

Mayor David Anderson called the special meeting of December 11, 2012 to order at 6:00 p.m. Present for the meeting were Mayor Anderson, Council President Mike Klaus, Council Members Connie Wells, Tom Mayo, and Rick Alonzo, Clerk Kris Larson, City Administrator Stephen Boorman, City Attorney Will Herrington, Police Chief Steve Benkula, Fire Chief Pat Warkentin, Office Clerk Jean Diel, and Bookkeeper Christine McNair. Also present were Jim Fritzsche, Gene and Erica Denning, Alice Sandaker, Al and Patty Lopez, Michael Stevens, Adam Arthur, Jessica Tingley, Don Morice, Bob and Ione Spalding, Robert and Kendra Scarlett, Larry and Pam Copeland, Tremain Albright, Adarah Dancer, Doug Ladely, Sr. and Barbara Ladely, Dale Simpson, Ruth Sutton, Sandy and Jim Chubb, Aaron Dunham, Barbara and Mark Awbrey, Lynda and Phillip Lowman, Gus Diel, Jerry Higgs, Nancy and Louis Maggi, Loretta Hunsaker, Dean Satchwell, Attorney Fonda Jovick, Cathy Coyle, Laura Roady from the Bonners Ferry Herald, Josh Kelly, Jodeen Lopez, Rhonda Lopez, Earl Scott Thompson, Rich and Sherri Beck, Bill Cotter, Susan and Dan Hart, Arnold and Lisa Tuttle, John Cummings, Alison Henslee, Brian Kerins, Sarah Henslee, Steve Neumeyer, Jeff Hunsaker, Donna McCandles, J. R. Norman, Julia and Joel Majeski, Lee and Julie Colson, William Colson, Wally Merrifield, Derek Merrifield, Bruce Merrifield, Leland Taylor, Richard Bowlby, Jenny Bowlby, and Dave Gray.

The purpose of the special meeting was a public hearing on annexation of approximately 76 parcels of property.

Roll call was taken with the mayor and all council members being present.

Mayor Anderson gave a brief history of the annexation process and an outline of the hearing process.

Stephen Boorman gave the staff report on the proposed annexation.

Mayor Anderson opened the public hearing.

There were no comments in favor of the annexation proposal.

James Fritzsche spoke as a person neutral to annexation. He said he is a city employee but lives in the county and has had a number of jobs in Boundary County over the past 40 years. He said he has read the statements made in the Herald recently and wants to de-vilify the City of Bonners Ferry and support its character. He thinks Bonners Ferry is a wonderful place to live. Quality of life is a key factor in the top ten smartest cities in North America and Bonners Ferry has this. He gave the definition of a city or town and said the basic services wanted by people of a city are fire, police, water, sewer, electrical services, and good roads. We have a rural atmosphere that makes people seek our area. He gave a history of the City of Bonners Ferry's growth and said duplication of services has been eliminated. He said the area in question did not even exist until the introduction of water and sewer and the water was provided by the City and sewer effluent was treated by the City. Jim spoke of the mutual aid agreement with Paradise Valley Fire Department and said the City of Bonners Ferry can be at a structure fire in the annexation area in five to eight minutes and Paradise Valley Fire's response time would be a minimum of 15 minutes from the fire station due to its location in Paradise Valley. He said the police also respond when the Sheriff's Office calls on them. He said it is people helping people whether or not they reside in the city limits. Jim said South Hill Water and Sewer District dissolved partially due to the regulatory requirements and the City of Bonners Ferry had qualified people to meet these requirements. He said the new development that is taking place south of town is due to the upgraded water lines and this would not

have happened if the area was still South Hill Water. Jim also spoke of upcoming water projects and said the annexation area is poised for growth. He also spoke of the sewer master plan and upgrades that are necessary for the sewer system.

Attorney Fonda Jovick from Paine Hamlen Law Firm in Priest River spoke on behalf of the Annexation Opposition Group. She presented three petitions: one from county residents and businesses in opposition to annexation; one from annexation residents in opposition; and one from city residents and businesses in opposition to annexation. Fonda said the meeting tonight was not timely. The notification was received by the parcel owners on November 22, the newspaper article and posting were done on November 21, and the hearing is December 11 and that is 18 and 19 days not 28 as required by Idaho Code 50-222 (5)(b)(iv). She told council that the city had not complied with Idaho Code in regards to publication requirements for hearings as this is the only public hearing whereby the issue of annexation can be decided and this is the meeting that required the 28 day notice not planning and zoning as they don't have authority to make the ultimate decision, only a recommendation.

Fonda said that people have spent thousands of dollars on the annexation and she has yet to hear one valid, justifiable reason why annexation should occur. She said the city enacted Ordinance 529, and her clients filed a petition for judicial review. The court invalidated Ordinance 529 on the ground that the city council failed to put findings on the record. She commented on the lack of findings in the 2011 annexation process. She expected to see the findings in the annexation plan for 2012 and said they are not there. She also said that now we have a court decision against the annexation in 2011, and she wants city council to look at the annexation, which has yet to show any benefit to the people in the annexation area or the city. Fonda said that we received the ruling from the court 14 days ago, and everyone is in a mess about the taxes causing a burden on the County Treasurer and Clerk for something that is not their fault, as they must sort through it with the State Tax Commission. She said city council and administration violates, ignores, and abuses. She said city council takes quality of life from the annexation people and ignores statutory requirements and abuses governmental powers. She said that unless council can tell the people why and overlook the overwhelming opposition to the annexation, there will be another court action, and it will be stronger. She said the City of Bonners Ferry has no obligation to take care of the residents who live outside the city limits; the City of Bonners Ferry has an obligation to take care of the people who live within the municipal boundaries.

Fonda spoke about the annexation plan and said it does not explain that there is a drain on tax-based services. She said that even more alarming is the \$25,468 in general fund budget. She said we are forcing a person in the annexation area with \$150,000 property value of 36.6 percent tax increase and 46.4 percent increase on a parcel with a \$50,000 property value. She said the property owners get nothing for this tax increase except fewer property rights, more tax expense, and governance by a city council they do not trust. She spoke of mutual aid agreements that the city entered into freely, and that these agreements are not specific to the people in the annexation area. She spoke of the annexation plan and how people in annexation area pay their fair share in regard to water and sewer services, as they are a fee based service. Paradise Valley Fire District receives tax revenues, and council thinks it is fair to take those 76 parcels out of the tax base equation, and she questioned for what purpose. She also said annexation takes taxes away from Boundary County solid waste fund and Idaho Department of Lands, and it provides no benefit to the citizens in the annexation area. She said that approximately \$50,000 in hard costs have been spent, and it is probably closer to \$100,000 in time spent, energy, and resources.

She said annexation is not consistent with any public purpose and is not reasonably necessary for orderly development of the city. Fonda said it is an unfair and overpriced burden for no benefit. Going forward with this annexation, the city will be violating constitutional rights of the citizens in the annexation area, ignoring legislative intent of the statutory structure, and abusing governmental powers. She encourages council not to enact another annexation ordinance as they are prepared to file for another judicial review.

Joining the meeting were Chris Langan and Heiko Arshat at 6:35 p.m.

Jerry Higgs from 7612 Wild Horse Lane said he has been a city resident since 2002 when he built his home in the Marx Subdivision. In 2001 he built a shop on his property. The City started to annex the Marx Subdivision in 2001 and at that time he informed Attorney Dan Featherston that the City of Bonners Ferry had been in noncompliance of the Land Use Planning Act of 1975 for 26 years. He said the city tabled plans for annexation and put the comprehensive plan into place and then they annexed the property. He said the city made promises of improvements to drainage and culverts, street lighting, and better snow plowing. Jerry said the city put out a plan for street lighting and they were not installed. He commented that there was initial opposition to the lighting. He has paid over \$5,000 in city taxes since his property was annexed ten years ago. Three years ago, he and Assistant City Administrator Dave Sims took a road trip from the heliport to Wally Cossairt's property and Jerry identified drainage issues where there were damaged culverts. He also said there were fights over snowplowing to get the residents of the Marx Addition on a decent plow rotation. He spoke of the revised lighting plan for Marx Addition as discussed by the Mayor in the town meeting. He said the obligation made by the Mayor was undone by the City Administrator and the residents believed the Mayor and he and his neighbors were victims of this. He is irritated because lights are being installed in the new annexation area and they have not been installed in his area. Jerry read the definition of fraud. He said what has happened over the past year is inexcusable and spoke ill of the City Administrator. Annexation does not meet the minimum specifications in IC 50-222 according to Jerry. He spoke of the general fund budget and the pie chart and math not working. He then spoke of water and sewer and implied consent and said it is not a transferrable entitlement. He spoke of yearly sales tax and State revenues, property tax, exemptions, business growth and that we are in a period of contraction.

Loretta Hunsaker from 6152 Dallas Lane submitted a letter from herself as well as from her neighbor, Joy Butterfield who resides at 6168 Dallas Lane, both letters in opposition to annexation. Loretta also read a letter dated December 4, 2012 from Orrin Everhart, Commissioner of the Paradise Valley Fire District into the record. The letter stated that the Board of the Paradise Valley Fire District wanted to go on record as opposing the proposal to annex 77 parcels with 75 of those properties being south of the city limits currently served by Paradise Valley Fire District. The taxable valuation of the annexation area parcels is approximately 6.2 million dollars, representing a significant portion of the valuation of the fire district. The letter said the remaining property owners in the fire district will see higher taxes due to the valuation shift to the city, representing about 5.7 percent or \$5.83 per \$100,000 valuation. The request was also made that the City of Bonners Ferry consider increasing utility rates for the people in the annexation area rather than annexing the properties.

Loretta commented that in previous years Mayor Darrell Kerby told her that costs would have been passed on to North Water and Sewer District if the water district did not consolidate with the city, so implied consent does not make sense to her because the bill would have been passed on to the customer.

She said State employees are required to take a course called consensus building where government employees are taught how to build consensus with the public and wants to see this implemented for new council members. Loretta thinks the way the annexation was pushed through is a shame. She said they were lied to when they were told they were not paying for services they were receiving. At the last planning and zoning meeting when they asked what the people are getting for their money. The answer was nothing. She spoke of the mutual aid agreements with the fire district and Sheriff and said if the city is not happy with them, go back and revisit them and come up with something new. She said we could charge them, that they do not care. She said the city does not want to build consensus and have lied to them and the city is not a villain as it does not have a heartbeat. She finds it interesting that both the former city attorney and assistant city administrator have resigned in recent months. She questioned why this was other than both were raised in Boundary County and have investment in our community. She finds it interesting that we hired a city attorney from outside the county who has no investment in our community. She encouraged council to back off as nobody wants to go through this again and try to build consensus as they want to trust local government.

Tremain Albright said he has voted and let elected officials make decisions regarding the community. He said he has become apathetic and lazy and has learned a lesson. He is grateful and proud to see so many people at this meeting tonight. He said where we chose to live is one of the freedoms that we all have. People in the 76 parcels do not want to be annexed into the city. People already pay for city services and they have spoken democratically. He said we have over 300 signatures on petitions against the annexation. He asked how much more city council is asking citizens to spend and how much more will be spent in city taxes regarding the annexation. He asked council to consider the gravity of their vote and take into consideration the opinions of the citizens. He will disagree if council votes yes on this annexation attempt.

Ruth Sutton from 6616 Garden Court said she may be the coordinator for the annexation opposition group but has been a taxpayer of Bonners Ferry since March, 2005. She bought her home just prior to the consolidation election in May, 2005 and thinks the election was unfair because people like her could have out voted the people who bought and paid for the South Hill Water system. Ruth said people were almost forced to vote for the measure because the city needed to make improvements to their water system. She has read the minutes. She has also read minutes regarding area of impact and made quotes that she said she obtained from the minutes of the city and county. She said because the properties in the annexation area have been revalued and now the annexation is invalidated that it affects all in the county. She urged city council to give this matter careful consideration. She wants her city tax dollars to be used to care for the existing city and to live with the county neighbors in an amicable existence.

Lisa Tuttle, volunteer fire fighter from Paradise Valley Fire Department and city resident who has property in Paradise Valley Fire District that is not in the annexation area, has been on the Paradise Valley Fire Department for two and a half years. She said in this time frame the City of Bonners Ferry has not asked for aid from Paradise Valley Fire District. She said Paradise Valley has asked the City for extrication on a vehicle once but before they could get on scene they were asked to stand down because Boundary Volunteer Ambulance took care of it. Paradise Valley now has enough volunteers to do its own extrication so they do not rely on Boundary Volunteer Ambulance or City of Bonners Ferry Fire Department. She has been on three scenes in the annexation area and said her and her husband left from their residence and the response time was three minutes. She said the Bonners Ferry Fire Department

responds to fires but does not respond to medical calls or vehicle accidents unless requested. She said Paradise Valley Fire Department responds to all fires, medical calls, and traffic accidents. She said the three scenes in the annexation area were all medical calls. She said it takes Bonners Ferry Volunteer Ambulance 18 minutes to get two EMTs to respond to a call in Bonners Ferry. Paradise Valley takes about ten minutes for five volunteers to respond. She said there are several EMTs on their department at this time. Lisa spoke of equipment grants applied for and the number of calls responded to. Lisa said when there is a bad event all fire departments respond and the better equipment on scene the less likely anyone will get hurt.

Ruth Sutton asked about the presentation that Stephen Boorman gave and said they were told the vote at the planning and zoning hearing was four to one to not annex and asked what happened. She said Andy Howe was the only one who voted to annex. Stephen said he took the information out of the minutes. Ruth said someone messed up the minutes.

Arnold Tuttle from the Paradise Valley Fire Department who lives at 6928 Cemetery Road spoke. He said he has property in the City of Bonners Ferry and the size of the building permit changes every year and gave an example of some of the freedoms people will be missing if the annexation goes through.

Mayor Anderson closed the hearing. He said there is not going to be a vote tonight and the next meeting will be at a location where there will be adequate room for all to hear what council has to say.

Connie Wells moved to direct staff to prepare findings and an annexation ordinance. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “no”, Connie Wells “yes”, Tom Mayo “yes”.

The meeting adjourned at 7: 15 p.m.

---

David K. Anderson, Mayor

Attest:

---

Kris Larson, City Clerk