

Mayor David Anderson called the special meeting of November 14, 2011 to order at 5:30 p.m. at the Kootenai River Inn. Present for the meeting were Mayor Anderson, Council President Chris Clark, Council Members Mike Klaus, Connie Wells, and Tom Mayo, Clerk Kris Larson, Deputy Clerk Sunny Kimball, City Administrator Stephen Boorman, Assistant City Administrator David Sims, City Attorney Tim Wilson, and Economic Development Coordinator Mike Sloan. Also present were Dave Gray, Jerry Higgs, Don Morice, Robert Karlac and Kendra Scarlett, Steve and Maureen Shelman, Louis and Nancy Maggi, Bill Leach, Jr., Loretta Hunsaker, Jeff Hunsaker, Gary Leonard, Alice Sandaker, Al and Patty Lopez, Mike Stephens, Sherry Beck, Debbie Pauls, Marcia Cossette, Irma Merrifield, Ruth Sutton, Dale Simpson, Matt Philbrook, Pamela Larson, Bryon and Judith Regehr, Carl and Evelyn Dahlberg, George Hopkins, Doug and Barbara Ladely, Ione and Bob Spalding, Richard Funkhouser, Sandy Chubb, Terri Maine, Chad Dietz, Elsie Hollenbeck, Attorney Fonda Jovek, Tiffany Storm, Jodeen Lopez, Richard C. Bowlby, Gene Denning, Rich Beck, Mark Awbrey, Donna Wilson, Dan and Susan Hart, Allen J. Jeppesen, Rhonda Lopez, Erica Denning, Joey Denning, Jocelyn Denning, Eric Besan, and Joy Butterfield.

The purpose of the special meeting was to have a hearing for annexation of 77 parcels.

Mayor Anderson adjourned the meeting and called the annexation hearing to order. Attorney Tim Wilson gave the hearing rules to the group. Stephen Boorman gave a staff report regarding annexation. He read a statement developed to help reason the annexation. Stephen pointed out that the consolidation of water and sewer services are not related to a category B annexation process. He said mobile homes will not be affected if they are in a park as we follow State law. He also said there is actually one less employee for the city than there was ten years ago when he was hired by the city.

There were no comments in favor of annexation.

Jerry Higgs residing at Wildhorse Lane spoke to the group. Jerry spoke regarding livestock and the Right to Farm Act. He suggested that those individuals concerned about livestock research the Act. Jerry also spoke about nuisance problems with neighbors and what his understanding of the city ordinances was according to Police Chief Rick Alonzo. He also spoke about drainage issues he faces in Marx Subdivision and said this is not really a priority by the city. Jerry said there are very few citizens that come before city council to voice their opinions and encouraged the group to do this if they are annexed into the city. Jerry said he took issue on a personal level the answer the Mayor gave to the Flatlander regarding the police force. He also spoke about his dogs and the Chief of Police's response.

Attorney Fonda Jovek from Payne and Hamlin Law Firm spoke in opposition to annexation on behalf of her clients. Fonda presented a petition against annexation and said there were 73 signatures of 77 property owners in the annexation area. She also presented a petition of people outside the annexation area that are opposed and another petition from residents in the Marx

Subdivision that are not in favor of annexation. She said there is opposition from those in the city limits that are opposed and this should be noted. Fonda said it is a requirement that annexation must be consistent with the comprehensive plan. She read from page 15, number 2, of the comprehensive plan that said the city must provide those public services necessary to promote health, safety and general welfare to the citizens of Bonners Ferry as well as those being considered for annexation. She challenged City Council to take care of the citizens of Bonners Ferry before taking on new annexation area and further said the city did not stand up to the promises made to the Marx residents. She also said it is no surprise that the Paradise Valley Fire Department is against the annexation due to the tax revenue that will be lost by them. She said there is a mutual aid agreement with the Paradise Valley Fire Department and also the Boundary County Sheriff's Office. Fonda spoke of the grandfather provision and has advised her clients that she does not see a solid protection concerning the grandfather provisions regarding their quality of life. She said there is a distrust regarding the dissolution of the water and sewer districts in January, 2007. She suggested that serious consideration be given to the fact of the volume, quality, and money that was put into the infrastructure that was given to the city before the merger. She thinks this annexation is contested due to very good reasons. She asked where the tax revenue will be going and quoted taxation figures and said there is a distrust due to the approximately 17 percent increase in property taxes quoted by the city and there were four parcels that were calculated by an accountant to be 24.5 to 32.87 percent tax increase. She asked that the decision be delayed in the least until January when the new city council is seated. She said the tax increase will mean the difference in what type of meal the people put on their table at night. She also respectfully requested that the annexation be denied.

Robert Karlac said Fonda Jovek said it all.

There was no other public comment.

David Sims spoke regarding the tax estimates and asked Fonda Jovek where the 17 percent figure came from. He said the city did not put that figure out to the public. He said the numbers in the annexation plan were checked by the county and are accurate.

Stephen Boorman said he understands that the city council needs to make a decision going forward. He said the general government budget is \$2.2 million dollars and of that \$390,000 is contingency. Of the \$2.2 million dollars, the taxable portion of the budget is \$523,000. Ruth Sutton asked a question regarding the total city budget being \$14 million dollars. Stephen said there are other aspects of the budget including electric, water, sewer, and garbage funds as well as grants and capital projects.

Loretta Hunsaker clarified the 17 percent tax increase spoken of previously in the meeting came from her tax calculation. She said she has a homeowner's exemption or this percentage of increase would be higher. Stephen said there is a difference between taxes and fees.

Steve Shelman asked about rate payers paying their own way. Stephen said there is a governance of the utilities being done only by city residents and the people outside the city limits pay rates depending on their cost of service and this is calculated on the cost of providing that service. He said there is a differential for inside and outside customers for the electric fund. He said the rate structure covers the costs of the particular rates.

Stephen asked for zoning comments. Matt Philbrook asked for commercial zoning rather than residential B for his property with the four plex. Attorney Tim Wilson asked if Planning and Zoning addressed the Matt Philbrook property. Matt said he did not have the opportunity to give comment at the Planning and Zoning hearing. Stephen told him this would be the time for comments.

Fonda asked council to consider the zoning of the parcels not to create onerous zoning and fees for the owners of the properties.

The hearing was closed at 6:25 p.m.

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David K. Anderson, Mayor

Attest:

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Kris Larson, City Clerk