



City of Ketchum

### CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

**Recommended Motion:**

**Reasons for Recommendation:**

- The City contracts with MRTA for public transportation services as identified in the contract.
- The funding was approved in the adopted FY2025 budget.

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

- Additional contract amendments included for FY2025:
- Institute extended operating hours for Blue route (until 1:30am on Friday & Saturday) by Dec 1, 2024, and Valley route (until 1:30am seven days a week) by January 1, 2025.
  - Evaluate options (process or new equipment) to address bikes during night times by June 1, 2025.
  - Work with city to develop route optimization and/or restructuring options based on increase or decrease in funding by June 1, 2025.

**Sustainability Impact:**

**Financial Impact:**

None OR Adequate funds exist in account:	The approved budget allocates \$699,000 for operations/services and one-time funding of \$125,000 for capital improvement items from the Local Option Tax Fund (original LOT).
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**Attachments:**

- |                             |
|-----------------------------|
| 1. Proposed Contract #25028 |
| 2. Purchase order #25028    |
| 3. FY2025 funding request   |

## CONTRACT FOR SERVICES

**THIS CONTRACT FOR SERVICES** (hereinafter the “Contract”) is made and entered this 15<sup>th</sup> day of September, 2024, 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. Services to be provided are set forth in Exhibit A of this Contract. 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, 2024, and terminate September 30, 2025.
3. Consideration.
  - a. In consideration for providing the services described herein, the City agrees to pay to Mountain Rides the total sum of EIGHT HUNDRED TWENTY FOUR THOUSAND DOLLARS (\$824,000), payable in four equal quarterly installments on November 15, 2024; February 14, 2025; May 16, 2025; and August 15, 2025. Mountain Rides will provide the City with an invoice prior to 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 FY2025 Operating Budget adopted by the Mountain Rides Board on September 18, 2024. Mountain Rides' FY2025 Operating Budget is summarized in Exhibit B of this Contract.
  - c. In consideration and as part of this Contract, 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. Unless otherwise agreed, these Reports will be delivered to Ketchum City Council during said body's first meeting in each of the months of December 2024, March 2025, June 2025, and September 2025. In addition, Mountain Rides will provide a budget request and, upon request, a report coincident with the City's FY2026 budget deliberations.

Mountain Rides shall expand operating hours (late-night service to 1:30AM on Friday and Saturday evenings) on its Blue Route; such expansion shall be in place not later than December 1, 2024.

Mountain Rides shall expand operating hours (late-night service to 1:30AM seven days a week) on its Valley Route; such expansion shall be in place not later than January 1, 2025.

Mountain Rides shall explore and evaluate options, including, but not limited to, processes and equipment, for safely accommodating bicycles on its buses during night-time hours; such task shall be completed not later than June 1, 2025.

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, 2025.
  - 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' FY2025 Operating Budget is not collected as expected, Mountain Rides may adjust its adopted FY2025 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 on 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 FY2025 Service Plan Summary



Service	Service Hours	Notes
Blue	12,018.5 hours	Sun - Thu: 7:00am - 12:30am; Fri - Sat: 7:00am - 1:30am
Valley	16,184.0 hours	Sun - Sat: 6:00am - 1:30am
Hailey	2,255.0 hours	Mon - Fri: 7:30am - 4:00pm
Red	1,689.5 hours	Nov 28, 2024 - Apr 20, 2025: 8:30am - 5:00pm; Jul - Aug 2025 Music Festival (15-16 days): 5:30pm - 7:30pm
Bronze	1,192.0 hours	Dec 14, 2024 - Apr 20, 2025: 8:30am - 4:30pm; Extra Service: 2 Buses during WCF25: ~Mar 19-28, 2025
Silver	2,183.0 hours	Nov 28, 2024 - Apr 20, 2025: 8:00am - 6:30pm; June 28, 2025 - Sep 8, 2025: 9:00am - 6:00pm (+ 7 Weds, later)
Gold	963.0 hours	Dec 14, 2024 - Mar 30, 2025: 8:00am - 5:00pm
Resort	4,338.0 hours	Bronze, Silver, Gold: Nov 28, 2024 - Apr 20, 2025; Silver: June 28, 2025 - Sep 14, 2025
<b>Total</b>	<b>36,485.0 hours</b>	

**EXHIBIT B**  
**Mountain Rides FY2025 Operating Budget**

<b>Income</b>	
41000 · Federal Funding	\$ 2,795,875
43000 · Local Funding	1,745,600
44000 · Fares Revenue (Vanpool)	200,000
45100 · Advertising Revenue	90,000
47000 · Donations	5,000
48000 · Transfer from Housing Fund	11,750
49000 · Interest Income	20,000
50000 · Excess Operating Funds	75,000
<b>Total Income</b>	<b>\$ 4,943,225</b>
<b>Expenses</b>	
51000 · Payroll Expenses	\$ 3,646,200
52100 · Insurance: Liability/Vehicles	273,000
53000 · Professional Fees	39,000
54000 · Equipment/Tools	22,000
55000 · Rent & Utilities	40,000
56000 · Supplies	38,000
57000 · Repairs & Maintenance	48,500
58000 · Communications Exp.	52,880
59000 · Travel, Training & Meetings	38,840
60000 · Business Expenses	16,200
61000 · Advertising	42,000
62000 · Marketing & Promotion	28,000
63000 · Printing & Reproduction	18,000
64000 · Fuel Expense	425,000
65000 · Vehicle Maintenance	194,000
69500 · Contribution to Fund Balance	21,605
<b>Total Expenses</b>	<b>\$ 4,943,225</b>
<b>Net Surplus (Deficit)</b>	<b>\$ -</b>



**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: 25028**

<b>To:</b> 3097 MOUNTAIN RIDES P.O. BOX 3091 KETCHUM ID 83340	<b>Ship to:</b> CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340
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P. O. Date	Created By	Requested By	Department	Req Number	Terms
10/16/2024	CCHING	CCHING		0	

Quantity	Description		Unit Price	Total
1.00	TRANSPORTATION SERVICES FY2025	22-4910-6080	699,000.00	699,000.00
1.00	ONE-TIME CIP FY2025	22-4910-6080	125,000.00	125,000.00
			SHIPPING & HANDLING	0.00
			TOTAL PO AMOUNT	824,000.00

\_\_\_\_\_  
 Authorized Signature





City of Ketchum

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

Please provide the information requested below and return via email to [aswindley@ketchumidaho.org](mailto:aswindley@ketchumidaho.org) by end of day **Friday, May 3, 2024**.

- City Council’s Budget Strategic Session will be on Monday, June 18, 2024 from 9-1pm.
- The public hearing will be on July 25, with the readings as follows:
  - 1<sup>st</sup> – August 5 | 2<sup>nd</sup> – August 19 | 3<sup>rd</sup> – September 3

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: \$ 824,000
2. What percentage of your overall budget does the requested amount represent? ~7.5 %  
Please submit a budget sheet for FY2023 and FY2024 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 ~540,000 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 FY25, Mountain Rides is requesting \$824,000 (+3.5% over FY24’s \$796,000) from Ketchum: i) for Operations/Service -- \$699,000 -- which is higher than the FY24 funding allocated to Operations and is attributable to inflationary impacts on Mountain Rides’ expenses and the absence of Federal CARES funding supporting operations in FY25; and ii) for Capital Expenditures -- \$125,000 -- 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 2024, please provide specific examples of how those funds were used to benefit the community. (Expand the box as needed or submit separately.)

In FY24, Mountain Rides is using City funds to: i) 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; 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 2025, 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 FY 2025, 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 – ~\$2.8M in annual wages and benefits.
- Expand and augment our Bellevue depot (total investment, ~\$6.0M) to accommodate fleet electrification and to complement our Ketchum depot. Enhance the infrastructure in our Ketchum depot to further accommodate fleet electrification.
- Bring four (4) BEBs into our fleet (total investment, ~\$3.2M), which will bring our total BEBs to fifteen (15) 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 good, clean, concise summary of Mountain Rides' FY25 Funding Request from the City, please see Attachment C.

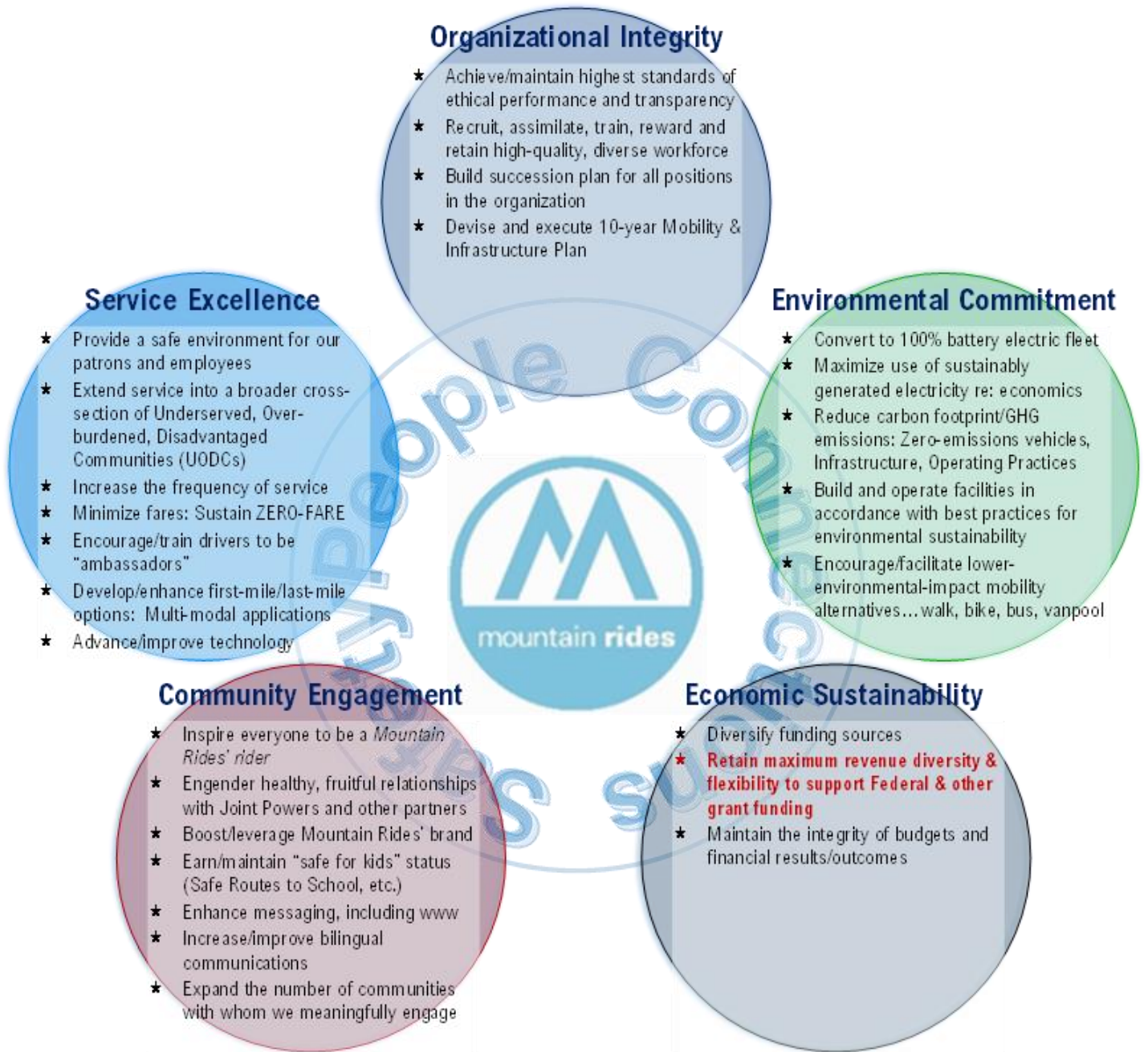
**Attachment A**

<b>BUDGET SHEET: MOUNTAIN RIDES</b>		
<b>REVENUE</b>	<b>FY 2023</b>	<b>FY 2024</b>
Operations Fund	\$ 4,188,300	\$ 4,481,700
Cap. Eqpt. Fund	7,080,800	1,136,800
Facilities Fund	3,155,300	6,423,000
WFH Fund	63,200	63,600
<b>Total Revenue</b>	<b>\$ 14,487,600</b>	<b>\$ 12,105,100</b>
<b>EXPENSE</b>	<b>FY 2023</b>	<b>FY 2024</b>
Operations Fund	\$ 4,188,300	\$ 4,481,700
Cap. Eqpt. Fund	6,627,000	872,000
Facilities Fund	2,999,500	6,366,300
WFH Fund	33,200	33,600
<b>Total Expense</b>	<b>\$ 13,848,000</b>	<b>\$ 11,753,600</b>
<b>FY CARRYFWD.</b>	<b>\$ 639,600</b>	<b>\$ 351,500</b>


**Attachment B**

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


*...it's the journey that matters*



**Attachment C-1**



**FY25 Funding Request: City of Ketchum**  
Respectfully: \$ 824,000



June 18, 2024

...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*

FY25 Funding Request: City of Ketchum (\$ 824,000) 2



**Attachment C-2**



**Community Impact**

Common Mission; Shared Ethos; Essential Service

- **Infrastructure that supports & drives the local economy**
  - ★ Investing \$25.0M+ of Federal grant awards, FY23-FY27, in PT infrastructure
- **Good sustainable jobs – Federally-endorsed workforce program**
  - ★ Underwriting 45 local jobs with \$2.5M 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

FY25 Funding Request: City of Ketchum (\$ 824,000)

3



**Community Investment**

Vital Operations; Strategic Infrastructure; Community Asset

- **FY24 Funding Request** **\$ 824,000**
- **For Continuing Operations** **\$ 699,000**
  - ★ Operating Budget (prelim) \$ 4.4M
  - ★ 33,000+ hours of service on routes serving Ketchum
  - ★ Increased frequency during commute-hours
  - ★ Enhanced SUN service, 5:45AM – 12:30AM daily – serving all arriving and departing flights
- **For Capital Expenditures** **\$ 125,000**
  - ★ Capital Budget (prelim) \$ 3.2M
  - ★ BEBs + charging infrastructure
  - ★ Capital Sources
    - ★ FTA Grants \$ 2.5M
    - ★ MRTA Capital Fund \$ 350K
    - ★ JPs FY25 CIP Funding \$ 350K

FY25 Funding Request: City of Ketchum (\$ 824,000)

4

**Attachment C-3**

 **FY24 Funding Request: City of Ketchum**  
Comments, Questions & Answers

*People Connections  
Safety*

**Thank You**  
mountain rides

June 18, 2024

*...it's the journey that matters*