

TOWN OF BAINVILLE SEWER IMPACT FEE ADVISORY COMMITTEE

Minutes of April 25, 2022 meeting.

Attendance: Matt Giese, Carol Rasmussen, Jo Bingham, Patti Malkuch, David Norton, Darrel Rasmussen

Carol Rasmussen shared her Sewer Impact Fee Research report. Attached is a copy.

Jo stated that she contacted several towns with population of 300 to 500 and none of them had impact fees and that it has been three years since any impact fees have been paid in Bainville. She also added that at her residence they put in their own well/septic in 2011/2012 because they were told by the State that if the town could not provide amenities that you can put in your own and, also, that several people in town have also done so and the town loses revenue. There was discussion on the perspective that the Town has lost revenue from potential customers for water, sewer and solid waste who have not developed their property due to impact fees.

There was the question on whether any of the required reviews were done by any previous impact fee committee and Matt Giese reported that the reviews had never been done.

Patti stated that she felt the impact fee amount is set way out of line, that Culbertson has businesses and we don't, and that we are charging for infrastructure we don't have.

Matt stated that the impact fee was implemented to get growth to pay for growth.

Carol pointed out the need for validity of assumptions used for the establishment of impact fees and that the growth predicted, of 1450 population by 2020 in the Town Growth Policy of November 2013, has not happened.

There seemed to be a consensus of those present in the meeting that the growth predicted is not going to happen and that the impact fee has actually hindered growth.

There was some discussion on the need for experts on the Committee and it was pointed out by Jo that MCA 7-6-1604 was changed and eliminated the requirement to have an accountant on the Impact Fee Advisory Committee.

Jo started a discussion on a proposal to advise the Council to eliminate impact fees and whether a refund of impact fees could be done. There was discussion on what fund the impact fees are kept in. The impact fees are not in the Edward Jones account as previously reported. On Page 52 of the FY2021 Annual Financial Report the fees are listed as being in 5311 SEWER IMPACT FEES with a total fund balance of \$147,981.50. It was also discussed that the money for repairs to the lift station that were done in February of 2020 were not taken from the Sewer

Impact Fee Fund but were taken from the 5310 Sewer Fund. Matt agreed, after a short discussion, that keeping the Sewer Impact Fee fund intact is advisable in the case that refunds need to be made and that funds should not be transferred from the Sewer Impact Fee Fund to the Sewer Fund for the lift station repair.

Carol brought up a question on the Town's Resolution establishing impact fees where it states, "The previously existing development must have been in place and occupied within the previous 12 months to qualify for this exemption." and how that appeared to conflict with MCA 7-6-1603 where it states, "If impact fees are imposed for remodeling, rehabilitation, or other improvements to an existing structure or use, only the net increase between the old and new demand may be imposed." Matt advised that a municipality may not establish a law that goes against Montana Code but may impose a law that is stricter. When questioned on the stricter law, Matt stated that it was implemented because there were quite a number of very old houses in the Town.

Matt stated that it looked like all of us on the committee are in agreement with eliminating impact fees and suggested we find a curve on how population growth and town growth has actually progressed over the years since impact fees were put in place. He also stated he would like to talk to some residents of Bainville who are proponents of the impact fee and bring written statements back to the next meeting. Matt also suggested that we bring a proposal for the town to charge a hook up fee for the sewer instead of impact fees and to research what a reasonable fee would be to bring to the next meeting.

Jo stated that State figures say we now have 6% of the people in Bainville under the poverty level and in 2013 we did not have any below poverty. That said, it is important to keep this in mind when making decisions on sewer hook up fees.

The next meeting was scheduled for Monday, May 16 at 7pm.

Meeting was adjourned at 8:15 pm.

Respectfully Submitted,

Carol Rasmussen