



## City of Ketchum

### CITY COUNCIL MEETING AGENDA MEMO

Meeting Date:  Staff Member/Dept:

Agenda Item:

#### Recommended Motion:

#### Reasons for Recommendation:

- A work group consisting of staff/elected members from City of Ketchum, Wood River Fire and Rescue, Magic Fire District and Smiley Creek Fire District evaluated several consolidation options. The work group concluded this path would be most effective.
- Staff completed a focus group on July 31<sup>st</sup> with residents and business owners regarding this topic; staff will recap the feedback during the meeting.
- This action would serve as the first step toward consolidation of the fire and EMS agencies in the Wood River Valley into a single agency. Consolidation would lead to greater efficiency, improved firefighter safety, and improved public safety.

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

For the past thirty years, efforts to consolidate fire and EMS in the Wood River Valley have been explored both by community members and with the assistance of professional consultants. Following a joint meeting between the City of Ketchum, Wood River Fire and Rescue District, West Magic Fire District and Smiley Creek Fire District on February 12, 2024; a work group was formed to evaluate different consolidation options allowed under state law. The group identified an option to form a new fire district to be called the Ketchum Fire District which could then be directly merged with the Wood River Fire & Rescue District. Annexation of the city into a fire district is virtually impossible, so this presents the best option for creating a new, combined fire agency.

The following key actions must be completed to have this matter placed on the November 5<sup>th</sup> ballot:

- Petition signatories submitted to County Commissioners & County Clerk – **completed**
- City Council resolution to join fire district on formation – **August 5**
- City Council resolution regarding fire property tax – **August 19<sup>th</sup> or Special Meeting**
- County Commissioner hearing – **September 5 (or earlier)**
- Ballot question submission deadline – **September 6**
- Election – **November 5<sup>th</sup>**

Sustainability Impact:

None.

Financial Impact:

None OR Adequate funds exist in account:

Should the ballot to form a fire district be successful, responsibility for the cost of fire and EMS would shift to the new fire district. A key policy decision of the City Council is to determine whether the city's property taxing authority should be reduced to offset the taxes associated with the new fire district. Currently the Fire Department is funded via Local Option Taxes (approx. \$1m) and approximately \$600k in property taxes.

Attachments:

1. Resolution 24-015
2. Presentation

CITY OF KETCHUM  
RESOLUTION 24-015

A RESOLUTION OF THE CITY OF KETCHUM INCLUDING THE CITY OF KETCHUM INTO THE  
PROPOSED KETCHUM FIRE DISTRICT.

BE IT RESOLVED by the City Council of the City of Ketchum, Blaine County, State of Idaho:

**Section 1. Findings**

- A. Twenty-five or more landowners of contiguous lands in the City of Ketchum have signed a petition to form a new fire district, to be called the Ketchum Fire District, pursuant to Idaho Code 31-1403.
- B. Pursuant to Idaho Code 31-1429, the City of Ketchum may, with the consent of the governing board, expressed by ordinance or resolution, be included within the limits of a fire district when formed.
- C. Public support for the consolidation of fire departments in Blaine County is greater than 50% as surveyed by the City of Ketchum.
- D. This resolution does not create the new city-wide fire district but would allow the proposal to move to a ballot of the people, requiring a majority of voters in the City of Ketchum to approve the fire district formation.
- E. Should the fire district be formed, the next intended step would be consolidation with the Wood River Fire & Rescue District.

THEREFORE, based upon the findings above, the City declares that the City of Ketchum is best served by inclusion into the proposed fire district and that the fire district, if formed, will encompass all of the City of Ketchum.

**Section 2. Directing the City Clerk**

The City Clerk is hereby directed to file this Resolution forthwith in the official records of this City.

**Section 3. Effective Date**

This resolution shall be in full force and effect upon its passage.

**PASSED AND ADOPTED by the Council of the City of Ketchum this 5<sup>th</sup> day of August, 2024.**

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Neil Bradshaw, Mayor

ATTEST

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Trent Donat, City Clerk

# FIRE DISTRICT CONSOLIDATION

August 5, 2024





# Why Consolidate?

- 2006 – McGrath Study

*“The consultants recommend that the Cities enter into a full consolidation and govern the newly formed district under a “Joint Powers” agreement....”*

- 2011 – ESCI Study

*“we recommend that...Bellevue, Hailey and Wood River Fire jointly adopt the outcome of consolidation as the regional vision”*

- 2023 – ESCI Study

*“Consolidation has the potential to provide a variety of benefits to the community.”*



# Benefits of Consolidation

**Reduced  
Administrative Costs**

**Improved Training**

**Standardized  
Operations**

**Reduced Duplication**

**Better Service**





# Options Explored

## Contract for Service

Temporary in nature

Shared chief / requires staff layoffs

OR

## Joint Powers Agreement

Temporary in nature

PERSI fines

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## Annexation

Dead End – Financial cuts of 54%

OR

## Fire District/Merger



# Fire District Formation & Merger

Gather 25 property owners adjacent to City of Ketchum that support formation of district



Council approval of election to join a new fire district

County Commissioner approval of election to support formation of district



Vote



New Ketchum district formed with 3 appointed commissioners, who then can merge with Wood River Fire & West Magic district





# Benefits

- One agency
- Same tax levy across the valley
- Permanent
- Avoids state-imposed penalties





# Benefits to Ketchum Residents – Why Now?

- Preparing for the future
  - Over the last 4 years, call volumes in Ketchum have gone up 39%. We're going to see increase costs and staffing.
- Staffing
  - Would allow for a Chief and full-time training officer (trainer currently gets called out)
  - Pooled medic staff
- Costs
  - Need to be better about what we buy and where we put it, long-term.
  - EX: Duplication of fire engines – more seats than bodies



# DRAFT Ballot Language

“Should a fire district be formed to be called the Ketchum Fire District, comprised of the current city limits of Ketchum, with the intent to consolidate the fire departments of the Wood River Valley?”



# Timeline

- Completed Petition signatories submitted to County
- August 5 Ketchum resolution to join fire district
- August 19 (or special) Ketchum resolution regarding fire property tax
- Sept 5 (or earlier) County Commissioner hearing
- Sept 6 Ballot question submission deadline
- Nov 5 Election day



# What We've Heard

- Why would the merger only include Ketchum & the Wood River Fire District?
- What are the specific benefits to Ketchum residents?
- What are the tax consequences to Ketchum residents?



# Consolidation Impact on Ketchum Taxpayers

**Note:** Currently, Ketchum contributes \$1,623,500 annually for Fire/EMS services (about \$723,500 from property taxes and \$900,000 from original LOT).

- Ketchum is considering property tax reductions up to 100% (\$1,623,500) of its annual Fire/EMS contribution.
- The newly formed Ketchum Fire District would institute a new tax levy, estimated at 0.0003471, for the area served. (The levy amount is governed by Idaho State Statute.)



# Estimated Impact on Ketchum Property Tax

## TAX PER \$100K OF TAXABLE PROPERTY

<b>Before consolidation</b>	\$26.37
<b>After consolidation</b>	\$34.71

## ESTIMATED TAX FOR \$1M KETCHUM PROPERTY

<b>Before consolidation</b>	\$263.74
<b>After consolidation</b> <i>(assuming \$1,623,500 property tax reduction)</i>	\$347.14

## Comparable tax per \$100K taxable property

