



REVISED
City Commission Agenda
Civic Center, 2 Park Drive South, Great Falls, MT
Commission Chambers Room 206
April 17, 2018

CALL TO ORDER 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL/STAFF INTRODUCTIONS

AGENDA APPROVAL

CONFLICT DISCLOSURE/ EX PARTE COMMUNICATIONS

PROCLAMATIONS

Commendation and Appreciation to Katrina Roberts, Earth Day, and Arbor Day.

PRESENTATION

*Lincoln Student Leaders.

PETITIONS AND COMMUNICATIONS

(Public comment on any matter that is not on the agenda of the meeting and that is within the jurisdiction of the City Commission. Please keep your remarks to a maximum of 3 minutes. When at the podium, state your name and address for the record.)

1. Miscellaneous reports and announcements.

NEIGHBORHOOD COUNCILS

2. Miscellaneous reports and announcements from Neighborhood Councils.

BOARDS AND COMMISSIONS

3. Miscellaneous reports and announcements from Boards and Commissions.

CITY MANAGER

4. Miscellaneous reports and announcements from the City Manager.

CONSENT AGENDA

The Consent Agenda is made up of routine day-to-day items that require Commission action. Items may be pulled from the Consent Agenda for separate discussion/vote by any Commissioner.

5. Minutes, April 3, 2018, Commission Meeting.
6. Minutes, April 9, 2018, Special Commission Meeting.
7. Total Expenditures of \$1,441,289 for the period of March 15, 2018 through April 4, 2018, to include claims over \$5,000, in the amount of \$1,175,106.

8. Contracts List.
9. Award a contract in the amount of \$346,670.00 to Kuglin Construction for the ADA Handicap Ramps 4th Street NE, 6th Street NE and 6th Avenue South, and authorize the City Manager to execute the construction contract documents.
10. Award a contract in the amount of \$1,895,760.00 to United Materials of Great Falls, Inc. for the Lower Southside Water Main Replacement – Phase III, and authorize the City Manager to execute the construction contract documents.
11. Reject Bid for Firefighter Physicals.

Action: Approve Consent Agenda as presented or remove items for separate discussion and/or vote

PUBLIC HEARINGS

12. CDBG & HOME Grant / Community Needs Public Hearing related to the 2018/2019 funding cycle.
Action: Conduct public hearing. (Presented by Craig Raymond)

OLD BUSINESS

13. Annexation Improvement Agreement for the Rockcross Commons development project.
Action: Approve or not approve Agreement. (Presented by Craig Raymond)

NEW BUSINESS

14. 2018/2019 Community Development Block Grant (CDBG) Policies and Funding Priorities.
Action: Adopt or deny 2018/2019 CDBG Policies and Funding Priorities. (Presented by: Craig Raymond)

ORDINANCES/RESOLUTIONS

15. Resolution 10234, Resolution Relating to \$3,270,000 Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2018; Authorizing the Issuance and Fixing the Terms and Conditions Thereof.
Action: Adopt or deny Res. 10234. (Presented by Melissa Kinzler)

CITY COMMISSION

16. Miscellaneous reports and announcements from the City Commission.
17. Commission Initiatives.

ADJOURNMENT

(Please exit the chambers as quickly as possible. Chamber doors will be closed 5 minutes after adjournment of the meeting.) Commission meetings are televised on cable channel 190 and streamed live at <https://greatfallsmt.net>. City Commission meetings are re-aired on cable channel 190 the following Wednesday morning at 10 am, and the following Tuesday evening at 7 pm.



Item: Minutes, April 3, 2018 -- Commission Meeting

From: City Clerk's Office

Presented By: City Commission

ATTACHMENTS:

- ▢ Draft Minutes, April 3, 2018, Commission Meeting

JOURNAL OF COMMISSION PROCEEDINGS

April 3, 2018

Regular City Commission Meeting
Commission Chambers Room 206

CALL TO ORDER 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

City Commission members present: Bob Kelly, Mary Sheehy Moe, Tracy Houck, Bill Bronson and Owen Robinson. Also present were City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Deputy City Clerk Darcy Dea; Public Works Director Jim Rearden; Planning and Community Development Director Craig Raymond; Finance Director Melissa Kinzler; City Attorney Sara Sexe; and, Police Chief Dave Bowen.

AGENDA APPROVAL

No changes were proposed by the City Manager or City Commission. The agenda was approved as submitted.

CONFLICT DISCLOSURE/ EX PARTE COMMUNICATIONS

Commissioner Bronson announced that he would be abstaining from the discussion and vote on Agenda item 12.

PROCLAMATIONS

Esophageal Cancer Awareness Month, National Service Recognition Day, Child Abuse Prevention Month, Week of the Young Child, Martin Luther King, Jr. and Public Safety Telecommunicators Week.

Police Chief Dave Bowen announced that there will be a ceremony at the 911 Center on April 6th at 1:00 p.m. to recognize Telecommunicators.

PETITIONS AND COMMUNICATIONS

1. Miscellaneous reports and announcements.

Neil Fortier, NeighborWorks Great Falls, 509 1st Avenue South, expressed frustration and asked the City Commission to make it a priority to come up with a solution to the response time for emergency services to new developments.

City Manager Greg Doyon received clarification from Mr. Fortier that his concern is the Fire Department's response time to arrive at new developments, as well as being responsible for the expense of a road base system that would support 75,000 pounds for the development at Rockcross Commons.

Brett Doney, Great Falls Development Authority (GFDA), 300 Central Avenue, provided an economic development update that the AgriTech Park Association is getting close to transferring the rail, nominations were submitted for four census tracts within the City to be opportunity zones, GFDA closed on a second loan package to support the West Bank Landing Development, and issued a loan commitment to a Great Falls manufacturing company.

Mr. Doney discussed several conferences GFDA representatives have attended to pitch Great Falls, as well as upcoming conferences and meetings.

The owners of Electric City Coffee Bar & Bistro were named Montana's Veteran-Owned Small Business of the Year by the Montana Office of the U.S. Small Business Administration, and last week women-owned businesses were celebrated at the annual Fire Within.

NEIGHBORHOOD COUNCILS

2. Miscellaneous reports and announcements from Neighborhood Councils.

None.

BOARDS AND COMMISSIONS

3. Miscellaneous reports and announcements from Boards and Commissions.

None.

CITY MANAGER

4. Miscellaneous reports and announcements from the City Manager.

City Manager Greg Doyon reported that there were no significant findings in Earth Energy's preliminary report of its forensic energy audit.

Manager Doyon congratulated Doug Mahlum for being selected as the new Support Services Bureau Lieutenant.

SaveWise released its 10 Safest Cities in Montana Report for 2018, and Great Falls was selected as the ninth safest City in Montana.

With regard to the Natatorium, Manager Doyon reported that the bricks need to be tested before determining the extent of repairs, and the area will continue to be roped off. He further reported that the Wave Rider pad at the Mitchell pool is in need of repair.

Manager Doyon reported that there will be exploratory testing to the Civic Center Façade, and that scope and costs will be contingent on findings and materials.

He announced that there are vacancies posted on the City's website for the following boards: Police, Library, Housing Authority, Historic Preservation, Mansfield Center for Performing

Arts, and the International Relationships.

Manager Doyon announced that Park and Recreation, along with other City staff, held the first Town Hall meeting regarding Great Falls Park District on March 27th, and that the next meeting is scheduled for April 26th at 5:30 p.m.

He reported that the City has several surplus vehicles for bid on the City Website.

Manager Doyon announced that the Police Department will be swearing in three new officers on April 4th at 9:00 a.m.

Mayor Kelly, Manager Doyon, and Deputy City Manager Chuck Anderson attended the Executive Academy in Polson that included: Human Resource (HR) practices; Drug Endangered Children Program; and a presentation from the National League of Cities and Towns.

Manager Doyon expressed appreciation to the dispatchers at the 911 Call Center for their good work.

Referring to comments from Mr. Fortier, Manager Doyon explained that it is normal to have a developer pay for new infrastructure. He added that a Public Safety Levy could be a way to meet the requirements with regard to emergency response to developments that expand the City boundaries.

CONSENT AGENDA

5. Minutes, March 20, 2018, Commission Meeting
6. Total Expenditures of \$1,956,273 for the period of March 1, 2018 through March 21, 2018, to include claims over \$5,000, in the amount of \$1,704,280.
7. Contracts List
8. Approve cancellation of outstanding and unpaid checks over one (1) year old issued by City of Great Falls Municipal Court.
9. Approve the Professional Services Agreement in the amount of \$140,795.00 to Water & Environmental Technologies (WET) for the Vinyard Road Storm Water Management Area Master Plan, and authorize the City Manager to execute the Agreement. **OF 1476.6**
10. Award a contract in the amount of \$131,350.00 to United Materials of Great Falls, Inc. for the Police Department Water Main Replacement/Re-route Project and authorize the City Manager to execute the construction contract documents. **1684**

11. Set Public Hearing for the CDBG and HOME Grant 2018/2019 Annual Action Plan for April 17, 2018.

Commissioner Houck moved, seconded by Commissioner Robinson, that the City Commission approve the Consent Agenda as presented

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

PUBLIC HEARINGS

OLD BUSINESS

NEW BUSINESS

12. **2017/2018 Amended Annual Action Plan and acceptance of the proposed use of CDBG funds (Unallocated & Revolving Loan Funds).**

Planning and Community Development Director Craig Raymond reported that the Annual Action Plan is the plan for the coming year's funding cycle and the process by which the City provided opportunity to the public to participate in the process and provide input to the City Commission and staff. This particular amendment for the 2017/18 funding cycle is necessary in order to expend funds as directed by the U.S. Department of Housing and Urban Development (HUD) prior to the May 2nd 2018 deadline. Director Raymond explained that because the 2018/2019 funding cycle is still in process and will not be approved by the Commission until well after the May 2nd deadline, including these funds into that process will not be possible.

The amendment to the Annual Action Plan reflects the removal of five projects due to the Conflict of Interest violations and one project which were canceled by the project applicants for other reasons such as obtaining other sources of funds thereby no longer needing the Community Development Block Grant (CDBG) grant. It also proposes funding four different projects in their place.

Referring to page 50 of the Agenda package, the removal of the following Annual Action Plan AP-35 Projects, Director Raymond explained that Opportunities Inc. should have been on the next line. He further reported that Opportunities Inc. received alternative funding, and withdrew the request for CDBG funds.

City staff considered the goals and policies that the City Commission has laid out in the five year Consolidated Plan when putting any funding package before the Commission, as well as HUD's eligibility rules and guidelines.

The funding recommendations are as follows:

Great Falls Housing Authority- \$40,000 for boiler replacement at Austin Hall, new entry door system and purchase 40 furnaces for Parkdale units.

Public Works- \$45,000 for sidewalk and Americans with Disabilities Act (ADA) ramp replacement in Low and Moderate Income (LMI) census tract neighborhoods.

Park & Recreation Department- \$45,000 for Kranz Park play structures, and \$28,000 for purchase of park pavilion and amenities.

Commissioner Moe moved, seconded by Commissioner Robinson, that the City Commission adopt the 2017/2018 Amended Annual Action Plan; authorize the submittal to the U.S. Department of Housing and Urban Development (HUD); and accept the proposed use of funds, due to Timeliness for the 2017/2018 Community Development Block Grant Program (CDBG).

Commissioners Bronson and Houck announced that they would be recusing themselves from discussion and vote on this item.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Mayor Kelly noted the School District's request for a portion of Kranz Park for parking. He inquired if the items noted for Kranz Park would fit in the resulting space that would be available.

Director Herrig responded affirmatively that the equipment would fit in the remaining two-thirds of the park.

Commissioner Robinson noted his support, but suggested a special meeting to vote on this item after the public comment period ends on April 6th.

Director Raymond noted the tight timeline after receiving notification from HUD, and that it doesn't leave a lot of time due to the Commission's regular meeting schedule to meet the deadline. Even if the Commission made a decision tonight, the submission to HUD isn't made until after the comment period has expired.

Mayor Kelly asked if there were any comments from the public.

Brett Doney, Great Falls Development Authority (GFDA), 300 Central Avenue, expressed support with regard to the proposal, and commended staff for their efforts under difficult circumstances.

Sheila Rice, 913 3rd Avenue North, commented that this is the first year since the beginning of CDBG that there is no money allocated for new housing construction. She encouraged the Commission and staff to not let new housing construction be lost in the CDBG process, and commented that sometimes CDBG is the only funding available that works for new housing construction.

Sherrie Arey, NeighborWorks Great Falls, 509 1st Avenue South, commented that new housing construction is vital to the economic development of the City.

Shannon Wilson, 1201 6th Avenue South, commented that it is important to receive funds to make Kranz Park handicap accessible.

Commissioner Moe concurred with Commissioner Robinson and commented she would withdraw her motion.

City Attorney Sara Sexe explained that the motion would have to be tabled, and that there is a 48 hour notification process with regard to having a special meeting.

At the request of the City Attorney Sexe, Mayor Kelly called for a recess at 8:18 p.m., and called the meeting back to order at 8:20 p.m.

Commissioner Robinson moved, seconded by Commissioner Moe, that the City Commission table action on the pending motion until a Special Commission Meeting scheduled for April 9, 2018, at 8:30 a.m.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote on the motion to table.

Motion carried 3-0-2 (Commissioners Bronson and Houck abstaining)

ORDINANCES/RESOLUTIONS

CITY COMMISSION

13. Miscellaneous reports and announcements from the City Commission.

Commissioner Bronson reported that one of the reasons for Historic Preservation Advisory Commission vacancies is due to the unfortunate passing of Ruthann Knudson. He commented that Ruthann was a real driver on the Historic Preservation Advisory Commission group.

Commissioner Houck commented that Ruthann Knudson spent hours volunteering in the community, and has left a legacy that may not ever be fulfilled.

Commissioner Moe announced that the Festival of the Book Word Meister Contest is April 12 at the Great Falls Public Library.

14. Commission Initiatives.

Mayor Kelly requested that staff look at current policies to determine if the City could be more flexible when trying to promote development in order to ease the burden on developers. No one objected.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Moe moved, seconded by Commissioner Robinson, to adjourn the regular meeting of April 3, 2018, at 8:30 p.m.**

Motion carried 5-0

Mayor Bob Kelly

City Clerk Lisa Kunz

Minutes Approved:

DRAFT



Item: April 9, 2018 - - Special Commission Meeting Minutes

From: City Clerk's Office

Presented By: City Commission

ATTACHMENTS:

- ▣ Draft Minutues, April 9, 2018, Special Commission Meeting.

JOURNAL OF COMMISSION PROCEEDINGS

April 9, 2018

Special City Commission Meeting

Commission Chambers Room 206

CALL TO ORDER 8:30 A.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

City Commission members present: Bob Kelly, Tracy Houck, Bill Bronson, Owen Robinson, and Mary Sheehy Moe. Also present were City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Clerk Lisa Kunz; CDBG Administrator Maria Porter; Planning and Community Development Director Craig Raymond; and, City Attorney Sara Sexe.

AGENDA APPROVAL

No changes were proposed by the City Manager or City Commission. The agenda was approved as submitted.

CONFLICT DISCLOSURE/ EX PARTE COMMUNICATIONS

Commissioners Houck and Bronson noted they would not be participating in discussion or vote of agenda item 2 for the same reasons previously mentioned.

PETITIONS AND COMMUNICATIONS

1. Miscellaneous reports and announcements.

Brett Doney, Great Falls Development Authority (GFDA), 300 Central Avenue, commented that the GFDA Board of Directors voted in favor of supporting the proposed Park District.

OLD BUSINESS

2. 2017/2018 Amended Annual Action Plan and acceptance of the proposed use of CDBG funds (Unallocated & Revolving Loan Funds).

Planning and Community Development Director Craig Raymond made a full report on this item at the April 3, 2018, Commission meeting. During discussion, it was made aware that the public comment period expired on April 6, 2018. The Commission tabled action on the pending motion until today to allow for the expiration of the comment period. All written comments have been submitted to the Commission for consideration. Director Raymond concluded that there were some good comments to keep in mind as the Commission moves forward in future allocation years.

Commissioner Robinson moved, seconded by Commissioner Moe, that the City Commission remove the 2017/2018 Annual Action Plan Amendment and CDBG Timeliness Projects agenda item from the table for discussion purposes and further action.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 3-0-2 (Commissioners Houck and Bronson abstaining)

Commissioner Robinson moved, seconded by Commissioner Moe, that the City Commission adopt the 2017/2018 Amended Annual Action Plan; authorize the submittal to the U.S. Department of Housing and Urban Development (HUD); and, accept the proposed use of funds, due to timeliness, for the 2017/2018 Community Development Block Grant Program (CDBG).

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Written comments were received from: **Brett Doney**, Great Falls Development Authority, 300 Central Avenue; **Mrs. G. Swanger**, 178 Riverview C; **Gordon Whirry**, 1912 4th Avenue North; **Kevin Murszewski**, 2820 7th Avenue North; **Linda Daggett**, 415 6th Avenue South; **Shyla Patera**, 1013 7th Avenue NW; and, **Sheila Rice**, 913 3rd Avenue North.

Mayor Kelly asked if there were any comments from the public.

Shyla Patera, 1013 7th Avenue NW, spoke in support of Commission approval of the pending motion. She added it is her hope that HUD provides more guidance in the future for the Commission to avoid conflict situations. Accessibility in homes and in the community is of primary importance.

There being no one else to address the Commission, Mayor Kelly again asked if there was any discussion amongst the Commissioners.

Commissioner Robinson expressed appreciation to CDBG Administrator Porter for responding to the written commenters and providing the information to the Commission for consideration prior to this meeting.

City Manager Doyon commented that moving forward City staff will be diligent about the timelines. He noted that the written comments that were received did not change staff's recommendation to the Commission.

Commissioner Moe noted that three of the six comments involved the larger picture as opposed to the matter before the Commission today. The other three support the direction the Commission is taking, although the issue of housing is one the Commission will address in the larger picture.

In response to Commissioner Moe's request, CDBG Administrator Porter clarified a comment she made in response to Mr. Murszewski's written comments.

Mayor Kelly discussed the new CDBG process being implemented. He noted the Commission will be looking forward to a lot of community input.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 3-0-2 (Commissioners Houck and Bronson abstaining)

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Moe moved, seconded by Mayor Kelly, to adjourn the special meeting of April 9, 2018, at 8:45 a.m.**

Motion carried 5-0

Mayor Bob Kelly

City Clerk Lisa Kunz

**Minutes Approved:
April 17, 2018**



Item: Total Expenditures of \$1,441,289 for the period of March 15, 2018 through April 4, 2018, to include claims over \$5,000, in the amount of \$1,175,106.

From: Fiscal Services

Initiated By: City Commission

Presented By: Melissa Kinzler, Fiscal Services Director

ATTACHMENTS:

- 5000 Report



ITEM: \$5,000 Report
Invoices and Claims in Excess of \$5,000

PRESENTED BY: Fiscal Services Director

ACTION REQUESTED: Approval with Consent Agenda

LISTING OF ALL ACCOUNTS PAYABLE CHECKS ISSUED AVAILABLE ONLINE AT
www.greatfallsmt.net/fiscalservices/check-register-fund

TOTAL CHECKS ISSUED AND WIRE TRANSFERS MADE ARE NOTED BELOW WITH AN ITEMIZED LISTING OF ALL TRANSACTIONS GREATER THAN \$5000:

ACCOUNTS PAYABLE CHECK RUNS FROM MARCH 22, 2018 - APRIL 4, 2018	1,382,009.85
MUNICIPAL COURT ACCOUNT CHECK RUN FOR MARCH 15, 2018 - MARCH 30, 2018	59,279.34
TOTAL: \$	<u>1,441,289.19</u>

SPECIAL REVENUE FUND

FEDERAL BLOCK GRANTS

NEIGHBORWORKS GREAT FALLS	LOAN AGREEMENT 1 17TH ST S MARTHA APTS	14,920.49
NEIGHBORWORKS GREAT FALLS	RLF WICKRAMANAYAKE 1625 CENTRAL AVE	5,915.00

ENTERPRISE FUNDS

WATER

ADVANCED ENGINEERING & ENVIRONMENTAL SERVICES INC	OF 1699 WATER / SEWER COST OF SERV STUDY (SPLIT AMONG FUNDS)	19,785.11
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SEWER

VEOLIA WATER NORTH AMERICA	MONTHLY WWTP OPERATION CONTRACT	233,851.99
VEOLIA WATER NORTH AMERICA	MONTHLY CONTRACTED CAPITAL IMPROVEMENTS	12,500.00
ADVANCED ENGINEERING & ENVIRONMENTAL SERVICES INC	OF 1699 WATER / SEWER COST OF SERV STUDY (SPLIT AMONG FUNDS)	19,785.11
HDR ENGINEERING, INC	OF 1633 WWTP PERMIT UPGRADES	5,398.58

911 DISPATCH CENTER

NELSON MECHANICAL CORP	HVAC REPLACEMENT 911 CENTER	6,800.00
CENTURYLINK	SERVICE & MAINT AGREEMENT RENEWAL	22,080.00
CENTURYLINK	DISPATCH MONTHLY LINE CHARGE	5,842.60

ENTERPRISE FUNDS (CONTINUED)

ICE BREAKER RUN		
CREATEMYTEE LLC	ICE BREAKER 2018 T -SHIRTS	16,869.23

INTERNAL SERVICES FUND

INSURANCE & SAFETY		
MONTANA MUNICIPAL INTERLOCAL AUTHORITY	FEBRUARY 2018 DEDUCTIBLE RECOVERY BILLING	13,515.20

INFORMATION TECHNOLOGY		
SHI INTERNATIONAL CORP	VMWARE ANNUAL MAINTENANCE	5,054.52

CENTRAL GARAGE		
MOUNTAIN VIEW CO-OP	FUEL-DIESEL	28,002.44

TRUST AND AGENCY

COURT TRUST MUNICIPAL COURT		
CITY OF GREAT FALLS	FINES & FORFEITURES COLLECTIONS	40,781.00
CASCADE COUNTY TREASURER	FINES & FORFEITURES COLLECTIONS	5,238.00

PAYROLL CLEARING		
STATE TREASURER	MONTANA TAXES	44,675.00
ICMA RETIREMENT TRUST	EMPLOYEE CONTRIBUTIONS	8,322.89
FIREFIGHTER RETIREMENT	FIREFIGHTER RETIREMENT EMPLOYEE & EMPLOYER CONTRIBUTIONS	51,663.14
STATEWIDE POLICE RESERVE FUND	POLICE RETIREMENT EMPLOYEE & EMPLOYER CONTRIBUTIONS	63,938.75
PUBLIC EMPLOYEE RETIREMENT	PUBLIC EMPLOYEE RETIREMENT EMPLOYEE & EMPLOYER CONTRIBUTIONS	124,261.29
US BANK	FEDERAL TAXES, FICA & MEDICARE	189,901.52
AFLAC	EMPLOYEE CONTRIBUTIONS	10,934.87
LABORERS INTERNATIONAL UNION	EMPLOYEE CONTRIBUTIONS	23,258.92
WESTERN CONF OF TEAMSTERS	EMPLOYEE CONTRIBUTIONS	14,296.37
MONTANA OE - CI TRUST FUND	EMPLOYEE CONTRIBUTIONS	24,862.09
NATIONWIDE RETIREMENT SOLUTIONS	EMPLOYEE CONTRIBUTIONS	13,246.92
MONTANA VEBA HRA	EMPLOYEE CONTRIBUTIONS	22,731.93
STATE OF MONTANA	UNEMPLOYMENT INSURANCE 1ST QTR	35,192.57

UTILITY BILLS

NORTHWESTERN ENERGY	TRANSMISSION CHARGES FOR JAN 2018	5,148.67
NORTHWESTERN ENERGY	MARCH 2018 SLD CHARGES	78,819.27
NORTHWESTERN ENERGY	FEBRUARY 2018 WATER PLANT CHARGES	7,512.29

CLAIMS OVER \$5000 TOTAL:		\$ <u>1,175,105.76</u>
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Item: Contracts List

From: City Clerk's Office

Presented By: City Commission

ATTACHMENTS:

- ▣ Contracts List

CITY OF GREAT FALLS, MONTANA

AGENDA: 8

COMMUNICATION TO THE CITY COMMISSION

DATE: April 17, 2018

ITEM: CONTRACTS LIST
Itemizing contracts not otherwise approved or ratified by City Commission Action
(Listed contracts are available for inspection in the City Clerk’s Office.)

PRESENTED BY: Darcy Dea, Deputy City Clerk

ACTION REQUESTED: Ratification of Contracts through the Consent Agenda

MAYOR’ S SIGNATURE: _____

CONTRACTS LIST

	DEPARTMENT	OTHER PARTY (PERSON OR ENTITY)	PERIOD	AMOUNT	PURPOSE
A	Public Works/ Engineering	CTA Environmental	04/17/2018- 04/03/2019	\$1,050	Professional Services Agreement to provide hazardous materials testing and report on Lift Station #9 OF 1722.1
B	Public Works/ Engineering	L’Heureux Page Werner Architecture	04/17/2018- 03/30/2019	\$7,150	Professional Services Agreement to provide architectural design, bidding and construction services to remodel of Community Recreation Center Bathroom to ADA compliance OF 1737.0

C	Information Technology	Emergency Reporting Systems, Inc.	03/14/2018- until either party exercises its right to cancel	\$20,078 first year and \$8,456 in subsequent years	Professional Services Agreement Amendment No. 1 clarifies that original PSA continues in effect until either party exercises right to cancel (CR 030717.6C)
D	Public Works/ Engineering & Park and Recreation	CTA Architects Engineers	04/17/2018- 12/30/2018	\$8,674	Professional Services Agreement to evaluate the condition of the brick façade on the Morony Natatorium, and recommend possible options to fix the façade OF 1393.7
E	Planning & Community Development	Great Falls Housing Authority	04/03/2018- 04/30/2018	\$40,000	2017/2018 Community Development Block Grant Agreement to replace two boilers and the security entry door system at Austin Hall (1622 3 rd Avenue North); Replace 40 furnaces for Parkdale (1500 Chowen Springs Loop) (City Commission approved Amended Annual Action Plan and Timeliness Project on April 9, 2018, Item 2)



Item: ADA Handicap Ramps 4th Street NE, 6th Street NE and 6th Avenue South, O.F. 1730.2.

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Consider Bids and Approve Contract for Office File 1730.2.

Suggested Motion:

1. Commissioner moves:

"I move the City Commission (award/reject) a contract in the amount of \$346,670.00 to Kuglin Construction for the ADA Handicap Ramps 4th Street NE, 6th Street NE and 6th Avenue South, and authorize the City Manager to execute the construction contract documents."

2. Mayor requests a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation:

Approve construction contract award.

Summary:

This project was initiated to install Americans with Disabilities Act (ADA) compliant sidewalk ramps prior to a proposed mill and overlay project and in accordance with the Public Right of Way ADA Transition Plan. As part of the project sixty six (66) ramps will be installed. The project will create ADA compliant routes from Smelter Avenue to Riverview Drive East on 4th St. NE and 6th St. NE. These routes will provide access to Jaycee Park, Sacajawea Elementary School and Walmart. It will also complete an ADA compliant route along 6th Avenue South that provides access to Great Falls High School, bus routes, and the ADA routes established on 24th and 25th Street. Additionally, the project includes replacing curb and gutter, replacing and relocating several storm drain inlets and the installation of valley gutters within the project limits.

This project is part of a process to eliminate noncompliance or "barriers to disabled travelers" in the Public Right of Way as result of laws established in Title II of the Americans with Disabilities Act of 1990. In the years following this legislation, the City of Great Falls has installed approximately 1,074 compliant ramps. Per this initiative, there has also been extensive inventory of existing infrastructure that

has aided in determining barriers, sharing locations of these barriers with stakeholders and allocating funds efficiently based on feedback to remove barriers of high priority. This project consists of 66 of the total 83 ramps identified to be installed as part of the work in the right of way this construction season. For further details on the ramps installed recently as well as the ramps to be installed this summer, see the attached Annual Action Plan.

Background:

Citizen Participation:

The construction activity will require temporary closures of 4th St. NE, 6th St. NE and 6th Ave. South. Construction will also require temporary closure of the sidewalks at the intersections under construction along 4th St. NE, 6th St. NE and 6th Ave. South. Access to residences and businesses adjacent to construction zones will be maintained. Great Falls Public Schools and the City Parks and Recreation Department as well as businesses located adjacent to the project locations, such as Walmart and the Loaf and Jug, will be kept informed regarding this project.

Workload Impacts:

Design phase engineering and plans and specifications were completed by the City Engineering staff with assistance from City Street Division. City Engineering staff will provide construction phase engineering services and project inspection.

Purpose:

The primary objective of this project is to install sidewalk ramps to eliminate barriers identified by the Public Right of Way ADA Transition Plan and in doing so sustain compliance with the Americans With Disabilities Act (ADA) of 1990. These ramps will be compliant with ADA design requirements. In addition to the sidewalk ramp installations, storm inlets will be adjusted and replaced and several valley gutters will be installed to accommodate ADA compliance and sustain and improve existing storm drainage flow. A ramp providing a point of access to the Jaycee Park play structure(s) will also be constructed. Following these ramp and valley gutter installations, the intersections adjacent to valley gutters will be reconstructed to match valley gutter flow lines. 4th St. NE, 6th St. NE and 6th Ave South will be milled and overlaid by the City Street Division.

Project Work Scope:

The project consists of replacing approximately 2,010 lineal feet of integral concrete curb and gutter, 4,500 square feet of four (4)-inch concrete sidewalk, 7,300 square feet of six (6)-inch concrete sidewalk, 66 truncated domes, five (5) valley gutters and 7,200 square feet of sod. The project is scheduled for substantial completion in 120 calendar days with a start date in late June. The overlay and street reconstruct are planned to be completed, weather permitting, before the winter shut down.

Evaluation and Selection Process:

Three (3) bids were received on April 4, 2018 with the bid prices ranging from \$346,670.00 to \$399,735.00. Kuglin Construction submitted the low bid.

Conclusion:

City staff recommends awarding the contract to Kuglin Construction in the amount of \$346,670.00.

Fiscal Impact:

The attached bid tabulation summarizes bids that were received. Other Repair and Maintenance funds from the Street Division are programmed to fund this project. The use of these funds is harmonized

through route planning and street maintenance scheduling in accordance with processes defined in the Public Right of Way ADA Transition Plan. Over the years, funding from Community Development Block Grants (CDBG) has provided funding for approximately 216 ramps as part of ADA accessibility projects. However, in the last few years Streets Funding sources have become the main source of funding for these projects. This year approximately \$27,000.00 of CDBG funding will be used, compared to over \$300,000.00 of Street Funding dollars in use. Funding for these projects has also been provided from MDT and private developers over the years.

Alternatives:

The City Commission could vote to deny award of the construction contract and re-bid or cancel the project.

ATTACHMENTS:

- ▣ OF 1730.2 Bid Tab
- ▣ Annual Action Plan 2018
- ▣ Ramp Locations

CITY OF GREAT FALLS ENGINEERING
 P.O. BOX 5021
 GREAT FALLS, MT 59403

BID TABULATION SUMMARY

OFFICE FILE 1730.2
 ADA HANDICAP RAMPS

BIDS TAKEN AT CIVIC CENTER

DATE: 4-APR-18
 TABULATED BY: KARI WAMBACH

	NAME & ADDRESS OF BIDDER	ACKNOWLEDGE ADD. #1	ACKNOWLEDGE ADD. #2	10% BID SECURITY	CERTIFICATE OF NON-SEGREGATED FACILITIES	CERTIFICATE OF COMPLIANCE WITH INSURANCE REQ.	TOTAL BID
1	MARVS ELITE CONCRETE 1105 5TH AVENUE NW GREAT FALLS, MT 59404						DID NOT BID
2	UNITED MATERIALS, INC. P.O. BOX 1690 GREAT FALLS, MT 59403	√	√	√	√	√	\$399,735.00
3	KUGLIN CONSTRUCTION P.O. BOX 491 BLACK EAGLE, MT 59414	√	√	√	√	√	\$346,670.00
4	MRTE, INC. PO BOX 538 BLACK EAGLE, MT 59414	√	√	√	√	√	\$352,780.00
5	GREGOIRE CONSTRUCTION 710 49TH ST. SO. GREAT FALLS, MT 59405						DID NOT BID
6							
7							
8							
9							
10							

Annual Action Plan

City of Great Falls

Fiscal Year 2017-2018

Public Right of Way Transition Plan

Part 1: Programmed Rights-of-Way Projects Containing ADA Improvements

Fiscal Year	Office File	Project Name	Neighborhood council #	Project Length	Project Scope	Cost	Gap Score
2017	1679.6	19th St and 5th Ave South Curb Ramps	9	28 days	6 Curb ramps and 1 alley apron	25k	362
2017	1697.2	3rd Ave South Handicap ramps phase II	4	60 days	18 Curb Ramps	188k	154-290
2017	1700.1	2016 CDBG Handicap Ramps	9	28 days	24 Curb Ramps	93k	282-392
2017	1730	Miscellaneous Curb Reconstruction Phase I	Varies	28 days	4 Curb ramps and 1 alley apron	41k	527
2017	1730.1	ADA Handicap Ramps 2nd St NW	3	40 days	16 Curb Ramps and 3 Valley Gutters	est. 100k	600
2018	1715.1	2017 CDBG ADA Handicap Ramps	9	60 days	16 Curb Ramps	est. 53k	262
2018	1730.2	ADA Handicap Ramps 4th St NE, 6th St NE and 6th Ave South	3,9	120 days	66 Curb Ramps and 5 Valley Gutters	est. 350k	200-460
2018	1715.3	CDBG Accessible Parks	7,2	20 days	1 Ramp and 2 Play Structure accesses/landing areas	16k	N/A

Inventory Projects:

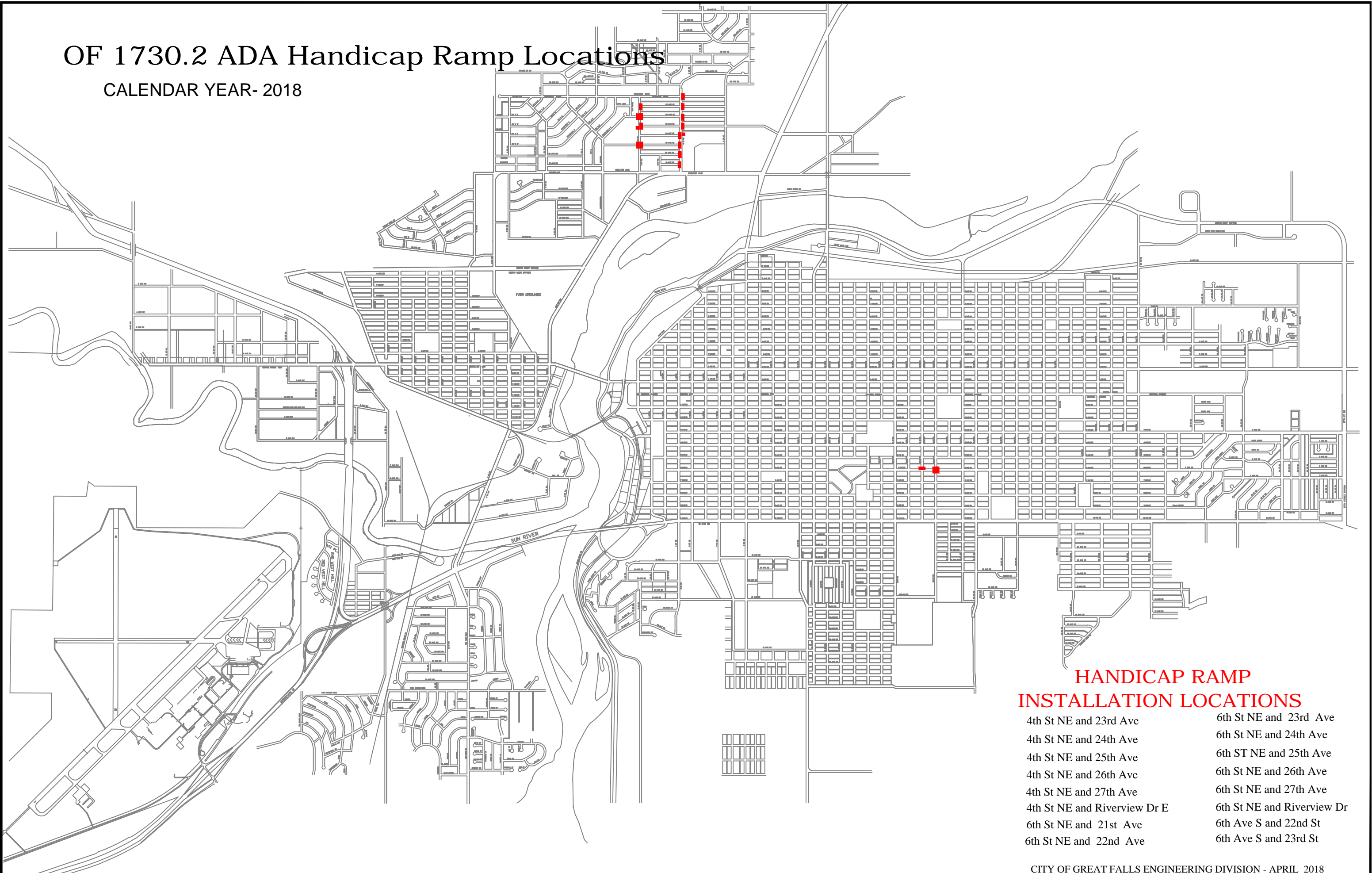
Throughout 2017 an alley apron inventory is being completed to score and record all city assets pertinent to the condition of the right of way at each alley/street intersection. These alley aprons will be scored using a similar process as was developed for the city wide scoring and inventory of curb ramps completed from 2009-2017.

Program Administration/Communications Planned:

Into 2017 and through continued collaboration and coordination with stakeholder representatives at North Central Independent Living Services, the city will provide information and assistance to interested parties to foster the creation of an ADA committee.

OF 1730.2 ADA Handicap Ramp Locations

CALENDAR YEAR- 2018



HANDICAP RAMP INSTALLATION LOCATIONS

- | | |
|------------------------------|----------------------------|
| 4th St NE and 23rd Ave | 6th St NE and 23rd Ave |
| 4th St NE and 24th Ave | 6th St NE and 24th Ave |
| 4th St NE and 25th Ave | 6th St NE and 25th Ave |
| 4th St NE and 26th Ave | 6th St NE and 26th Ave |
| 4th St NE and 27th Ave | 6th St NE and 27th Ave |
| 4th St NE and Riverview Dr E | 6th St NE and Riverview Dr |
| 6th St NE and 21st Ave | 6th Ave S and 22nd St |
| 6th St NE and 22nd Ave | 6th Ave S and 23rd St |



Item: Lower Southside Water Main Replacement - Phase III, O. F. 1465.2.

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Consider Bids and Approve Contract for Office File 1465.2.

Suggested Motion:

1. Commissioner moves:

"I move the City Commission (award/not award) a contract in the amount of \$1,895,760.00 to United Materials of Great Falls, Inc. for the Lower Southside Water Main Replacement – Phase III, and authorize the City Manager to execute the construction contract documents."

2. Mayor requests a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation:

Approve construction contract award.

Summary:

This project will replace approximately 16 blocks of water main located in the lower Southside area, from 10th Avenue South to 3rd Avenue South and from 2nd Street to 9th Street.

Background:

This project is being completed in cooperation with the Montana Department of Environmental Quality (DEQ). City Engineering staff designed the project and will perform construction inspection and contract administration duties. This project will replace water mains that have been failing with increasing frequency, causing damage to property, roadways and disrupting water service to local residents and businesses.

The water main breaks are primarily due to corrosive soils, age and type of pipe material used. The water mains were installed in 1890, 1967, 1982 and 1986.

This project will replace approximately 3,025 lineal feet of 6-inch and 8-inch cast iron water main

and 3,350 lineal feet of 12-inch cast iron and ductile iron water main with 8-inch and 12-inch PVC water main; 825 lineal feet of 24-inch ductile iron water main; replace 10 fire hydrants; 150 water service connections; 5,950 square yards of gravel; and 7,450 square yards of asphalt pavement. The project locations include:

- 9th Avenue South from 2nd Street thru 5th Street
- 3rd Street from 8th Avenue South to 9th Avenue South
- 4th Street from 10th Avenue South thru 9th Avenue South
- 5th Avenue South from 3rd Street to 6th Street
- 4th Avenue South from 3rd Street thru 6th Street
- 4th Street from 5th Avenue South to 4th Avenue South
- 3rd Avenue South from 5th Street to 9th Street

This project is scheduled to begin May 7, 2018.

Three bids were received and opened for this project on April 4, 2018. The bids for this project ranged from \$1,895,760.00 to \$2,117,924.96. United Materials submitted the low bid. United Materials is an established responsible contractor and has done a number of projects within the City.

City staff recommends awarding the contract to United Materials in the amount of \$1,895,760.00. United Materials has executed all the necessary documents.

Fiscal Impact:

Replacement of the water mains will save on maintenance due to man hours and resources necessary to repair water main breaks, or repair streets, and save on damage to surrounding buildings and property.

This project is being funded through the Water Capital Improvement fund. The attached bid tabulation summarizes bids that were received.

Alternatives:

The City Commission could vote to deny award of the construction contract and re-bid the project at a later date or do nothing and repair future water main breaks as they occur.

Concurrences:

DEQ has reviewed and approved the plans and specifications for this project.

ATTACHMENTS:

- Bid Tab for Lower Southside WMR OF 1465.2

CITY OF GREAT FALLS ENGINEERING
 P.O. BOX 5021
 GREAT FALLS, MT 59403

BID TABULATION SUMMARY
 OFFICE FILE 1465.2
 LOWER SOUTH SIDE WMR - PHASE III

BIDS TAKEN AT CIVIC CENTER
 DATE: 4-APR-18
 TABULATED BY: KARI WAMBACH

	NAME & ADDRESS OF BIDDER	ACKNOWLEDGE ADD. #1	ACKNOWLEDGE ADD. #2	10% BID SECURITY	CERTIFICATE OF NON-SEGREGATED FACILITIES	CERTIFICATE OF COMPLIANCE WITH INSURANCE REQ.	TOTAL BID
1	UNITED MATERIALS, INC. P.O. BOX 1690 GREAT FALLS, MT 59403	√	N/A	√	√	√	\$1,895,760.00
2	WESTERN MUNICIPAL CONST 5855 ELYSIAN ROAD BILLINGS, MT 59101	√	N/A	√	√	√	\$2,117,924.96
3	COP CONSTRUCTION PO BOX 20913 BILLINGS, MT 59104		N/A				DID NOT BID
4	WILLIAMS CIVIL CONST. PO BOX 1152 BOZEMAN, MT 59771	√	N/A	√	√	√	\$1,971,086.00
5							
6							
7							
8							
9							
10							



Item: Reject Bid for Firefighter Physicals.

From: Stephen A. Hester

Initiated By: Stephen A. Hester

Presented By: Stephen A. Hester

Action Requested: Reject the single bid provided by Benefis Occupational Health.

Suggested Motion:

1. Commissioner Moves:

"I move that the City Commission (reject/not reject) the single bid for Firefighter Occupational Physicals by Benefis Occupational Health."

2. Mayor requests a second to the motion, Commission discussion, and calls for the vote.

Staff Recommendation:

Staff recommends that the City Commission reject the bid for Firefighter Occupational Physicals.

Summary:

Benefis Healthcare, Occupational Health provided the only bid for GFFR occupational physicals. During the review process, the Occupational Health Manager had noted that there were several options to offering physicals that needed further clarification before moving forward.

The GFFR Health and Wellness Committee and representatives from Benefis met and developed a specification that suited the needs of the Department and the intent of the National Standard for Firefighter Occupational Physicals. The current firefighter collective bargaining agreement has required that all firefighters receive an annual occupational physical. The work noted above shall accomplish that task. This group is currently working on developing an agreed upon contract for these services.

Fiscal Impact:

The cost of the initial or baseline physical (new hire) is about \$1,531.00, and the cost for annual occupational physicals is about \$1,150.00 for each or about \$71,300 per year. A new contract with Benefis is still being evaluated, and these rates may change.

Concurrences:

Benefis Healthcare System, Occupational Health Office
GFFR Health and Wellness Committee



Item: CDBG & HOME Grant/ Community Needs Public Hearing.

From: Planning and Community Development Department

Initiated By: Maria Porter, Planning and Community Development CDBG/HOME Administrator

Presented By: Craig Raymond, Planning and Community Development Director

Action Requested: Conduct Public Hearing.

Public Hearing:

1. Mayor conducts public hearing, opens the floor for public comment.
2. Mayor closes public hearing.

Suggested Motion:

No action required.

Staff Recommendation:

Staff recommends the City Commission conduct the Consolidated Plan Community Needs Public Hearing required for the City Community Development Block Grant (CDBG) and HOME Grant programs.

The City Commission set the public hearing on April 3, 2018. Notice of the Public Hearing before the City Commission was published in the Great Falls Tribune per HUD Requirements. Press releases were submitted to the media to inform the community about this public hearing. Notice about the Needs Public Hearing was made available to all Great Falls Housing Authority residents and given to the nine Neighborhood Councils, local non-profit agencies, and City departments. Notice of the hearing has been posted on the City's website.

Summary:

The City Commission is required to conduct a public hearing seeking input regarding the needs within the community that can be assisted through the annual award of Community Development Block Grant and Home Investment Partnership funds. The public hearing allows citizens within Great Falls an opportunity to provide input for the funding allocation process conducted by the City.

Background:

CDBG and HOME programs are federal programs administered by U.S. Department of Housing and Urban Development (HUD) to help fund local community development programs including affordable housing, public service, economic development, and public infrastructure projects. The primary goal of these programs is to assist low and moderate income (LMI) persons in their respective communities. State and local governments receive funding from HUD based on a formula derived from population and housing statistics.

Citizen Participation: The Citizen Participation Plan, adopted by the City Commission in **January 2016**, stipulates a public hearing be held to allow citizens, especially lower income citizens, the opportunity to address the Commission regarding the needs of the community, and to make recommendations to the City Commission on the use of CDBG and HOME Grant funds. A forum to obtain public input regarding the needs of the community is required by the U.S. Department of Housing & Urban Development in order for the City to secure federal grant dollars. The purpose of this Community Needs Public Hearing is to allow citizens, especially low and moderate income citizens of Great Falls, an opportunity to advise the City Commission about the community's housing and supportive services issues. The public is encouraged to share ideas on how federal grant funds can be used to address community revitalization.

This hearing is not meant to be a format for agencies to lobby for their respective pending CDBG or HOME Grant funding applications. Instead, individuals are encouraged to speak on housing and non-housing community development issues in the city, and especially, the effect of these issues on low and moderate income persons. CDBG funds can be used for a wide range of community development activities directed toward neighborhood revitalization, economic development, energy conservation and improved community facilities and services. HOME grant funds can be used for affordable home ownership programs, including development of new homes, loan financing, and affordable multi-family rental housing development.

Evaluation and Selection Process The U. S. Department of Housing and Urban Development requires public input, especially input from lower income citizens and the agencies representing them, as to the issues and needs of the community. The Commission will be asked to give consideration to citizen comments received during this public hearing when determining funding priorities for the CDBG Program and the HOME Grant Program and any future submissions of HOME grant applications to the Montana Department of Commerce.

Conclusion: The public hearing provides citizens an important opportunity to identify community development needs, particularly those impacting low to moderate income households in Great Falls. The results of this hearing coupled with the results of the City's extensive surveying and outreach process will shape the City Commission's funding allocation decision scheduled to occur at the May 1, 2018 hearing.

Fiscal Impact:

Conducting the public hearing will allow the City to receive CDBG funds. Last year, the City received approximately \$702,709 in CDBG and \$191,100 in HOME funds. The Federal allocation for this fiscal year is undetermined at the time of this staff report.

Alternatives:

The City Commission could decide not to conduct the public hearing and thereby choose not to receive CDBG and HOME funds for the 2018-2019 funding cycle. The hearing is required for the City to be awarded 2018-2019 CDBG and HOME funding.

ATTACHMENTS:

- FY18 Grant Schedule



City of Great Falls

CDBG/HOME Annual Action Plan Schedule

Commission Work Session to discuss Grant funding Priorities & Policies	November 21, 2017
Public Needs Assessment- Neighborhood Councils (1/31, 2/19, 2/22, 3/1), Community Survey, and Stakeholder Focus Group (3/5/18)	January 26, 2018- March 16, 2018
City Commission Work Session to review Community Data, City Commission Meeting to set date for Public Needs Hearing	Tuesday April 3, 2018
15 day comment period for proposed Citizen Participation Plan	March 30, 2018- April 16, 2018
City Commission Meeting to vote on Grant Policies and Citizen Participation Plan, <u>Public Needs Hearing</u>	Tuesday April 17, 2018
City Commission Meeting to vote on Goals to be included in Annual Action Plan	Tuesday May 1, 2018
Proposed 2018/2019 Annual Action Plan completed and available for review.	Tuesday May 8, 2018
30 day comment period for proposed 2018/2019 Annual Action Plan	May 8, 2018 – June 8, 2018
ConPlan/Annual Action Plan submitted to HUD	By June 30, 2018



Item: Annexation Improvement Agreement for the Rockcress Commons Development Project.

From: Tom Micuda, Deputy Director, Planning and Community Development

Initiated By: NeighborWorks Great Falls

Presented By: Craig Raymond, Director, Planning and Community Development

Action Requested: The City Commission approve the submitted Annexation Improvement Agreement.

Suggested Motion:

1. Commissioner moves:

"I move that the City Commission (approve/not approve) the Annexation Improvement Agreement for the Rockcress Commons development project."

2. Mayor calls for a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation:

Staff recommends the City Commission approve the Annexation Improvement Agreement.

Summary:

As a condition of annexation, the City of Great Falls is given the authority under Section 17.68.040 of the City's Land Development Code to enter into Improvement Agreements with applicants to address issues such development related fees, required public improvements, and reimbursement owed to the City, applicant, and other landowners.

In association with the Rockcress Commons apartment project brought forward by NeighborWorks Great Falls, an Annexation Improvement Agreement was considered in the Planning Advisory Board and City Commission's decision to approve annexation, zoning, and subdivision for the project on December 5, 2017. At that time, it was understood that the Agreement provided would need to be updated to cover two issues: 1) the submission and review of final stormwater infrastructure plans, and 2) the addition of a small amount of adjoining property that was acquired by the applicant to facilitate the construction and dedication of 23rd Street South. These items have since been addressed to the satisfaction of all parties, which has allowed the final Annexation Improvement Agreement to be finalized, signed, and submitted for City Commission approval.

Background:

The Rockcross Commons development project involves the construction of 124 multifamily dwelling units on Lot 4A of the Medical Tech Park Minor Subdivision. The project has already received annexation, zoning, and subdivision approval from the Planning Advisory Board and City Commission. Additionally, the City's Design Review Board approved the project at their February 12 public meeting. The project is currently in the midst of permit review by multiple City departments as well as the State's Department of Environmental Quality. Construction is anticipated to start later this year with full occupancy at the end of 2019.

The submitted Annexation Improvement Agreement has been under discussion for about six months, and all parties including City Legal, Public Works, Planning and Community Development, as well as the applicant are in agreement with all provisions. The agreement binds the applicant to constructing new public streets, sidewalks, boulevard trees, and all required utilities. This includes oversized and looped water main service, and off-site upgrades to the City's stormwater system underneath 23rd Street South. The agreement also addresses stormwater and park fees owed to the City as a requirement of the annexation request. In summary, the Annexation Improvement Agreement protects the interests of all parties (the City, applicant, and affected owners) both in the present and in the future after the development is constructed.

Fiscal Impact:

The Agreement largely limits the fiscal burden of development to the applicant. To that end, the applicant has prepared a financial guarantee for all public improvements totaling approximately \$2.2 million. With regards to City fiscal impacts, the City will be responsible for reimbursing the applicant for oversizing water main installation as well as upsizing for a new stormwater pipe to be installed underneath 23rd Street South. This is a benefit to the City because the existing 15 inch diameter pipe is currently undersized and unable to address the full drainage impact of the proposed development as well as potential future development.

Alternatives:

The City Commission could decide not to approve the submitted Annexation Improvement Agreement. In such instance, there would be no binding agreement covering fees, public infrastructure, and reimbursement arrangements.

Concurrences:

As noted above, the development of the submitted Agreement has involved very detailed discussions between staff members from Planning and Community Development, Legal, and Public Works. All parties, including the applicant, concur with the terms in the Agreement.

ATTACHMENTS:

- Improvement Agreement

**IMPROVEMENT AGREEMENT FOR ROCKCRESS COMMONS ANNEXATION AND PUD
(AN AMENDED PLAT OF LOT 4A OF THE AMENDED PLAT OF LOT 4 OF THE MEDICAL TECH
PARK MINOR SUBDIVISION, INCLUDING TRACT 2 OF CERTIFICATE OF SURVEY NO. S-
0005135),
LOCATED IN THE SE ¼ OF SECTION 18, TOWNSHIP 20
NORTH, RANGE 4 EAST, P.M.M, CITY OF GREAT FALLS, CASCADE COUNTY, MONTANA**

The following is a binding Agreement dated this 30th day of March, 2018, between MT Rockcress 4% LLLP, a Montana limited liability limited partnership ("Rockcress 4% LLLP"), as to a Twenty-Four Percent (24%) undivided interest in the Subject Property, as defined below, and MT Rockcress 9% LLLP, a Montana limited liability limited partnership ("Rockcress 9% LLLP"), as to a Seventy-Six Percent (76%) undivided interest in the Subject Property, hereinafter referred collectively as the "Owners," and the City of Great Falls, Montana, a municipal corporation of the State of Montana, hereinafter referred to as "City", regarding the requirements for annexation into the corporate limits of the City of a tract of land legally described as an amended plat of Lot 4A of the amended plat of Lot 4 of the Medical Tech Park Minor Subdivision, including Tract 2 of Certificate of Survey No. S-0005135, a tract of land located in SE1/4 of Section 18 Township 20 North, Range 4 East, P.M.M., City of Great Falls, Cascade County, Montana, hereinafter referred to as "Subject Property". Owner agrees to, and is bound by, the provisions of this Agreement, and by signing this Agreement, therefore agrees to terms applicable to the subject property. The City is authorized to enter into this Agreement by §17.68.010-040 of the Official Code of the City of Great Falls (OCCGF).

Recitals

- a) The Owners acquired the Subject Property from NeighborWorks Housing Services Inc., a Montana nonprofit corporation ("Neighborworks Great Falls"), pursuant to a Warranty Deed dated December 21, 2017, and recorded December 21, 2017 as Document No. R0349357 in the office of the Cascade County, Clerk and Recorder.
- b) NeighborWorks Great Falls and GMD Development LLC, a Washington limited liability company, who serve as the sole-members of the General Partner of both Rockcress 4% LLLP and Rockcress 9% LLLP, entered into that certain Property Development Agreement executed August 10, 2017, under which NeighborWorks Great Falls and GMD Development LLC agree to jointly develop the Subject Property, hereinafter referred to as the "Development Agreement").
- c) Prior to the execution of this Agreement NeighborWorks Great Falls and GMD Development LLC worked with the City to create this Agreement with the understanding that once the Subject Property was transferred to the Owners, it would be assigned to the Owners; however, during the course of negotiating the terms of this Agreement, NeighborWorks Great Falls transferred the Subject Property to the Owners.

1. Recitals Incorporated. The Recitals to this Agreement are incorporated herein.

2. Supporting Documents.

- A. The Amended Plat of Lot 4A of the Amended Plat of Lot 4 of the Medical Tech Park Minor Subdivision, including Tract 2 of Certificate of Survey NO. S-0005135, filed of record in the Clerk and Recorder's Office of Cascade County, Montana.
- B. Engineering drawings, specifications, reports and cost estimates, preliminary and final, prepared for the Subject Property, consisting of documents for, but not limited to the public sanitary sewer, water, storm drain, and street improvements.
- C. "As Built" reproducible 4 mil mylar drawings of public infrastructure, private utilities, and drainage facilities shall be supplied to the City Engineer upon completion of the construction.
- D. Legal documents, including but not limited to any articles of incorporation, bylaws, covenants, and declarations establishing the responsibilities of owners recorded in the Clerk and Recorder's Office of Cascade County, Montana.
- E. Owners-executed Storm Water Maintenance Agreement.

3. Changes.

The Owners understand that failure to build in compliance with approved plans is a breach of this Agreement and a violation of the OCCGF, subject to the penalties provided for such violations. The City recognizes, however, that minor changes are often necessary as construction proceeds and the Administrators (the Administrators are the persons charged by the City Manager with the administration of this improvement agreement) are hereby authorized to permit minor changes to approved plans, as provided below.

- A. Minor changes to engineering documents and such revisions to the engineering drawings as are deemed appropriate and necessary by the Administrators and which do not materially affect the hereinabove mentioned Subject Property, can be made as follows:
 - a. Before making changes, the applicant must submit revised plans to the Administrator(s) for review. Failure to do this before the proposed change is made, is a breach of this Agreement and a violation of the OCCGF. The Administrator(s) shall respond to all proposed changes within ten (10) business days of receipt of the revised plans.
 - b. Based on a review of the revised plans, the Administrator(s) may permit minor dimensional changes provided they do not result in a violation of the conditions of approval for the Subject Property or the OCCGF.
 - c. Based on a review of the revised plans, the Administrator(s) may permit substitutions for proposed building and construction materials provided that the proposed substitute has the same performance and, for exterior materials, appearance as the originally approved material.
 - d. Minor changes in the location and specifications of the required public improvements may be permitted. Revised plans showing such changes must be submitted to, and then reviewed and approved by the Administrator(s).

B. Substantial changes are not permitted by this Agreement. A new public review and permitting process will be required for such changes. "Substantial Change" versus "Minor Change" is described as follows:

a. "Substantial Change" is defined here in order to further clarify what may be permitted as a "Minor Change." A substantial change adds one or more lots; changes the approved use; changes the location or extent of the area proposed to be cleared, graded, or otherwise disturbed by more than 4,000 square feet (a smaller change in the area that will be cleared, graded, or otherwise disturbed may be treated as a minor dimensional change); changes the location, extent, or design of any required public improvement, except where a minor change is approved by the Administrator(s); or changes the approved number of buildings, structures or units; or the size of any building or structure by more than 10%. A smaller change in the size of a lot, building, or structure may be treated as a minor dimensional change.

C. "As Built" reproducible drawings of public infrastructure, private utilities, and drainage facilities shall be supplied to the City Engineer upon completion of the construction, whether or not changes to the original plan documents are made pursuant to this section.

4. City Fees and Charges.

A. Owners shall pay the following fees and reimbursements as provided by City policy and resolution:

a. Fees and Reimbursements paid by Owners:

i. Storm Drain Fee (\$250/acre x 8.797 acres)	\$ 2119.25
ii. Recording fees for Improvement Agreement, and Annexation Resolution (\$10 per page x 13 pages)	\$ 130.00
iii. Park Fee in lieu of Land Dedication	\$ 42,611.74

Total Fees and Reimbursements paid by applicant to City: **\$ 44,860.99**

Fees paid by the applicant are in addition to the \$2,000.00 application fee for City zoning, \$2,500 application fee for the preliminary and final plat, and the \$500.00 application fee for Annexation, which have been paid prior to this Improvement Agreement.

B. The total fees summarized in Section A above shall be paid to the City no later than 30 days after City Commission action to annex Subject Property into the City.

- C. Owners or their successors or assigns shall reimburse City for its expenses incurred for inspection, testing and acceptance of public utilities and roadways serving the Subject Property and sidewalk at the rates charged by City for said work at the time performed.
- D. Water service tapping and water and sewer service connection fees will be assessed at the times of tapping and connections.
- E. The absence of any fee from this Agreement which is lawfully charged by the City in connection with construction activity associated with Subject Property shall not constitute a waiver by the City.

5. Required Public Improvements.

- A. The Owners hereby agree to install a looped public water main consistent with City standards and submitted plans approved by the City of Great Falls Engineering Division, including the addition of fire hydrants. The improvements shall be in accordance with City and Montana Department of Environmental Quality standards and approved plans and specifications. Any portion of water main service located outside of the public right-of-way shall be located in a minimum 20-foot wide public utility easement. The improvement is to be owned and maintained by the City.
- B. The Owners hereby agree to extend public sanitary sewer main consistent with City standards and submitted plans approved by the City of Great Falls Engineering Division. The improvement shall be in accordance with City and Montana Department of Environmental Quality standards and approved plans and specifications. The improvement is to be owned and maintained by the City upon completion.
- C. The Owners agree to construct 23rd Street South, 23rd Avenue South, and 22nd Street South consistent with City standards and submitted plans approved by the City of Great Falls Engineering Division. Construction of these streets shall include curbs, sidewalks, and boulevard trees, with the exception that sidewalk and boulevard trees are not required on the east side of 23rd Street South, the west side of 22nd Street South, or the north side of 23rd Avenue South adjacent to future Lot 4B. All necessary property for the construction and maintenance of city streets shall be dedicated to the public for said purpose. All street improvements are to be owned and maintained by the City upon completion.
- D. The Owners agree to install storm water quality and quantity improvements consistent with City standards and submitted plans approved by the City of Great Falls Public Works Department. Storm water quantity control measures must comply with the maximum design standard so that allowable peak discharge is not greater than 8.2 cubic feet per second. The Owners additionally agree to construct new stormwater pipe within the 23rd Street South right-of-way to increase the capacity of the existing system that currently conveys stormwater from south to north. Pipe size and all other construction specifications shall comply with City standards and submitted plans approved by the City of Great Falls Public Works Department.
- E. Access for purposes of emergency vehicles shall be installed to the specifications of the Public Works Department prior to the issuance of any building permits for the Subject Property. The

Owners will be issued Certificates of Occupancy by the City on a building by building basis as each building and associated infrastructure serving each building is completed and inspected.

6. Reimbursements owed to Owners.

- A. The City shall reimburse the Owners the cost difference of any required over-sizing of public water main, sanitary main and storm drain improvements. The amount to be reimbursed shall be determined by using the Owners' actual improvement cost for over-sizing, including fittings and valves. The reimbursement amount shall be based on actual quantity of improvements constructed. In the event that the improvement costs are not provided by the Owners or they are determined by the City to be unreasonable, the City will determine the reimbursement amount using standard bid and/or material prices.
- B. The owner(s) of Lot 4C – Medical Tech Park Subdivision, and Parcel Number 2639500, a Tract of Land Located in the NE ¼ of Section 19, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana, shall reimburse the Owners or their assigns a pro-rata share of the cost of road and utility improvements for 23rd Avenue South and 24th Avenue South based on their respective property frontages. The City will assist in obtaining initial reimbursements due from these owners under this agreement; however, Owners remain responsible for any legal enforcement of the terms of this agreement as against these owners. The reimbursement amount shall be based on the actual cost of improvements constructed by the Owners. In the event that Owners do not provide the improvement costs to the City as set forth herein, or the costs are determined by the City to be unreasonable or unsupported, the City will determine the reimbursement amount using standard bid and/or material prices. The Owners are responsible for the full cost of, and not entitled to reimbursement for, the construction of 23rd Street South and associated utility main extensions.
- C. Owners shall provide the City with documentation of their actual out-of-pocket costs of the installation of the hereinabove mentioned improvements within four (4) months after approval and acceptance thereof by City. In the event of the Owners' failure to provide City with said cost data, City shall not be obliged to undertake collection of the reimbursement provided for herein, and the responsibility for collection thereof shall be that of the Owners, their heirs, successors and assigns. Failure of the Owners to provide City with said cost data for reimbursement as herein required shall in no way alter the obligation of any other party to make reimbursement as provided for herein, said failure affecting only City's obligation to assist in collection thereof.

7. Site Development, City Improvements, Infrastructure Improvement Fees, and Reimbursement from Owner

- A. Storm Water Quality and Quantity Plans and Utility service plans shall be designed to City standards and shall be submitted to the City Public Works Department for review and approval prior to issuance of building permits.
- B. The Owners agree to install on-site improvements required for development of subdivision lots, as determined at the time of development, prior to certificate of occupancy of any structure built upon the Subject Property. The on-site improvements shall include water, sanitary sewer, storm

water management, and access. The Owners shall provide public utility easements for all required public utilities. The Owners will be permitted temporary certificates of occupancy by the City on a building by building basis as each building is completed and inspected.

- C. The Owners are required to reimburse the property owner of Lot 2A Amended Plat of Lot 1A and 1B of the amended plat of Lots 1 and 5 of the Medical Tech Park Minor Subdivision for their pro-rata costs of existing sewer and water infrastructure currently within 23rd Street South.
- D. In order to receive Certificates of Occupancy and other necessary permits from the City for the Subject Property, the Owners are required to construct certain off-site streets, curbs, sidewalks, storm water drainage units, water inflow and utilities (collectively referred to as the "Infrastructure Improvements") The Owners agree to construct the Infrastructure Improvements as set forth in paragraphs 5, 6, and this paragraph 7. All contracts and instruments associated with the Infrastructure Improvements will be in the name of the Owners. All bills, invoices, and charges of the Infrastructure Improvements will be paid by the Owners.
- E. Upon completion of the Public Infrastructure Improvements, the Owners are required by the City to dedicate all of the Infrastructure Improvements to the use of the public. Upon acceptance of dedication by the City, the City will own and maintain the Infrastructure Improvements.

8. Site Conditions.

The Owners warrant that they have conducted site investigations sufficient to be aware of all natural conditions, including, but not limited to, flooding, slopes, and soils characteristics, that may affect the installation of improvements on the site and its development for the approved use. The Owners further warrant that all plans submitted pursuant to this Agreement and all applications for building permits within the Development will properly account for all such conditions. The Owners hold the City harmless for natural conditions and for any faults in their own assessment of those conditions.

9. Maintenance Districts.

Owners hereby agree to waive their rights to protest and appeal the lawful creation by City of maintenance districts for any proper purpose including, but not limited to, fire hydrant and street maintenance and shall pay the proportionate share of the costs associated with said maintenance districts as they may be applied to the Subject Property.

10. Public Roadway Lighting.

Owners hereby agree to waive their right to protest and appeal any future special lighting district for public roadway lighting facilities that service the Subject Property, and further agrees to pay for its proportionate share of the costs associated with roadway lighting which services the Subject Property that may be installed with or without a special lighting district.

11. Warranty, Ownership and Inspection of Public Improvements.

Installation of all public streets, sidewalks, curb ramps, water, sewer, storm drain, and other public improvement required for the Subject Property shall be subject to the City's inspection policy in place at the time of installation.

12. City Acceptance and Zoning.

In consideration of the terms of this Agreement, the City hereby accepts the subject property and adjoining public right-of-way for incorporation by annexation into the corporate limits of the City of Great Falls, Montana, with an assigned zoning classification of PUD Planned Unit Development.

13. Design Review Board

Owners hereby agree to apply for and obtain Design Review Board approval of the site plans and structures proposed to be constructed and/or modified on parcels within the Subject Property, including landscaping, signage, lighting and sight-obscuring fence or other such improvements, as defined by the Design Review Board.

14. Security for Public Improvements.

The Owners shall, upon approval of the final plat, and before the installation of the required public improvements listed in this Agreement, provide the City with a performance bond, an irrevocable letter of credit, or another form of security acceptable to the Administrator in an amount equal to one hundred thirty-five percent (135%) of the costs of the required public improvements.

The security required by this section shall be returned or released upon acceptance of the required improvements, except as provided in Section 15. Following the final required inspection, the Director of Public Works shall promptly inform the Administrator, in writing, that all improvements have been inspected and are acceptable for maintenance by the City. The Administrator shall then, provided that the Development is in compliance with the final plat, all conditions of approval, this Agreement, and the OCCGF, instruct the Finance Director to release the security to the Owners, minus the portion to be held in warranty as required by Section 15 of this Agreement.

15. Warranty on Public Improvements.

The Owners are responsible for the repair or replacement of any faults in the materials or workmanship of the required public improvements for a period of two years from the date those improvements are accepted for maintenance by the City. This warranty will be enforced by the City's retaining 10% of the security required by Section 14 of this Agreement for the two-year warranty period. That retained sum will be released at the end of two years unless the parties are involved in a dispute about the condition, repair or replacement of any of the required improvements, in which case, the funds will be held by the City until that dispute is resolved.

16. Limitation of Liability.

The City will conduct a limited review of plans and perform inspections for compliance with requirements set forth in this agreement and/or in applicable law. The scope of such review and inspections will vary based upon development type, location and site characteristics. The Owners are exclusively responsible for ensuring that the design, construction drawings, completed construction, and record drawings comply with acceptable engineering practices, State requirements, and other applicable standards. The City's limited plans review and inspections are not substantive reviews of the plans and engineering. The City's approval of any plans or completed inspections is not an endorsement of the plan or approval or verification of the engineering data and plans. Neither the Owners, nor any third party may rely upon the City's limited review or approval.

The Owners shall indemnify, hold harmless and defend the City of Great Falls, its officers, agents, servants and employees and assigns from and against all claims, debts, liabilities, fines, penalties, obligations and costs including reasonable attorney fees, that arise from, result from or relate to obligations relating to that owner's property described herein. Upon the transfer of ownership of property, the prior owner's (whether it is the Owner that signed this agreement or a subsequent owner) indemnity obligation herein for the transferred property is released as to that owner and the indemnity obligation runs to the new owner of the property. Only the owner of the parcel of property at the time the City incurs the claim, debt, liability, fine, penalty, obligation or cost is obligated to indemnify, and no owner of property is obligated to indemnify for adverse conditions on property owned by someone else. This indemnification by the owner of the property shall apply unless such damage or injury results from the gross negligence or willful misconduct of the City.

17. Binding Effect.

The provisions, covenants and terms of this Agreement shall run with the land and bind the present owners, their devisees, heirs, successors, and assigns; and any and all parties claiming by, through, or under them, shall be taken to agree and covenant with each of the parties to the Agreement, their devisees, heirs, successors and assigns, to conform to the provisions, covenants and terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal the day, month and year first hereinabove written.

[Signature on following page]

THE CITY OF GREAT FALLS, MONTANA

A Municipal Corporation of the State of Montana

Gregory T. Doyon, City Manager

ATTEST:

Lisa Kunz, City Clerk

(Seal of City)

APPROVED FOR LEGAL CONTENT*:

Sara R. Sexe, City Attorney

*By law, the City Attorney may only advise or approve contract or legal document language on behalf of the City of Great Falls, and not on behalf of other parties. Review and approval of this document was conducted solely from the legal perspective, and for the benefit, of the City of Great Falls. Other parties should not rely on this approval and should seek review and approval by their own respective counsel.

[Signatures continue on following page]

OWNERS

MT Rockcross 9% LLLP,

OWNERS

MT Rockcress 9% LLLP,
A Montana limited liability limited partnership

By: MT Rockcress GMD LLC,
A Montana limited liability company
The Managing General Partner

By: GMD Development LLC,
A Washington limited liability company
The Sole Member

By: _____
Gregory M. Dunfield, Member

MT Rockcress 4% LLLP,
A Montana limited liability limited partnership

By: MT Rockcress GMD LLC,
A Montana limited liability company
The Managing General Partner

By: GMD Development LLC,
A Washington limited liability company
The Sole Member

By: _____
Gregory M. Dunfield, Member

STATE OF WASHINGTON)
COUNTY OF King ss.

This instrument was signed and sworn to before me on March 30, 2018, by Gregory M. Dunfield, as member of GMD Development LLC, which is the sole member of MT Rockcress GMD LLC, which is the Managing General Partner of MT Rockcress 9% LLLP and MT Rockcress 4% LLLP.

WITNESS my hand and official seal.

(Seal)



LARIAH SHEEHAN
Printed Name
NOTARY PUBLIC FOR THE STATE OF WA



Item: 2018/2019 Community Development Block Grant (CDBG) Policies and Citizen Participation Plan.

From: Planning and Community Development Department

Initiated By: Maria Porter, CDBG/HOME Administrator

Presented By: Craig Raymond, Director of Planning and Community Development

Action Requested: The City Commission adopt the Community Development Block Grant (CDBG) Policies and the Citizen Participation Plan.

Suggested Motion:

1. Commissioner moves:

"I move that the City Commission (adopt/deny) the Community Development Block Grant Policies; and (adopt/deny) the Citizen Participation Plan."

2. Mayor calls for a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation:

Staff recommends the City Commission adopt the Community Development Block Grant Policies and adopt the Citizen Participation Plan.

Summary:

As part of the CDBG program, the Commission is required to adopt a Citizen Participation Plan and CDBG Grant Policies in order for 2018/2019 CDBG funds to be received from the U.S. Department of Housing and Urban Development (HUD).

The Grant Policies and Citizen Participation Plan were submitted to HUD on March 9, 2018, for review and feedback. Staff received an email response from Don Morris, Senior Community Planning and Development Representative from HUD, on April 4, 2018, which stated that there were no issues, and the documents meet HUD requirements.

Background:

CDBG and HOME programs are federal programs administered by HUD to help fund local community development programs including affordable housing, anti-poverty measures, new and expanded public service programs, and community infrastructure projects. The goal of these programs is to assist low and moderate income (LMI) persons in their respective communities. State and local governments receive funding from HUD based on a formula derived from population statistics.

Purpose

The CDBG Grant Policies and proposed Citizen Participation Plan are attached for the Commission's review. The Grant Policies document outlines significant changes in the proposed administration of the program. Key changes include the following:

1. Greater emphasis on obtaining community input for proposed funding goals through comprehensive surveying and outreach.
2. City Commission adoption of program funding goals and allocation percentages rather than consideration and acceptance of individual projects.
3. City staff evaluation of funding applications rather than project evaluation by a Community Development Council (CDC).
4. Year-round review of funding applications to replace the compressed timeline previously used for evaluating project applications.
5. City staff administration of economic development and housing loan requests to replace the Great Falls Development Authority and NeighborWorks Great Falls administration of such programs. Loan applications would still be reviewed by 3rd party loan boards.
6. Elimination of Public Facility funding requests from non-profits in favor of City applications of such requests.
7. City administration of the Revolving Loan Fund Program to replace NeighborWorks Great Falls.

The City Commission has been heavily involved in the creation of the Grant Policy document. Staff has also presented the proposed policy changes at two City Commission work sessions - one on November 21, 2017, and the second on April 3, 2018.

The Citizen Participation Plan document outlines the program requirements for ensuring that the citizens of Great Falls are informed about all aspects of the CDBG and HOME program. In particular, the Plan must provide for involvement of those citizens that will be most impacted by the program - low to moderate income citizens.

Additionally, the Plan requires the City to make every reasonable effort to consult with public, private and non-profit agencies that provide service to low to moderate income residents such as housing, health care, and social services. In particular, extra attention must be paid to outreach with agencies that focus services on the elderly, disabled community, and minority populations.

Other components of the Plan include: 1) notification requirements for hearings, 2) making sure all program information is readily accessible, 3) requirements for timely response to public requests, and 4) requirements for amendments to program documents.

Staff is requesting adoption of these policies and the Plan for use in the 2018/2019 CDBG allocation process.

Conclusion

Projects will be considered that fall into the guidelines established by these policies and meet national CDBG objectives, making them eligible for use of CDBG funds.

Fiscal Impact:

Meeting HUD requirements for receipt of CDBG funding will bring an estimated \$702,709 to the City to benefit low/moderate income citizens and families. In order for the City to receive such funding, the Grant Policy document and Citizen Participation Plan must be adopted and executed by the City of Great Falls.

Alternatives:

The Commission could change the CDBG City Commission Policies or the Great Falls Citizen Participation Plan. If the policy document is changed, it would then need to be submitted to HUD for final approval which would delay the Annual Action Plan schedule and possibly not allow the City to make the June 30, 2018 deadline.

ATTACHMENTS:

- ▢ Citizen Participation Plan
- ▢ FY18 Grant Policies

**City of Great Falls, Montana
Citizen Participation Plan for the
Consolidated Plan and
Consolidated Annual Performance Evaluation Report
February 2018**

PURPOSE OF CITIZEN PARTICIPATION IN DEVELOPING THE CONSOLIDATED PLAN AND CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT

The City of Great Falls (City) must develop a Consolidated Plan to be eligible to receive Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) federal grant funds from the Department of Housing and Urban Development. A key component in creating the Consolidated Plan is citizen participation in all steps of the planning development process. Additionally, citizen participation is an integral component of the Consolidated Annual Performance Evaluation Report (CAPER) which is also required by HUD to receive federal grant funds. To ensure citizens in Great Falls have the opportunity to take part in creating the Consolidated Plan, the Annual Action Plan and the CAPER, the City has developed and commits to implement the following elements of the Citizen Participation Plan.

THE CITIZEN PARTICIPATION PLAN

Participation: The City will provide for, and encourage, citizen participation emphasizing the involvement of low to moderate income residents in areas where housing and community development funds may be spent, particularly those in slum and blighted areas. The City will also inform and offer opportunities for comment to residents of low to moderate income neighborhoods (neighborhoods having 51% or higher low to moderate income populations). The City will encourage the participation of the Great Falls Housing Authority public/assisted housing residents and Opportunities, Inc. assisted housing residents in Great Falls.

The City will make reasonable efforts to consult with other public, private and non-profit agencies that provide housing, health service, and social services. In particular, agencies to be consulted will be those that focus on service to children/families with children, elderly persons, racial/ethnic minorities, persons with disabilities, female heads of household, non-English speaking persons, and other persons in need of services. The City will encourage input and solicit information from each of the nine Neighborhood Councils and will notify the Councils about public hearings, the Consolidated Plan or the Annual Action Plan development process and solicit comments. The City will encourage community input through surveys, focus groups, and public meetings.

When preparing the portion of the Consolidated Plan or Annual Action Plan regarding lead-based paint hazards, the City will consult with the City and Great Falls Housing Authority certified lead-based paint risk assessors to define what specific activities will be undertaken to mitigate and abate lead-based paint in housing units subsidized to be affordable for low to moderate income households. Activities required for lead-based paint hazards will also be addressed in non-profit facilities which receive CDBG grant

funds as sub-recipients of the City where children spend the amount of time which meets the minimum threshold criteria.

The City Commission is the final citizen policy body that reviews and takes action on the Citizen Participation Plan, Annual Action Plan, and Consolidated Plan. After receipt and consideration of public comments, the City Commission votes on these Plans. During all City Commission meetings, citizens have the opportunity to provide public comment.

Meetings and Public Hearings: The City will provide notification of meetings two weeks in advance so all citizens can attend public hearings. Notice shall be provided to the public via email, mail, broadcast or cable media, or social media, and will also be published twice in the publication designated by the City of Great Falls for legal notices prior to any hearing date.

Access to Information: The City will provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to the Consolidated Plan, Annual Action Plan and all of its components, and the City's planned use of financial assistance received under the relevant federal programs during the upcoming year. The public will have the opportunity to receive information, review and submit comments on any proposed HUD submission, including the Consolidated Plan adopted by the City Commissioners and any plan amendments.

Information will also be available on the range of programs, the amount of assistance the City expects to receive, the amount of funds available and the estimated amount proposed to benefit low to moderate income residents. These groups will have access to the City's plans to minimize displacement of residents and businesses and assist those displaced because of these activities. The City will also provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to all processes associated with the CAPER.

The final version of the current Consolidated Plan, Annual Action Plan, CAPER, and Annual Community Assessment will be available on the City website on an ongoing basis.

Technical Assistance: The City will provide appropriate technical assistance to all groups that request assistance in developing proposals for financial assistance under any of the programs covered by the Consolidated Plan. An annual application workshop will be held to provide applicants with information on how to complete application forms. Individuals with specific special needs should contact the City one week before workshop date to make arrangements if they wish to attend.

Public Hearings: The City will provide multiple opportunities to obtain citizens opinions. The City program year begins July 1 and ends June 30. Public hearings will address and respond to proposals and comments on:

1. Grant Policies

2. Housing and community development needs
3. Development of proposed activities
4. Review of proposed uses for funding
5. Review of program performance

The City will hold public hearings that are conveniently timed for people who are likely to benefit from program funds, accessible to people with disabilities and adequately publicized with sufficient information about the subject of the hearing to encourage informed comment. Material presented at the public hearing will be made available in electronic format on the City's webpage. Individuals with specific special needs should contact the City one week before public hearing dates to make arrangements if they wish to attend.

Throughout the year, citizens may attend City Commission meetings and public hearings to provide input as to the distribution of federal funds into the City. There will be one formal public hearing conducted by the City Commission annually. The public hearing will give citizens the opportunity to comment and provide input on the following:

- Any housing and non-housing community development needs they have identified
- How funding proposals may meet community development needs in Great Falls
- Performance of the City in administering and distributing federal funds
- Citizens may comment on the adoption of the Citizens Participation Plan every five years or any time the Citizen Participation Plan has substantial revisions or has been re-written. Prior to adopting the Citizen Participation Plan, the City will distribute the plan for review and comment for a 15 day period.

The City Commission will offer two additional opportunities for the citizens to comment on the following:

- Adoption of the Goals for the Consolidated Plan or Annual Action Plan
- Use of federal funds
- Performance of the administration and implementation of funded projects
- Grant Policies

Timely Response: The City will consider any comments or views of citizens, agencies, units of general local government or other interested parties concerning the Consolidated Plan or Annual Action Plan, any amendments to these plans, and the CAPER. Comments can be submitted to the Planning & Community Development Department (PCD) via written submission, phone, or email, or oral comment at public hearings. The Montana Relay number will be included in notifications to facilitate deaf, hard-of-hearing, and people with speech disabilities the ability to submit comments via phone. The PCD Department will address any complaints with written responses to written complaints within 15 working days, where practical. Depending on the nature of the complaint, staff may refer the issue to the City Manager or the City Commission if

the response from staff is unsatisfactory to the complainant. As appropriate, an attachment of summary of comments and responses to complaints to the final submission of the Consolidated Plan, Consolidated Plan amendments, Annual Action Plan and the CAPER will occur.

Non-English Speaking Residents: The City will provide translation services for non-English speaking residents at public hearings upon request and within reason.

Substantial Amendments: Substantial changes in the City's Consolidated Plan or Annual Action Plan will require a Substantial Amendment. The following criterion determines substantial change and governs Consolidated Plan or Annual Action Plan amendments:

1. Change in allocation priorities or method of distribution
2. Carrying out new activities, not identified in the Consolidated Plan or Annual Action Plan
3. Change in purpose, scope, location or beneficiaries of activities identified in the Consolidated Plan or Annual Action Plan

The City will provide a notice, published twice in a publication designated by the City of Great Falls for legal notices and have notifications on the City internet site. The City will also make available any substantial amendments to the Consolidated Plan or Annual Action Plan for citizen comment for a 30 day period.

Minor Amendment: Minor amendments represents any changes to the Consolidated Plan or Annual Action Plan that do not qualify as "substantial amendments." Minor amendments require the signature of the Planning and Community Development Director or Deputy Director, but do not require public notice of 30 days or City Commission approval.

Consolidated Annual Performance Evaluation Report: The Proposed CAPER will be available to all citizens for review and comment on the City internet site and at the City Planning & Community Development Department for a 15 day comment period. Notice will also be published in a publication designated by the City of Great Falls for legal notices. All comments received regarding the CAPER will be considered and a summary of all comments will be attached to the report. The final version of the current CAPER will be available on the City website on an ongoing basis.

SOLICITATION OF CITIZEN COMMENTS ON THE CITIZEN PARTICIPATION PLAN:

Prior to the adoption of the Citizen Participation Plan and approval by the City Commission, a notice will be published twice in a publication designated by the City of Great Falls for legal notices..Notices of the Citizen Participation Plan and/or any amendments to this plan will be available for a 15 day comment period and will designate the sites where a citizen may obtain a copy of the plan. These sites will include the City internet site and the City Planning & Community Development Department. State relay 711 and reasonable accommodations are available upon request.

SOLICITATION OF CITIZEN COMMENTS IN PREPARING THE CONSOLIDATED PLAN OR THE ANNUAL ACTION PLAN:

1. The City will contact local affordable housing and public service agencies, the Great Falls Housing Authority and the Neighborhood Councils to obtain information and comments to make citizens aware of the Consolidated Plan or Annual Action Plan process. The City will make reasonable efforts to consult with other public, private and non-profit agencies that provide housing, health service, and social services. In particular, agencies to be consulted will be those that focus on service to children/families with children, elderly persons, racial/ethnic minorities, persons with disabilities, female heads of household, non-English speaking persons, and other persons in need of services. State relay 711 and reasonable accommodations are available upon request.
2. The proposed Consolidated Plan or Annual Action Plan will be available to all citizens on the City internet site and the City Planning & Community Development Department. Citizens will be informed about the availability of the proposed Consolidated Plan or Annual Action Plan by notifications on the City website, publishing display advertisements in the Great Falls Tribune and emailing notices to a wide variety of public service agencies. Notification will describe the availability of the plan and the 30 day period to receive public comment.
3. The City Commission will provide three public meetings requesting input from citizens and representatives of low to moderate income level people on grant policies and as to the needs of the community, including but not limited to housing, community development, infrastructure, economic development and homeless assistance.

The City will provide free copies of the Consolidated Plan or Annual action Plan to citizens and groups upon request. Electronic copies will be made available for download from the City's website. All information and public records will be available during regular business hours in the City's Planning & Community Development Department. Special arrangements will be available to accommodate access to information for persons with disabilities and/or limited English proficiency upon request and within reason, including alternative formats for important documents associated with the public participation process.

All meetings venues associated with the Citizen Participation Plan process will be full assessable to persons with disabilities and reasonable accommodations are available upon request.

**City of Great Falls
Community Development Block Grant
City Commission Policies
February 21, 2018**

1. The Planning & Community Development Department will conduct an annual community needs assessment to gain community insight, including:
 - a. Community Survey
 - b. Focus Group Meetings
 - c. Public Meetings: Neighborhood Council Meetings

2. Community data will be compiled and presented to the City Commission, with recommendation for annual community goals

3. The City Commission will provide three opportunities to obtain citizens opinions. The public will be able to address:
 - a. Grant Policies
 - b. Housing and community development needs
 - c. Development of proposed activities
 - d. Review of proposed uses for funding
 - e. Review of program performance

5. The City Commission will vote on priorities/annual goals to be included in the Annual Action Plan and will allocate funding percentages to priority goals.

6. City Staff will review and score applications year-round, based on available funds. Applications will only be accepted that address the community goals identified in the Annual Action Plan. The minimum grant request and award shall be \$10,000.

7. In addition to staff review, all loan applications will be reviewed by a 3rd party board that has the expertise to determine loan viability. Example: Great Falls Housing Authority: Loan Review Board
 - a. All applicants that have any “employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies” (24 CFR 570.611) “either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter” that may participate in the decision-making grant

and/or loan process must notify the City, in writing, at least 30-days in advance. Therefore, HUD can be notified and, if necessary, a request of an exception submitted.

8. The City will implement all Public Facility projects and not accept external Public Facility applications.
9. The City will only fund Public Service Grants that are providing new or expanding services.
10. The City will retain all Program Income, to be revolved back into the Community Grant Program.
11. Private non-profit agencies will not be funded for staff salaries, benefits, office consumables, and rent payments for agency office space or utility costs.
12. The City will fund activities to further fair housing through supportive funding for a Fair Housing Specialist and Code Enforcement Officer.
13. The City will fund the administration to manage the Community Development Block Grant and HOME Investment Partnership Grant
 - a. The City will fund the staffing necessary to implement the Revolving Loan Fund



Item: Resolution 10234, Resolution Relating to \$3,270,000 Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2018; Authorizing the Issuance and Fixing the Terms and Conditions Thereof.

From: Melissa Kinzler, Finance Director

Initiated By: Finance, Public Works / Storm Drain Utility

Presented By: Melissa Kinzler, Finance Director

Action Requested: Adoption of Resolution 10234.

Suggested Motion:

1. Commissioner moves:

"I move that the City Commission (adopt/deny) Resolution 10234."

2. Mayor requests a second to the motion, Commission discussion, public comment, and calls for the vote.

Summary:

Resolution 10234 authorizes the debt issuance from the Department of Natural Resources and Conservation (DNRC) for Storm Drain System upgrades. The total expected debt issuance for Storm Drain System upgrades is \$3,270,000. This includes construction, legal fees, and loan reserves. The terms of the debt issuance will be 2.50% per annum for 20 years.

Background:

In Fiscal Years 2015, 2016, and 2017 during the rate setting process the Public Works Department has discussed the upgrades needed to the Storm Drain System. As part of this presentation, the 18th Street Storm Drain Improvements have been mentioned. This financing will pay for the 18th Street Storm Drain Improvements Phase 2B from 4th Avenue South to 8th Avenue South and 11th Avenue South to 15th Alley South.

On March 20, 2018, the City Commission awarded a contract in the amount of \$3,283,284.00 to Central Excavation for the 18th Street Storm Drain Improvements Phase 2B contingent upon Montana Department of Environmental Quality (DNRC) concurrence.

Dorsey & Whitney, LLC is the City's bond counsel. In this capacity, they prepare necessary documents requiring action by the City Commission, staff and the DNRC. They also provide assurance that the procedures used to issue the bonds are in compliance with rules and regulations regarding the issuance of tax exempt revenue bonds and in compliance with existing bond ordinances of the Storm Drain System Revenue Bonds of the City.

Fiscal Impact:

The adopted Storm Drain utility rates are capable of supporting the debt issuance. Total yearly debt service payments (principal and interest) will be approximately \$208,766.

Alternatives:

The City Commission may deny passage of the resolution and the issuance of the debt and the 18th Street Storm Drain Improvements Phase 2B would not be completed. This is not recommended, as the contract with Central Excavation for the improvements would need to be cancelled without this funding.

ATTACHMENTS:

- Resolution No. 10234

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Great Falls, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. 10234, entitled: "RESOLUTION RELATING TO \$3,270,000 STORM DRAINAGE SYSTEM REVENUE BOND (DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), SERIES 2018; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on April 17, 2018, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: _____

_____ ; voted against the same: _____
_____ ; abstained from voting thereon: _____
_____ ; or were absent: _____.

WITNESS my hand officially this 17th day of April, 2018.

City Clerk

SUPPLEMENTAL BOND RESOLUTION

Relating to

\$3,270,000 STORM DRAINAGE SYSTEM REVENUE BOND
(DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM),
SERIES 2018

CITY OF GREAT FALLS, MONTANA

Adopted: April 17, 2018

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(For convenience only, not a part of this Supplemental Resolution)

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RESOLUTION NO. 10234

RESOLUTION RELATING TO \$3,270,000 STORM DRAINAGE SYSTEM REVENUE BOND (DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), SERIES 2018; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF

WHEREAS, pursuant to the Montana Water Pollution Control State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended (the “State Act”), the State of Montana (the “State”) has established a revolving loan program (the “Program”) to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the “DNRC”), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the “DEQ”), and has provided that a water pollution control state revolving fund (the “Revolving Fund”) be created within the State Treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state water pollution control revolving fund under the Federal Water Pollution Control Act (also known as the Clean Water Act) (the “Clean Water Act”), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the State Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Clean Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the City of Great Falls, Cascade County, Montana (the “City”) has applied to the DNRC for the 2018 Loan (as hereinafter defined) from the Revolving Fund to enable the City to finance, refinance or reimburse itself for the costs of the 2018 Project (as hereinafter defined), which will carry out the purposes of the Clean Water Act; and

WHEREAS, the City is authorized under applicable laws, ordinances and regulations to adopt this Supplemental Resolution and to issue the Series 2018 Bond (as hereinafter defined) to evidence the 2018 Loan for the purposes set forth herein; and

WHEREAS, the DNRC will fund the 2018 Loan in part, directly or indirectly, with proceeds of State Bonds (as hereinafter defined), in part, directly or indirectly, with funds provided by an EPA Capitalization Grant (as hereinafter defined), and, if necessary, with Recycled Money (as hereinafter defined).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, AS FOLLOWS:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1 Definitions. Unless a different meaning clearly appears from the context, terms used with initial capital letters but undefined in this Supplemental Resolution shall have the meanings given them in the Resolution or the Indenture. In addition, the following terms when used with initial capital letters shall have the following meanings in this Supplemental Resolution:

“Accountant” means a Person engaged in the practice of accounting as a certified public accountant, whether or not employed by the City.

“Act” means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, and Sections 7-13-4304 through 7-13-4314, as heretofore and hereafter amended or supplemented.

“Additional Bonds” means any Bonds issued pursuant to Section 6 of the Original Resolution, as amended, excluding Subordinate Obligations.

“Administrative Expense Surcharge” means a surcharge on the 2018 Loan charged by the DNRC to the City equal to 0.25% per annum on the outstanding principal amount of the 2018 Loan, payable by the City on the same dates that payments of interest on the 2018 Loan are due.

“Authorized DNRC Officer” means the Director or Deputy Director of the DNRC, and, when used with reference to an act or document, also means any other individual authorized by resolution of the Department of Natural Resources and Conservation to perform such act or sign such document. If authorized by the Department of Natural Resources and Conservation, an Authorized DNRC Officer may delegate all or a portion of his authority as an Authorized DNRC Officer to another individual and such individual shall be deemed an Authorized DNRC Officer for purposes of exercising such authority.

“Bond Counsel” means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, selected by the City.

“Bonds” means the Series 2004 Bond, the Series 2016 Bond, the Series 2018 Bond and any Additional Bonds.

“Business Day” means any day other than a Saturday, Sunday or other day on which the Registrar is not open for business.

“City” means the City of Great Falls, Montana, or its successors.

“Clean Water Act” means the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387, as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

“Closing” means the date of delivery of the Series 2018 Bond to the DNRC.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral Documents” means any security agreement, guaranty or other document or agreement delivered to the DNRC securing the obligations of the City under this Supplemental Resolution and the Series 2018 Bond. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Supplemental Resolution shall be without effect.

“Commission” means the governing body of the City.

“Committed Amount” means the amount of the 2018 Loan committed to be lent by the DNRC to the City pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Sections 3.2(b), 3.4 and 7.3 of this Supplemental Resolution.

“Construction Account” means the account created by Section 7.02 of the Original Resolution.

“Consultant” means a licensed, professional engineer duly qualified to practice in the State or an Accountant, retained by the City and of favorable reputation.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and satisfactory to the DNRC.

“Debt” means, without duplication, (1) indebtedness of the City for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the City as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the City under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

“Debt Service Account” means the account created by Section 7.04 of the Original Resolution.

“DEQ” means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the State Act or the EPA Agreements.

“DNRC” means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the State Act.

“EPA” means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Clean Water Act.

“EPA Agreements” means all capitalization grant agreements and other written agreements between the DEQ, DNRC and the EPA concerning the Program.

“EPA Capitalization Grant” means a grant of funds to the State by the EPA under Title VI of the Clean Water Act and any grant made available by the EPA for deposit in the Revolving Fund pursuant to Section 205(m) of the Clean Water Act.

“Estimated Completion Date” means December 31, 2018, the date by which it is estimated by the City that the 2018 Project will be substantially completed.

“Governmental Unit” means governmental unit as such term is used in Section 145(a) of the Code.

“Indenture” means the Indenture of Trust, dated as of June 1, 1991, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

“Loan Loss Reserve Surcharge” means a fee equal to 0.25% per annum on the outstanding principal amount of the 2018 Loan, payable on the same dates that payments of interest on the 2018 Loan are due.

“Loan Repayment” means a period installment of principal and interest by the City in repayment of the 2018 Loan, at the rates and times specified in Article V hereof.

“Net Revenues” means the Revenues for a specified period less the Operating Expenses for the same period.

“Operating Account” means the account created by Section 7.03 of the Original Resolution.

“Operating Expenses” means the current expenses, paid or accrued, of operation, maintenance and minor repair of the System, excluding interest on the Bonds and depreciation, as calculated in accordance with generally accepted accounting principles, and shall include, without limitation, administrative expenses of the City relating solely to the System, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent regularly but may reasonably be expected to be incurred.

“Original Resolution” means Resolution No. 9334, adopted by the Commission on July 15, 2003.

“Outstanding” means, when used with reference to Bonds, as of the date of determination, all Bonds theretofore issued except:

(i) Bonds theretofore cancelled by the City or delivered to the City cancelled or for cancellation;

(ii) Bonds and portions of Bonds for whose payment or redemption money or Government Obligations (as provided in Section 10 of the Original Resolution) shall have been theretofore deposited in trust for the Holders of such Bonds; provided, however, that if such Bonds are to be redeemed, notice of such redemption shall have been duly given pursuant to this Resolution or irrevocable instructions to call such Bonds for redemption at a stated Redemption Date shall have been given to the City; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been issued and delivered pursuant to the Resolution;

provided, however, that in determining whether Holders of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the City shall be disregarded and deemed not to be Outstanding.

“Payment Date” means, with respect to the Series 2018 Bond, each January 1 and July 1 during the term of the Series 2018 Bond on which a payment of interest or principal and interest is due. The term “Payment Date” as used in this Supplemental Resolution in respect of the Series 2018 Bond has the same meaning as “Stated Maturity” in the Original Resolution.

“Private Person” means an individual, corporation, partnership, association, joint venture, joint stock company or unincorporated organization, except a Public Entity.

“Program” means the Montana Water Pollution Control State Revolving Fund Program established by the State Act.

“Public Entity” means a municipality, town, county, school district, political or administrative subdivision of State government, county water and sewer district, irrigation district, drainage district or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

“Recycled Money” means payments and prepayments of principal of loans made under the Program, and any other amounts transferred to the Principal Subaccount in the Revenue Subaccount in the State Allocation Account (as such terms are defined in the Indenture).

“Regulations” means the Treasury Department, Income Tax regulations, as amended, or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Series 2018 Bond.

“Repair and Replacement Account” means the account created by Section 7.07 of the Original Resolution.

“Reserve Account” means the account created by Section 7.05 of the Original Resolution.

“Reserve Requirement” has the meaning given in the Original Resolution, as amended.

“Resolution” means the Original Resolution, as amended and supplemented by the 2004 Resolution and Resolution Nos. 9998 and 10153 of the City, adopted on July 17, 2012 and July 19, 2016, respectively, and as further amended and supplemented by this Supplemental Resolution.

“Reserved Amounts” means any undisbursed Committed Amount which will or may be required to pay any remaining costs of the 2018 Project upon completion thereof as provided in Section 3.4(a) of this Supplemental Resolution.

“Revenues” means all revenues and receipts from rates, fees, charges and rentals imposed for the availability, benefit and use of the System, and from penalties and interest thereon, and from any sales of property which is a part of the System and all income received from the investment of such revenues and receipts, including interest earnings on the Reserve Account and the Operating Account, but excluding interest earnings on the Construction Account, Repair and Replacement Account and Surplus Account, but excluding any special assessments or taxes levied for construction of any part of the System and the proceeds of any grant or loan from the State or the United States, and any investment income thereon, to the extent such exclusion is a condition to such grant or loan.

“Series 2004 Bond” means the First Amended and Restated Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2004, issued in the maximum authorized principal amount of \$2,776,000 pursuant to the Resolution as then in effect.

“Series 2016 Bond” means the Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2016, issued in the maximum authorized principal amount of \$5,000,000 pursuant to the Resolution as then in effect.

“Series 2018 Bond” means the \$3,270,000 Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2018, issued to the DNRC to evidence the 2018 Loan.

“State” means the State of Montana.

“State Act” means Montana Code Annotated, Title 75, Part 5, Chapter 11, as amended from time to time.

“State Bonds” means the State’s General Obligation Bonds (Water Pollution Control State Revolving Fund Program) issued or to be issued pursuant to the Indenture.

“Storm Drainage System Fund” means the fund created by Section 7.01 of the Original Resolution.

“Subordinate Obligations” means bonds or other obligations of the City payable from the Subordinate Obligations Account and issued in accordance with the provisions of Section 6.02 of the Original Resolution, as amended.

“Subordinate Obligations Account” means the account created by Section 7.06 of the Original Resolution.

“Supplemental Resolution” means this Resolution No. 10234, adopted by the Commission on April 17, 2018, or any City resolution amendatory of or supplemental to the Resolution adopted pursuant to Section 9 of the Original Resolution or authorizing the issuance of Additional Bonds or Subordinate Obligations pursuant to Section 6 of the Original Resolution.

“System” means the City’s municipal storm drainage system, as it may at any time exist, including any replacement, expansion and improvement thereof.

“Trustee” means U.S. Bank National Association or any successor trustee under the Indenture.

“2004 Resolution” means Resolution No. 9360, adopted by the Commission on January 20, 2004.

“2018 Loan” means the loan made to the City by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay the costs of the 2018 Project.

“2018 Project” means the facilities, improvements and activities financed, refinanced or the cost of which is being reimbursed to the City with proceeds of the 2018 Loan, described in Appendix A hereto.

The City further covenants and agrees that any Accountant, Bond Counsel, Counsel or Consultant, as those terms are used in the Resolution, shall be reasonably satisfactory to the DNRC, so long as the 2018 Loan remains outstanding.

Section 1.2 Other Rules of Construction. For all purposes of this Supplemental Resolution, except where the context clearly indicates otherwise:

- (a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.
- (b) Terms in the singular include the plural and vice versa.
- (c) All references to time shall refer to Helena, Montana time, unless otherwise provided herein.
- (d) All references to mail shall refer to first-class mail postage prepaid.
- (e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.
- (f) “Or” is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

Section 1.3 Appendices. Attached to this Supplemental Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of the 2018 Project and an estimated budget therefor;

Appendix B: the form of the Series 2018 Bond; and

Appendix C: additional agreements and representations, if any, of the City.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1 Authorization and Findings.

(a) Authorization. Under the provisions of the Act, the City is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of a storm drainage system or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the storm drainage system, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the storm drainage system to the City.

(b) The System. Pursuant to the Act, the City has established and presently owns and operates the System.

(c) The 2018 Project. After investigation of the facts and as authorized by the Act, this Commission has determined it to be necessary and desirable and in the best interests of the City to construct the 2018 Project.

(d) Outstanding Bonds. Pursuant to the Act and the Resolution, the City has issued, and has outstanding, its Series 2004 Bond. The Series 2004 Bond is payable from Net Revenues of the System, and no other bonds or indebtedness are outstanding that are payable from or secured by revenues of the System.

(e) Additional Bonds. The City reserved the right under Section 6 of the Original Resolution, as amended, to issue Additional Bonds to finance the cost or estimated cost of providing any improvement, extension or rehabilitation of the System payable from the Debt Service Account of the Fund on a parity as to both principal and interest with the outstanding Bonds, if the Net Revenues of the System for the last complete fiscal year preceding the date of issuance of such Additional Bonds have equaled at least 110% of the maximum amount of principal and interest payable from the Debt Service Account in any subsequent fiscal year during the term of the outstanding Bonds, on all Bonds then outstanding and on the Additional Bonds proposed to be issued. It is hereby determined that the City is authorized to issue the Series 2018 Bond in the maximum principal amount of \$3,270,000 pursuant to Section 6 of the Original Resolution, as amended, with the Series 2018 Bond payable from and secured by the Net Revenues on a parity with the Outstanding Series 2004 Bond and Series 2016 Bond.

Section 2.2 Representations. The City represents as follows:

(a) Organization and Authority. The City:

(i) is duly organized and validly existing as a municipal corporation of the State;

(ii) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the System and to carry on its current activities with respect to the System, to adopt this Supplemental Resolution and to enter into the Collateral Documents and to issue the Series 2018 Bond and to carry out and consummate all transactions contemplated by this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents;

(iii) is a Governmental Unit and a Public Entity; and

(iv) has taken all proper action to authorize the execution, delivery and performance of its obligations under this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2018 Bond in the maximum amount of the Committed Amount.

(b) Pending Litigation. There is no litigation or proceeding pending, or to the knowledge of the City threatened, against or affecting the City in any court or before or by any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the existence, corporate or otherwise, of the City, or the ability of the City to make all payments and otherwise perform its obligations under the Resolution, the Series 2018 Bond and the Collateral Documents, or the financial condition of the City, or the transactions contemplated by the Resolution, the Series 2018 Bond and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2018 Bond and the Collateral Documents. No referendum petition has been filed with respect to any resolution or other action of the City relating to the 2018 Project, the Series 2018 Bond or any Collateral Documents and the period for filing any such petition will have expired before issuance of the Series 2018 Bond.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2018 Bond and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents and compliance by the City with the provisions of the Resolution, the Series 2018 Bond and the Collateral Documents:

(i) are within the powers of the City and have been duly authorized by all necessary action on the part of the City; and

(ii) do not and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the City pursuant to any ordinance, resolution, indenture, loan agreement or other agreement or instrument (other than the Resolution and any Collateral Documents) to which the City is a party or by which the City or its property may be bound, nor will such action result in any violation of the provisions of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the City, its properties or operations are subject.

(d) No Defaults. No event has occurred and no condition exists that, upon execution and delivery of the Series 2018 Bond and the Collateral Documents, would constitute a default under the Resolution or the Collateral Documents. The City is not in violation of any term of any agreement, bond resolution, trust indenture, charter or other instrument to which it is a party or by which it or its property may be bound which violation would materially and adversely affect the transactions contemplated hereby or the compliance by the City with the terms hereof or of the Series 2018 Bond and the Collateral Documents.

(e) Governmental Consent. The City has obtained or made all permits, findings and approvals required to the date of adoption of this Supplemental Resolution by any governmental body or officer for the making and performance by the City of its obligations under this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents (including any necessary sewerage rate increase) or for the 2018 Project, the financing or refinancing thereof or the reimbursement of the City for the costs thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained) is required on the part of the City as a condition to adopting this Supplemental Resolution, issuing the Series 2018 Bond or entering into the Collateral Documents and the performance of the City's obligations hereunder and thereunder.

(f) Binding Obligation. The Resolution, the Series 2018 Bond and any Collateral Document to which the City is a party are the valid and binding special, limited obligations and agreements of the City, enforceable against the City in accordance with their terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, moratorium, reorganization, insolvency or similar laws affecting creditors' rights and general principles of equity.

(g) The 2018 Project. The 2018 Project consists and will consist of the facilities, improvements and activities described in Appendix A, as such Appendix A may be amended from time to time in accordance with the provisions of Article III of this Supplemental Resolution.

(h) Full Disclosure. There is no fact that the City has not specifically disclosed in writing to the DNRC that materially and adversely affects or (so far as the City can now foresee), except for pending or proposed legislation or regulations that are a matter of general public information, that will materially and adversely affect the properties, operations and finances of the System, the City's status as a Public Entity and Governmental Unit, its ability to own and operate the System in the manner it is currently operated or the City's ability to perform its obligations under the Resolution, the Series 2018 Bond and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2018 Bond.

(i) Compliance With Law. The City:

(1) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to

which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

(2) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the City to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the City's ability to perform its obligations under the Resolution, the Series 2018 Bond and the Collateral Documents.

Section 2.3 Covenants.

(a) Insurance. In addition to the requirements of Sections 8.03 and 8.04 of the Original Resolution, the City at all times shall keep and maintain with respect to the System property and casualty insurance and liability insurance with financially sound and reputable insurers, or self-insurance as authorized by State law, against such risks and in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the City and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. The City shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this Section 2.3(a) and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. The City shall deliver to the DNRC at Closing a certificate providing the information required by this Section 2.3(a).

(b) Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the City for the purpose of inspecting the System or any or all books and records of the City relating to the System.

(c) Further Assurance. The City shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under the Resolution, the Series 2018 Bond and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under the Resolution, the Series 2018 Bond and the Collateral Documents.

(d) Maintenance of Security, if Any; Recordation of Interest.

(i) The City shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of the Resolution and the Collateral Documents so long as any amount is owing under the Resolution or the Series 2018 Bond;

(ii) The City shall forthwith, after the execution and delivery of the Series 2018 Bond and thereafter from time to time, cause the Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by the Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(iii) Except to the extent it is exempt therefrom, the City shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (ii), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Series 2018 Bond and the Collateral Documents and the documents described in subparagraph (ii).

(e) Additional Agreements. The City covenants to comply with all representations, covenants, conditions and agreements, if any, set forth in Appendix C hereto.

(f) Financial Information. This Section 2.3(f) supplements, and is not intended to limit, the requirements in Section 8.06 of the Original Resolution, as amended. The City agrees that for each Fiscal Year it shall furnish to the DNRC and the DEQ, promptly when available:

(1) the preliminary budget for the System, with items for the 2018 Project shown separately; and

(2) when adopted, the final budget for the System, with items for the 2018 Project shown separately.

(g) 2018 Project Accounts. The City shall maintain 2018 Project accounts in accordance with generally accepted government accounting standards, and as separate accounts, as required by Section 602(b)(9) of the Clean Water Act.

(h) Records. After reasonable notice from the EPA or the DNRC, the City shall make available to the EPA or the DNRC such records as the EPA or the DNRC

reasonably requires to review and determine compliance with Title VI of the Clean Water Act, as provided in Section 606(e) of the Clean Water Act.

(i) Compliance with Clean Water Act. The City has complied and shall comply with all conditions and requirements of the Clean Water Act pertaining to the 2018 Loan and the 2018 Project.

(j) Compliance with DEQ Requirements. The City shall comply with plan, specification and other requirements for public storm drainage systems established by the DEQ, as required by Section 75-5-113(1)(g) of the State Act.

(k) Program Covenant. The City agrees that neither it nor any “related person” to the City (within the meaning of Section 147(a)(2) of the Code) shall, whether pursuant to a formal or informal arrangement, acquire bonds issued by the State under the Indenture in an amount related to the amount of the Series 2018 Bond.

Section 2.4 Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The City covenants and agrees that it will not use or permit to be used any of the proceeds of the Series 2018 Bond or any other funds of the City in respect of the 2018 Project or the Series 2018 Bond, directly or indirectly, in a manner that would cause, or take any other action that would cause, any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or would otherwise cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(b) The City agrees that it will not enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the 2018 Loan or the portion of the 2018 Loan derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(c) The City shall not use or permit the use of the 2018 Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of the 2018 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the 2018 Loan, be owned by the City and not by any other Person. Any portion of the 2018 Project being financed shall be acquired by and shall, during the term of the 2018 Loan, be owned by the City and not by any other Person. Notwithstanding the previous two sentences, the City may transfer the 2018 Project or a portion thereof to another Governmental Unit which is also a Public Entity if such transfer is otherwise permitted under the Resolution and if such organization agrees with the DNRC to comply with Section 2.3(h), Section 2.3(i) and Section 2.4 of this Supplemental Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the State Act or the Clean

Water Act or adversely affect the exclusion of interest on the Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in the Resolution or in any Collateral Documents, the City may sell or otherwise dispose of any portion of the 2018 Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the City or beneficial to the general public or necessary to carry out the purposes of the Clean Water Act.

(e) At the Closing of the 2018 Loan the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the City instructions concerning compliance by the City with the arbitrage rebate requirements of Section 148 of the Code (the "Arbitrage Rebate Instructions"). The City shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on the State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The City agrees that during the term of the 2018 Loan it will not contract with or permit any Private Person to manage the 2018 Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the State Act or the Clean Water Act or adversely affect the exclusion of interest on State Bonds from gross income for purposes of federal income taxation.

(g) The City may not lease the 2018 Project or any portion thereof to any Person other than a Nonexempt Person which agrees in writing with the City and the State not to cause any default to occur under the Resolution; provided the City may lease all or any portion of the 2018 Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The City shall not change the use or nature of the 2018 Project if (i) such change will violate the Clean Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not result in the inclusion in gross income of interest on the State Bonds for federal income tax purposes.

Section 2.5 Maintenance of System; Liens. The City shall maintain the System, including the 2018 Project, in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto. The City shall not grant or permit to exist any lien on the 2018 Project or any other property making up part of the System, other than liens securing Debt where a parity or senior lien secures the Series 2018 Bond;

provided that this Section 2.5 shall not be deemed to be violated if a mechanic's or contractor's lien is filed against any such property so long as the City uses its best efforts to obtain the discharge of such lien and promptly reports to the DNRC the filing of such lien and the steps it plans to take and does take to discharge of such lien.

Section 2.6 Maintenance of Existence; Merger, Consolidation, Etc.;
Disposition of Assets. The City shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the City) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the City under the Resolution, the Series 2018 Bond and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the City under the Resolution, the Series 2018 Bond and the Collateral Documents, (b) such action does not violate the State Act or the Clean Water Act and does not adversely affect the exclusion of interest on the Series 2018 Bond or the State Bonds from gross income for federal income tax purposes and (c) the City delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 2.6.

Other than pursuant to the preceding paragraph, the City shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the City delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer.

ARTICLE III

USE OF PROCEEDS; THE 2018 PROJECT

Section 3.1 Use of Proceeds. The City shall apply the proceeds of the 2018 Loan from the DNRC solely as follows:

(a) The City shall apply the proceeds of the 2018 Loan solely to the financing, refinancing or reimbursement of the costs of the 2018 Project as set forth in Appendix A hereto and this Section 3.1. The 2018 Loan will be disbursed in accordance with Article IV hereof and Article VII of the Indenture. If the 2018 Project has not been completed prior to Closing, the City shall, as quickly as reasonably possible, complete the 2018 Project and expend proceeds of the 2018 Loan to pay the costs of completing the 2018 Project.

(b) No portion of the proceeds of the 2018 Loan shall be used to reimburse the City for costs paid prior to the date of adoption of this Supplemental Resolution of a Project the construction or acquisition of which occurred or began earlier than March 7, 1985. In addition, if any proceeds of the 2018 Loan are to be used to reimburse the City for 2018 Project costs paid prior to the date of adoption of this Supplemental Resolution, the City shall have complied with Section 1.150-2 of the Regulations.

(c) Any Debt to be refinanced with proceeds of the 2018 Loan was incurred after March 7, 1985 for a Project the construction or acquisition of which began after March 7, 1985. No proceeds of the 2018 Loan shall be used for the purpose of refinancing an obligation the interest on which is exempt from federal income tax or excludable from gross income for purposes of federal income taxation unless the DNRC has received an Opinion of Bond Counsel, satisfactory to it, to the effect that such refinancing will not adversely affect the exclusion of interest on the State Bonds from gross income for purposes of federal income taxation.

Section 3.2 The 2018 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2018 Project, which describes the property which has been or is to be acquired, installed, constructed or improved and the other activities, if any to be funded from the 2018 Loan (the 2018 Project may consist of more than one facility or activity) and an estimated budget relating to the 2018 Project. The 2018 Project may be changed and the description thereof in Appendix A may be amended from time to time by the City but only after delivery to the DNRC of the following:

(a) A certificate of the City setting forth the amendment to Appendix A and stating the reason therefor, including statements whether the amendment would cause an increase or decrease in the cost of the 2018 Project, an increase or decrease in the amount of Loan proceeds which will be required to complete the 2018 Project and whether the change will materially accelerate or delay the construction schedule for the 2018 Project;

(b) A written consent to such change in the 2018 Project by an Authorized DNRC Officer;

(c) An Opinion or Opinions of Bond Counsel stating that the 2018 Project, as constituted after such amendment, is, and was at the time the State Bonds were issued, eligible for financing under the State Act and is, and was at the time the Series 2018 Bond was issued, eligible for financing under the Act, such amendment will not violate the State Act or the Act and such amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2018 Bond from gross income for purposes of federal income taxation. Such an Opinion of Bond Counsel shall not be required for amendments which do not affect the type of facility to be constructed or activity to be financed.

The City acknowledges and agrees that an increase in the principal amount of the 2018 Loan may be made only upon an application to the DEQ, the DNRC and the Trustee, in such form as the DEQ shall specify, which is approved by the DEQ and the DNRC, in their sole and absolute discretion, and adoption by the governing body of the City of a resolution amendatory of or supplementary to the Resolution authorizing the additional loan and delivery of written certifications by officers of the City to the DEQ, the DNRC and the Trustee to the effect that all representations and covenants contained in the resolution as it may be so amended or supplemented are true as of the date of closing of the additional loan and compliance with applicable tests for the incurrence of such Debt. No assurance can be given that any additional loan funds will be available under the Program at the time of any such application or thereafter. The City acknowledges and agrees that neither the DEQ, the DNRC, the Trustee nor any of their

agents, employees or representatives shall have any liability to the City and have made no representations to the City as to the sufficiency of the 2018 Loan to pay costs of the 2018 Project or as to the availability of additional funds under the Program to increase the principal amount of the 2018 Loan.

Section 3.3 2018 Project Representations and Covenants. The City hereby represents to and covenants with the DNRC that:

(a) all construction of the 2018 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations and standards;

(b) all future construction of the 2018 Project will be done only pursuant to fixed price construction contracts. The City shall obtain a performance and payment bond from the contractor for each construction contract in the amount of 100% of the construction price and ensure that such bond is maintained until construction is completed to the City's, the DNRC's and the DEQ's satisfaction;

(c) all future construction will be done in accordance with plans and specifications on file with the DNRC and the DEQ, provided that changes may be made in such plans and specifications with the written consent of an Authorized DNRC Officer and the DEQ;

(d) all laborers and mechanics employed by contractors and subcontractors on the 2018 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code;

(e) the iron and steel products used in the 2018 Project comply with the "American Iron and Steel" requirements of Section 436 of the Consolidated Appropriations Act of 2015 (P.L. 113-76), as those requirements are further interpreted by applicable EPA guidance;

(f) the 2018 Project is a project of the type permitted to be financed under the Act, the State Act and the Program and Title VI of the Clean Water Act; and

(g) the City will undertake the 2018 Project promptly after the Closing and will cause the 2018 Project to be completed as promptly as practicable with all reasonable dispatch, except only as completion may be delayed by a cause or event not reasonably within the control of the City; it is estimated by the City that the 2018 Project will be substantially completed by the Estimated Completion Date.

Section 3.4 Completion or Cancellation or Reduction of Costs of the 2018 Project.

(a) Upon completion of the 2018 Project, the City shall deliver to the DNRC a certificate stating that the 2018 Project is complete, stating the amount, if any, of the Reserved Amounts, and releasing the remaining amount, if any, of the Committed Amount. If any Reserved Amount is not later needed, the City shall so inform the DNRC

and release such amount. If Appendix A describes two or more separate projects as making up the 2018 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the 2018 Project is cancelled or cut back or its costs are reduced or for any other reason the City will not require the full Committed Amount, the City shall promptly notify the DNRC in writing of such fact and release the portion of the Committed Amount which will not be needed.

ARTICLE IV

THE 2018 LOAN

Section 4.1 The 2018 Loan; Disbursement of Loan. The DNRC has agreed to lend to the City, from time to time as the requirements of this Section 4.1 are met, an amount up to \$3,270,000 (the “Committed Amount”) for the purposes of financing, refinancing or reimbursing the City for the costs of the 2018 Project; provided the DNRC shall not be required to loan any proceeds of the State Bonds to the City after 360 days following the Estimated Completion Date. The Committed Amount may be reduced as provided in Sections 3.2(a) and 3.4 of this Supplemental Resolution. The 2018 Loan shall be disbursed as provided in this Section 4.1. The DNRC intends to disburse the 2018 Loan through the Trustee.

(a) In consideration of the issuance of the Series 2018 Bond by the City, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2018 Loan upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2018 Bond and the security therefor and stating in effect that interest on the Series 2018 Bond is not includable in gross income of the owner thereof for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(2) the Series 2018 Bond, fully executed and authenticated;

(3) a certified copy of the Resolution and this Supplemental Resolution;

(4) any other security instruments or documents required by the DNRC or DEQ as a condition to their approval of the 2018 Loan;

(5) if all or part of the 2018 Loan is being made to refinance a Project or reimburse the City for the costs of a Project paid prior to the Closing, evidence, satisfactory to the DNRC and the Bond Counsel referred to in (1) above, (A) that the acquisition or construction of the Project was begun no earlier than March 7, 1985 or the debt was incurred no earlier than March 7, 1985, (B) of the City’s title to the Project, (C) of the costs of such Project and that such costs have been paid by the City and (D) if such costs were paid before adoption of this Supplemental Resolution that the City has complied with Section 1.150-2 of the Regulations;

(6) the items required by the Indenture for the portion of the 2018 Loan to be disbursed at Closing; and

(7) such other certificates, documents and other information as the DNRC, the DEQ or the Bond Counsel giving the opinion referred to in subparagraph (1) may require (including any necessary arbitrage rebate instructions).

(b) In order to obtain a disbursement of a portion of the 2018 Loan to pay costs of the 2018 Project, the City shall submit to the DNRC and the Trustee a signed request for disbursement on the form prescribed by the DNRC, with all attachments required by such form. The City may obtain disbursements only for costs which have been legally incurred and are due and payable. All 2018 Loan disbursements will be made to the City only upon proof that cost was incurred.

(c) For refinancings, a disbursement schedule complying with the requirements of the Clean Water Act shall be established by the DNRC and the City at Closing. The Trustee shall disburse Loan amounts directly to the holder of the debt being refinanced according to such schedule. If the City should repay all or a portion of the debt to be refinanced from other sources or should otherwise not need any portion of the 2018 Loan which was to have been used to refinance such debt, it shall inform the DNRC and the Trustee of such fact pursuant to Section 3.4(b) and a new disbursement schedule shall be drawn up by the DNRC. The DNRC shall obtain a receipt from the holder of the debt being refinanced for each disbursement made to pay or prepay a portion of such debt.

(d) If all or a portion of a Loan is made to reimburse a City for Project costs paid by it prior to Closing, the City shall present at Closing the items required by Section 4.1(b) relating to such costs. The Trustee shall disburse such amounts to the City pursuant to a disbursement schedule complying with the requirements of the Clean Water Act established by the DNRC and the City at the Closing.

(e) Notwithstanding anything else provided herein, the Trustee shall not be obligated to disburse the 2018 Loan any faster or to any greater extent than it has available EPA Capitalization Grants, Bond proceeds and other amounts available therefor in the Revolving Fund. The DNRC shall not be required to do “overmatching” pursuant to Section 5.04(b) of the Indenture, but may do so in its discretion. The City acknowledges that if Project costs are incurred faster than the City projected at Closing, there may be delays in making Loan disbursements for such costs because of the schedule under which EPA makes EPA Capitalization Grant money available to the DNRC. The DNRC will use its commercially reasonable efforts to obtain an acceleration of such schedule if necessary.

(f) Upon making each Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2018 Bond.

(g) The City agrees that it will deposit in the Reserve Account upon receipt any proceeds of the 2018 Loan borrowed for the purpose of causing the balance in the Reserve Account to equal the Reserve Requirement, either at the Closing of the 2018

Loan or upon any disbursement date. The City further acknowledges and agrees that any portions of the 2018 Loan representing capitalized interest shall be advanced only on Payment Dates and shall be transferred by the Trustee on the Payment Date directly to the Debt Service Account. The amount of any such transfer shall be a credit against the interest payments due on the Series 2018 Bond and interest thereon shall accrue only from the date of transfer.

(h) Compliance by the City with its representations, covenants and agreements contained in the Resolution and Collateral Documents shall be a further condition precedent to the disbursement of the Loan in whole or in part. The DNRC and the Trustee, in their sole and absolute discretion, may make one or more disbursements, in whole or in part, notwithstanding such noncompliance, and without liability to make any subsequent disbursement of the 2018 Loan.

Section 4.2 Commencement of Loan Term. The City's obligations under this Supplemental Resolution and the Collateral Documents shall commence on the date hereof unless otherwise provided in this Supplemental Resolution. However, the obligation to make payments under Article V hereof shall commence only upon the first disbursement by the Trustee of Loan proceeds.

Section 4.3 Termination of Loan Term. The City's obligations under the Resolution and the Collateral Documents shall terminate upon payment in full of all amounts due under the Series 2018 Bond and the Resolution in respect thereof; provided, however, that the covenants and obligations provided in Article VI and Section 10.4 of this Supplemental Resolution shall survive the termination of the Resolution.

Section 4.4 Loan Closing Submissions. On or prior to the Closing, the City will have delivered to the DNRC and the Trustee the closing submissions required by Section 7.05 of the Indenture.

ARTICLE V

REPAYMENT OF 2018 LOAN

Section 5.1 Repayment of 2018 Loan. The City shall repay the amounts lent to it pursuant to Section 4.1 hereof, plus interest on the unpaid amounts lent at the rate of two percent (2.00%) per annum, in semiannual Loan Repayments. In addition, the City shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge, each at the rate of twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2018 Loan. For purposes of this Supplemental Resolution, the term "interest" on the 2018 Loan shall include the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge. The City shall pay all Loan Repayments and Administrative Expense Surcharge and Loan Loss Reserve Surcharge in lawful money of the United States of America to the DNRC. Interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a year of 360 days comprising 12 months of 30 days each.

The 2018 Loan Repayments required by this Section 5.1, and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, shall be due on each January 1 and July 1 (the “Payment Dates”), as follows:

(1) interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal balance of the 2018 Loan shall be payable on each January 1 and July 1, beginning on July 1, 2018; and

(2) the principal of the 2018 Loan shall be repayable on each Payment Date, beginning on July 1, 2018 and concluding on January 1, 2038, and the amount of each principal payment shall be calculated on the basis of level debt service at an interest rate of 2.50% per annum; provided that principal of the 2018 Loan is payable only in amounts that are multiples of \$1,000.

The payments of principal of and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2018 Loan shall be due on the dates and in the amounts shown in Schedule B to the Series 2018 Bond, as such Schedule B shall be modified from time to time as provided below. The portion of each such Loan Repayment consisting of principal and the portion consisting of interest and the amount of each Administrative Expense Surcharge and the amount of each Loan Loss Reserve Surcharge shall be set forth in Schedule B to the Series 2018 Bond. Upon each disbursement of Loan amounts to the City pursuant to Section 5.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the Series 2018 Bond under “Advances” and the total amount advanced under Section 4.1, including such disbursement, under “Total Amount Advanced.”

If the advance was made to pay costs of the 2018 Project pursuant to Section 4.1(b), interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on such advance shall accrue from the date the advance is made and shall be payable on each Payment Date thereafter. Once the completion certificate for a 2018 Project has been delivered to the DNRC, the Trustee shall revise Schedule B to the Series 2018 Bond in accordance with this Section 5.1 and the Trustee shall send a copy of such Schedule B to the City within one month after delivery of the completion certificate.

Past-due payments of principal, interest, Administrative Expense Surcharges and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid.

Any payment of principal, interest, Administrative Expense Surcharge or Loan Loss Reserve Surcharge under this Section 5.1 shall also be credited against the same payment obligation under the Series 2018 Bond.

Section 5.2 Additional Payments. The City shall also pay, within 30 days after receipt of a bill therefor, from any legally available funds therefor, including proceeds of the 2018 Loan, if the City so chooses, all reasonable expenses of the DNRC and the Trustee in connection with the 2018 Loan, the Collateral Documents and the Series 2018 Bond, including, but not limited to:

(1) the cost of reproducing this Supplemental Resolution, the Collateral Documents and the Series 2018 Bond;

(2) the fees and disbursements of Bond Counsel and other Counsel utilized by the DNRC and the Trustee in connection with the 2018 Loan, the Resolution, the Collateral Documents and the Series 2018 Bond and the enforcement thereof; and

(3) all taxes and other governmental charges in connection with the execution and delivery of the Collateral Documents or the Series 2018 Bond, whether or not the Series 2018 Bond is then outstanding, including all recording and filing fees relating to the Collateral Documents and the pledge of the State's right, title and interest in and to the Series 2018 Bond, the Collateral Documents and the Resolution (and with the exceptions noted therein) and all expenses, including attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof or thereof.

Section 5.3 Prepayments. The City may not prepay all or any part of the outstanding principal amount of the Series 2018 Bond unless (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment, Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2018 Bond is prepaid in part pursuant to this Section 5.3, such prepayments shall be applied to principal payments in inverse order of maturity.

Section 5.4 Obligations of City Unconditional. The obligations of the City to make the payments required by the Resolution and the Series 2018 Bond and to perform its other agreements contained in the Resolution, the Series 2018 Bond and Collateral Documents shall be absolute and unconditional, except as otherwise provided herein or in such documents. The City (a) shall not suspend or discontinue any payments provided for in the Resolution and the Series 2018 Bond, (b) shall perform all its other agreements in the Resolution, the Series 2018 Bond and the Collateral Documents and (c) shall not terminate the Resolution, the Series 2018 Bond or the Collateral Documents for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2018 Project or the System, commercial frustration of purpose, any dispute with the DNRC or the EPA, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the DNRC to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with the Resolution.

Section 5.5 Limited Liability. All payments of principal of and interest on the 2018 Loan and other payment obligations of the City hereunder and under the Series 2018 Bond shall be special, limited obligations of the City payable solely out of the Net Revenues and shall not, except at the option of the City and as permitted by law, be payable out of any other revenues of the City. The obligations of the City under the Resolution and the Series 2018 Bond shall never constitute an indebtedness of the City within the meaning of any state constitutional

provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. The taxing powers of the City may not be used to pay principal of or interest on the Series 2018 Bond, and no funds or property of the City other than the Net Revenues are pledged to pay principal of or interest on the Series 2018 Bond.

ARTICLE VI

INDEMNIFICATION OF DNRC AND DEQ

The City shall, to the extent permitted by law, indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an “Indemnified Party” or, collectively, the “Indemnified Parties”) against and from any and all claims, damages, demands, expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the City or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of the 2018 Project. The City shall also, to the extent permitted by law, indemnify and save harmless the Indemnified Parties against and from all costs, reasonable attorneys’ fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified Party by reason of such claim or demand, the City shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

ARTICLE VII

ASSIGNMENT

Section 7.1 Assignment by City. The City may not assign its rights and obligations under the Resolution or the Series 2018 Bond.

Section 7.2 Assignment by DNRC. The DNRC will pledge its rights under and interest in the Resolution, the Series 2018 Bond and the Collateral Documents (except to the extent otherwise provided in the Indenture) as security for the payment of the State Bonds and may further assign such interests to the extent permitted by the Indenture, without the consent of the City.

Section 7.3 State Refunding Bonds. In the event the State Bonds are refunded by bonds which are not Additional State Bonds, all references in the Resolution to State Bonds and Additional State Bonds shall be deemed to refer to the refunding bonds and any bonds of the State on a parity with such refunding bonds (together, the “Refunding Bonds”) or, in the case of a crossover refunding, to the State Bonds and Additional State Bonds and the Refunding Bonds. In the event the State Bonds are refunded by an issue of Additional State Bonds, all references in the Resolution to the State Bonds shall be deemed to refer to such Additional State Bonds or, in the case of a crossover refunding, both the State Bonds and such Additional State Bonds.

ARTICLE VIII

THE SERIES 2018 BOND

Section 8.1 Net Revenues Available. The City is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Outstanding Bonds and the Series 2018 Bond the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by such rates, charges and rentals during the term of the Series 2018 Bond will be more than sufficient to pay the principal and interest when due on the Series 2018 Bond, and to create and maintain reasonable reserves therefor and to provide an adequate allowance for replacement and depreciation, as herein prescribed.

Section 8.2 Issuance and Sale of the Series 2018 Bond. The Commission has investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the City to issue the Series 2018 Bond to evidence the 2018 Loan. The Series 2018 Bond is issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433.

Section 8.3 Terms. The Series 2018 Bond shall be in the maximum principal amount equal to the original Committed Amount of the 2018 Loan, shall be issued as a single, fully registered bond numbered R-1, shall be dated as of the date of delivery to the DNRC, and shall bear interest at the rate charged by the DNRC on the 2018 Loan. The principal of and interest on the Series 2018 Bond shall be payable on the same dates and in the same amounts as the 2018 Loan Repayments are payable. Advances of principal of the Series 2018 Bond shall be deemed made when advances of the 2018 Loan are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2018 Bond, as it may be revised by the DNRC from time to time in accordance with Section 5.1.

The City may prepay the Series 2018 Bond, in whole or in part, only upon the terms and conditions under which it can prepay the 2018 Loan under Section 5.3.

Section 8.4 Negotiability, Transfer and Registration. The Series 2018 Bond shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the DNRC. While so registered, principal of and interest on the Series 2018 Bond shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1539 Eleventh Avenue, Helena, Montana 59620-2301 or such other place as may be designated by the DNRC in writing and delivered to the City. The Series 2018 Bond shall be negotiable, subject to the provisions for registration and transfer contained in this Section. No transfer of the Series 2018 Bond shall be valid unless and until (1) the holder, or his duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2018 Bond, and (2) the City Fiscal Services Director (or successors, the "Registrar"), as Bond Registrar, has duly noted the transfer on the Series 2018 Bond and recorded the transfer on the registration books of the Registrar. The Registrar may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. The City shall be entitled to deem and treat the Person

in whose name the Series 2018 Bond is registered as the absolute owner of the Series 2018 Bond for all purposes, notwithstanding any notice to the contrary, and all payments to the registered holder shall be valid and effectual to satisfy and discharge the City's liability upon such Bond to the extent of the sum or sums so paid.

Section 8.5 Execution and Delivery. The Series 2018 Bond shall be executed on behalf of the City by the manual signatures of the Mayor, City Manager, City Fiscal Services Director and City Clerk. Any or all of such signatures may be affixed at or prior to the date of delivery of the Series 2018 Bond. In the event that any of the officers who shall have signed the Series 2018 Bond shall cease to be officers of the City before the Series 2018 Bond is issued or delivered, their signatures shall remain binding upon the City. Conversely, the Series 2018 Bond may be signed by an authorized official who did not hold such office on the date of adoption of this Supplemental Resolution. The Series 2018 Bond shall be delivered to the DNRC, or its attorney or legal representative.

Section 8.6 Form. The Series 2018 Bond shall be prepared in substantially the form attached as Appendix B.

ARTICLE IX

SECURITY FOR THE SERIES 2018 BOND

The Series 2018 Bond is issued as an Additional Bond under the Resolution and shall, with the Series 2004 Bond and any other Additional Bonds issued under the provisions of Section 6 of the Original Resolution, excluding Section 6.04 thereof, be equally and ratably secured by the provisions of the Resolution and payable out of the Net Revenues appropriated to the Debt Service Account of the Storm Drainage System Fund, without preference or priority, all as provided in the Resolution, and secured by the Reserve Account, as further provided in Section 7.05 of the Original Resolution. On the Closing Date, the City Fiscal Services Director shall deposit in the Reserve Account, from available funds of the System, an amount sufficient to cause the balance in the Reserve Account to equal the Reserve Requirement, treating all of the principal amount of the Series 2018 Bond as advanced at Closing. In the event the amount in the Reserve Account exceeds the Reserve Requirement as of the date of the final disbursement of proceeds of the Series 2018 Bond, the City shall reduce the amount then in the Reserve Account to equal the Reserve Requirement, recognizing that none of the amounts in the Reserve Account shall be from proceeds of the Series 2018 Bond. Thereafter, upon each monthly apportionment, from the Net Revenues remaining after the apportionment to the Debt Service Account, the City shall credit to the Reserve Account such additional Net Revenues as may be required to establish and thereafter maintain the balance in an amount equal, as of the date of calculation, to the Reserve Requirement. The City shall keep, perform and observe each and every one of its covenants and undertakings set forth in the Resolution for the benefit of the registered owners from time to time of the Series 2004 Bond and the Series 2018 Bond.

ARTICLE X

TAX MATTERS

Section 10.1 Use of 2018 Project. The 2018 Project will be owned and operated by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2018 Project or the System or security for the payment of the Series 2018 Bond which might cause the Series 2018 Bond to be considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code.

Section 10.2 General Covenant. The City covenants and agrees with the owners from time to time of the Series 2018 Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2018 Bond to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2018 Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 10.3 Arbitrage Certification. The City Manager, the City Fiscal Services Director and the City Clerk are authorized and directed to execute and deliver to the DNRC a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2018 Bond, it is reasonably expected that the proceeds of the Series 2018 Bond will be used in a manner that would not cause the Series 2018 Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

Section 10.4 Arbitrage Rebate. The City acknowledges that the Series 2018 Bond is subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Treasury Regulations to preserve the exclusion of interest on the Series 2018 Bond from gross income for federal income tax purposes, unless the Series 2018 Bond qualifies for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2018 Bond (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the City Manager, the City Fiscal Services Director and the City Clerk are hereby authorized and directed to execute a Rebate Certificate, substantially in the form prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

Section 10.5 Information Reporting. The City shall file with the Secretary of the Treasury, not later than August 15, 2018, a statement concerning the Series 2018 Bond containing the information required by Section 149(e) of the Code.

ARTICLE XI

CONTINUING DISCLOSURE

The City understands and acknowledges that the DNRC is acquiring the Series 2018 Bond under the Program pursuant to which the State issues from time to time State Bonds to provide funds therefor. The City covenants and agrees that, upon written request of the DNRC from time to time, the City will promptly provide to the DNRC all information that the DNRC reasonably determines to be necessary or appropriate to offer and sell State Bonds or to provide continuing disclosure in respect of State Bonds, whether under Rule 15c2-12 (17 C.F.R. § 240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or otherwise. Such information shall include, among other things and if so requested, financial statements of the City prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time (such financial statements to relate to a fiscal year or any period therein for which they are customarily prepared by the City, and, if for a fiscal year and so requested by the DNRC, subject to an audit report and opinion of an accountant or government auditor, as permitted or required by the laws of the State). The City will also provide, with any information so furnished to the DNRC, a certificate of the City Manager, the City Fiscal Services Director and the City Clerk to the effect that, to the best of their knowledge, such information does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein to make the statements made, in light of the circumstances under which they are made, not misleading.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

DNRC: Department of Natural Resources
and Conservation
1539 Eleventh Avenue
Helena, Montana 59620
Attn: Conservation and Resource Development Division

Trustee: U.S. Bank National Association
c/o Corporate Trust Services
1420 Fifth Avenue, 7th Floor
Seattle, Washington 98101
Attn: Corporate Trust Department

City: City of Great Falls
P.O. Box 5021
Great Falls, Montana 59403-5021
Attn: City Fiscal Services Director

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices or other communications shall be sent.

Section 12.2 Binding Effect. This Supplemental Resolution shall inure to the benefit of and shall be binding upon the DNRC, the City and their respective successors and assigns.

Section 12.3 Severability. If any provision of this Supplemental Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of the Resolution or the enforceability of that provision at any other time.

Section 12.4 Amendments. This Supplemental Resolution may not be effectively amended except in accordance with Article IX of the Original Resolution.

Section 12.5 Applicable Law. This Supplemental Resolution shall be governed by and construed in accordance with the internal laws of the State.

Section 12.6 Captions; References to Sections. The captions in this Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Supplemental Resolution.

Section 12.7 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Supplemental Resolution shall be had against any director, officer or employee, as such, past, present or future, of the DNRC, DEQ or the Trustee, either directly or through the DNRC, DEQ or the Trustee, or against any officer, or member of the governing body or employee of the City, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member of the governing body or employee of the DNRC, the Trustee or the City is hereby expressly waived and released by the City and by the DNRC as a condition of and in consideration for the adoption of this Supplemental Resolution and the making of the 2018 Loan.

Section 12.8 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Supplemental Resolution or the Series 2018 Bond, shall not be a Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Supplemental Resolution or the Series 2018 Bond.

Section 12.9 Right of Others To Perform City's Covenants. In the event the City shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the DNRC or the provider of any Collateral Document may (but shall not

be obligated to) remedy such default for the account of the City and make advances for that purpose. No such performance or advance shall operate to release the City from any such default and any sums so advanced by the DNRC or the provider of any Collateral Document shall be paid immediately to the party making such advance and shall bear interest at the rate of ten percent (10.00%) per annum from the date of the advance until repaid. The DNRC and the provider of any Collateral Document shall have the right to enter the 2018 Project or the facility or facilities of which the 2018 Project is a part or any other facility which is a part of the System in order to effectuate the purposes of this Section.

Section 12.10 Authentication of Transcript. The officers of the City are hereby authorized and directed to furnish to the DNRC and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2018 Bond and such other certificates and affidavits as may be required to show the right, power and authority of the City to issue the Series 2018 Bond, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the City as to the truth of the statements of fact purported to be shown thereby.

Section 12.11 Effective Date. This Supplemental Resolution shall take effect immediately.

Passed and adopted by the City Commission of the City of Great Falls, Montana, on this 17th day of April, 2018.

Bob Kelly, Mayor

Attest:

Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

APPENDIX A

Description of the 2018 Project

The 2018 Project is the final phase of the 18th Street Storm Drain Improvement Project, initiated to improve regional storm water conveyance capacity. The 2018 Project consists of upsizing the storm drain pipe located along 17th and 18th Streets South between 4th Avenue South and Chowen Springs Park, completion of improvements along 19th and 20th Streets South between 11th Avenue South and 15th Alley South, and upsizing the water main along 18th Street South that runs parallel to the storm drain work.

Estimated Budget for the 2018 Project

	Source: SRF-2018 Bond \$3,270,000 20 YR @ 2.50%	Total
Loan Reserves	\$ 104,538	\$ 104,538
Bond Counsel & Related costs	15,000	15,000
Construction	3,150,000	3,150,000
Contingency	462	462
TOTAL COSTS	\$ 3,270,000	\$ 3,270,000

APPENDIX B

[Form of the Series 2018 Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CASCADE

CITY OF GREAT FALLS

STORM DRAINAGE SYSTEM REVENUE BOND
(DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM)
SERIES 2018

R- 1

\$3,270,000

FOR VALUE RECEIVED, THE CITY OF GREAT FALLS, MONTANA (the “Borrower”), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the “DNRC”), or its registered assigns, solely from the Debt Service Account of its Storm Drainage System Fund, the principal amount of THREE MILLION TWO HUNDRED SEVENTY THOUSAND DOLLARS (\$3,270,000.00), with interest thereon from the date hereof at the rate of two percent (2.00%) per annum on the unpaid balance until paid. In addition, the Borrower shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Bond, each at the rate of twenty-five hundredths of one percent (0.25%) per annum. Principal, interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a “Loan Repayment Date”), commencing July 1, 2018. Each installment shall reflect interest and surcharges at an aggregate rate of two and one-half of one percent (2.50%) per annum and shall be in the amount set forth opposite its due date in Schedule B hereto under “Total Loan Payment.” The portion of each such payment consisting of principal, the portion consisting of interest, the portion consisting of Administrative Expense Surcharge, and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of Loan amounts to the Borrower, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under “Advances” and the total amount advanced, including such disbursement, under “Total Amount Advanced.” The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the Resolution authorizing this Bond. Past-due payments of principal, interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Bond shall be made to the registered holder of this Bond, at its address as it appears on the Bond Register, in lawful money of the United States of America.

This Bond is one of an issue of Storm Drainage System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time, and constitutes a series in the maximum authorized principal amount of \$3,270,000 (the "Series 2018 Bond"). The Series 2018 Bond is issued to finance costs of construction of certain improvements to the storm drainage system of the Borrower (the "System"). The Series 2018 Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the Borrower, including Resolution No. 9334 (the "Original Resolution"), adopted by the City Commission on July 15, 2003, as amended and supplemented by Resolution Nos. 9360, 9998, 10153, and 10234 adopted by the City Commission on January 20, 2004, July 17, 2012, July 19, 2016, and April 17, 2018, respectively (as so amended and supplemented and as hereafter amended and supplemented in accordance with its terms, the "Resolution"). Terms used with initial capital letters but not defined herein have the meanings given them in the Resolution. The Series 2018 Bond is issuable only as a single, fully registered bond. The Series 2018 Bond is issued on a parity and is equally and ratably secured by Net Revenues of the System with the Borrower's outstanding First Amended and Restated Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2004 (the "Series 2004 Bond") and outstanding Storm Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2016 (the "Series 2016 Bond").

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2018 Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which Additional Bonds may be issued under the Resolution and made payable from such Net Revenues on a parity with the Series 2004 Bond, the Series 2016 Bond and the Series 2018 Bond (collectively, the "Bonds") or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2018 Bond.

The Borrower may prepay the principal of the Series 2018 Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest, and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2018 Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

The Series 2018 Bond, including interest and any premium for the redemption thereof, are payable solely from the Net Revenues pledged for the payment thereof and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2018 Bond is registered as the absolute owner hereof, whether this Series 2018 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2018 Bond may be transferred as hereinafter provided.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower will prescribe and collect reasonable rates and charges for all services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and has created a special Storm Drainage System Fund into which the gross revenues of the System will be paid, and a separate and special Debt Service Account in the Storm Drainage System Fund, into which will be paid each month, from and as a first and prior lien on the Net Revenues of the System then on hand, an amount equal to not less than the sum of one-sixth of the interest to become due within the next six months and one-twelfth of the principal to become due within the next twelve months with respect to all Bonds payable from the Debt Service Account; that the Borrower has created a Reserve Account in the Storm Drainage System Fund into which shall be paid additional Net Revenues, after required credits to the Debt Service Account, sufficient to maintain a reserve therein equal to the Reserve Requirement; that the Debt Service Account will be used only to pay the principal of, premium, if any, and interest on the Bonds and any other Additional Bonds issued pursuant to the Resolution on a parity therewith; that the rates and charges for the System will from time to time be made and kept sufficient, to provide gross income and revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System and to produce during each fiscal year Net Revenues not less than 110% of the maximum annual principal and interest payable on the outstanding Bonds in the current or any future fiscal year; that Additional Bonds may be issued and made payable from the Debt Service Account on a parity with the outstanding Bonds upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the outstanding Bonds on such Net Revenues; that all provisions for the security of the holder of this Series 2018 Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the Borrower to be done, to exist, to happen and to be performed in order to make this Series 2018 Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2018 Bond and the interest hereon are payable solely from the Net Revenues of the System pledged and appropriated to the Debt Service Account and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2018 Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Great Falls, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor, City Manager, City Fiscal Services Director, and City Clerk, and has caused the official seal of the Borrower to be affixed hereto, and has caused this Bond to be dated as of the ___ day of _____, 2018.

Mayor

(SEAL)

City Manager

City Fiscal Services Director

City Clerk

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the City Fiscal Services Director as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name this Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the City of Great Falls, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of City Fiscal Services Director</u>
_____	<u>Department of Natural</u> <u>Resources and</u> <u>Conservation</u> <u>1539 Eleventh Avenue</u> <u>Helena, MT 59620</u>	_____

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND
REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The City Fiscal Services Director of the City of Great Falls, Montana, acting as Bond Registrar, has transferred, on the books of the Borrower, on the date last noted below, ownership of the principal amount of and the accrued interest on this Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

<u>Date of Transfer</u>	<u>Name of New Registered Holder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____
_____ the within Bond and does hereby irrevocably
constitute and appoint _____ attorney to transfer the Bond on
the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

<u>Date</u>	<u>Advances</u>	<u>Total Amount Advanced</u>	<u>Notation Made By</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____

SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	Administrative <u>Expense</u> <u>Surcharge</u>	Loan Loss Reserve <u>Surcharge</u>	Total Loan <u>Payment</u>
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APPENDIX C

ADDITIONAL REPRESENTATIONS AND COVENANTS

None.