2



Community Impact

Common Mission; Shared Ethos; Essential Service

- **Infrastructure that supports & drives the local economy**
 - ★ Investing \$28.0M+ of Federal/State grant awards, FY24-FY27, in PT infrastructure
- **Good sustainable jobs – Federally-endorsed workforce program**
 - ★ Underwriting 45 local jobs with \$2.7M of FTA funding annually
- **Quality of life**
 - ★ Reducing emissions; mitigating congestion...SOVs ↓ ; BEBs ↑
 - ★ Providing safe, accessible, **zero-fare** public transportation
 - ★ Guaranteeing workforce mobility
 - ★ Mitigating the impacts of the workforce housing deficit
- **Integrity**
 - ★ Operating transparently within a balanced budget
 - ★ Supporting & contributing to the valley's economic vitality & growth

FY26 Funding Request: City of Ketchum (\$ 848,000)

3



Community Investment

Vital Operations; Strategic Infrastructure; Community Asset

- **FY26 Funding Request** **\$ 848,000**
- **For Continuing Operations** **\$ 748,000**
 - ★ Operating Budget (prelim) \$ 5.0M
 - ★ 33,000+ hours of service on routes serving Ketchum
 - ★ 700,000 annual riders
 - ★ Increased frequency during commute-hours
 - ★ Continuing enhanced SUN service
- **For Capital Expenditures** **\$ 100,000**
 - ★ Capital Budget (prelim) \$ 3.0M
 - ★ 2 HD BEBs + 2 LD BEBs
 - ★ Capital Sources
 - ★ FTA Grants \$ 2.6M
 - ★ MRTA Capital Fund \$ 250K
 - ★ JPs FY26 CIP Funding \$ 150K

FY26 Funding Request: City of Ketchum (\$ 848,000)

4

Attachment C-3

