

Whitefish Continues Overcharging Impact Fees

City To Collect \$4,000,000 In Fees For Project Costing Only \$178,000

The City of Whitefish has been sued by property owners in Federal Court claiming the City has been overcharging impact fees since 2019. The Missoula Judge in this lawsuit certified the Class Action and the case is proceeding to trial in 2024. In the middle of this, the City is raising its fees even higher.

Whitefish officials and Council members doubled down on their practice of charging inflated impact fees. The latest 2023 Impact Fee update produced for Whitefish by consultant TischlerBise contains significant errors. The City will collect fees on projects that far exceed costs, violating both state and federal law.

One such project is a small sewer pipe with a cost of only \$178,000. Whitefish claims it can charge each new property owner **\$3345** for this small project. In the previous 2018 impact fee report, the fee for the **very same project** was only **\$68**. Using the city's own historical data, Whitefish will collect more than **\$4,000,000** in impact fees for this ONE project over the next 5 years. This far exceeds the maximum amount permitted by law, **\$178,000**.

Emails show the City manipulating data.

The problem began when TischlerBise consultant Colin McAweeney performed a preliminary calculation of the 2023 Whitefish Impact Fees. On January 31, 2023, McAweeney wrote in an email to the Whitefish Public Works Director, Craig Workman, that there was only a ***“very small amount (of) funding from impact fees”*** for the sewer treatment plant. Using TischlerBise calculations, this small fee was around **\$700** per new home.

In the same email, McAweeney asked Workman for more projects to increase this fee. In Feb 2023, Workman added the small piping project. He also submitted data needed to compute the new fee. According to an email sent to the City, McAweeney re-calculated the new fee and presented this to Whitefish the following week. Using TischlerBise's own calculations and the data provided by Workman, the impact fee would only be **\$35** per new home for the piping project, consistent with the **\$68** fee charged the previous 5 years. On March 3rd, Workman changed the data to totally different numbers and dimensions. McAweeney then re-calculated the fees again. This time the impact fee rose to **\$4041** including **\$3345** for the small piping project!

City Ignores Warnings from Expert Engineering Consultant

At a Council meeting on Oct 16th, the City was warned that the TischlerBise report had problems. Brent Campbell, an expert in public works systems, analyzed the TischlerBise report. He determined that the data altered by Workman was incorrect. Mr. Campbell stated that the data was incompatible with the calculation methods used to compute impact fees for both sewer AND water. The results above support Mr. Campbell's professional opinion. Campbell's report was provided to the City months prior to this meeting but the City Council and Manager ignored his warning. As they did in 2021, the City officials refused to allow an outside review of its fees. The Workman error will cost every new homeowner an estimated **\$5000** or more in higher fees.

Paul Gillman, Whitefish, MT