



City Commission Agenda

for

June 17, 2008

Please Note: The City Commission agenda format allows citizens to speak on each issue prior to Commission action. We encourage your participation. Please keep your remarks concise and to the topic under consideration.

****REVISED****

CALL TO ORDER: 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

PROCLAMATION

Hog Days of Summer in Great Falls

NEIGHBORHOOD COUNCILS

1. Miscellaneous reports and announcements.

PUBLIC HEARINGS

2. West Ridge Addition Phase V, consisting of 24 single-family residential lots located along the west boundary of 2nd Street Northeast and along 37th and 38th Avenues Northeast. **(Presented by: Ben Rangel)**
 - A. Res. 9741, Annexes said property. Action: Conduct joint public hearing and adopt or deny Res. 9741.
 - B. Ord. 3007, Assign City Zoning of R-3 Single family high density district to property. Action: Conduct joint public hearing and adopt or deny Ord. 3007.

OLD BUSINESS

3. Res. 9749, Creating an Animal **Ordinance**/Shelter **Operations/Enforcement** Advisory Committee. Action: Adopt or deny Res. 9749 as amended. **(Presented by: Cheryl Patton)**

NEW BUSINESS

4. Fire Protection and Emergency Services Agreement between Southern Montana Electric G&T and City of Great Falls Fire Rescue. Action: Approve or deny Agreement. **(Presented by: Fire Department)**

ORDINANCES/RESOLUTIONS

5. Revised Ord. 3002, Extending the land acquisition date referenced in the original Ord. 3002 (CVS Pharmacy). Extends land acquisition date from August 31, 2008, to April 30, 2009. Action: ~~Adopt or deny~~

~~Revised Ord. 3002~~ Accept Revised Ord. 3002 on first reading and set public hearing for July 15, 2008. **(Presented by: Ben Rangel)**

6. Ord. 3009, Disorderly Premises. Action: Accept Ord. 3009 on first reading and set public hearing for July 1, 2008. **(Presented by: Greg Doyon)**
7. Res. 9755, Authorizing the Issuance and Fixing the Terms and Conditions of \$4,010,000 in Water Revenue Bonds. Action: Adopt or deny Res. 9755. **(Presented by: Martha Cappis)**

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.*

8. Minutes, June 3, 2008, Commission meeting.
9. Total Expenditures of \$1,211,763 for the period of May 26 through June 11, 2008, to include claims over \$5000, in the amount of \$1,025,664.
10. Contracts list.
11. Set public hearing for July 1, 2008, on Res. 9754 Cost Recovery for 209 2nd Avenue North.
12. Set public hearing to consider the sale of City-owned property, Lot 3F of Amended Plat of Lot 3, Medical Tech Park.
13. Authorize Release of Tax Increment Surplus and Approve Internal Loan Repayment to Central Garage for Construction Expenses Related to Downtown Parking Garage

Action: Approve Consent Agenda or remove items for further discussion and approve remaining items.

BOARDS & COMMISSIONS

14. Preliminary Plat, Water Tower Park Addition, consisting of 16 single-family lots located along 14th Street Northeast in the vicinity of 35th Avenue Northeast. Action: Approve Preliminary Plat and Accompanying Findings of Fact. **(Presented by: Ben Rangel)**
15. Miscellaneous reports and announcements.

CITY MANAGER

16. Miscellaneous reports and announcements.

PETITIONS AND COMMUNICATIONS *(Please keep your remarks to a maximum of 5 minutes)*

17. Miscellaneous reports and announcements.

CITY COMMISSION

18. Miscellaneous reports and announcements.

MOTION TO ADJOURN



Item: Public Hearing – Resolution 9741 to Annex and Ordinance 3007 to Assign City Zoning to West Ridge Addition Phase V

From: Charles Sheets, Planner I

Initiated By: S & L Development LLC, Property Owner & Developer

Presented By: Benjamin Rangel, Planning Director

Action Requested: City Commission adopt Resolution 9741 and Ordinance 3007.

Suggested Motions: (Each motion to be separately considered)

1. Commissioner moves:

“I move that the City Commission adopt Resolution 9741 and approve the final plat and annexation agreement, all related to West Ridge Addition Phase V.”

and;

“I move that the City Commission adopt Ordinance 3007.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Planning Board and Zoning Commission Recommendations: The Planning Board has recommended the City Commission approve the annexation, final plat and annexation agreement, all related to West Ridge Addition Phase V. The Zoning Commission has recommended the City Commission assign a zoning classification of R-3 Single-family high density district to West Ridge Addition Phase V, upon annexation to the City.

Background: During a meeting held January 8, 2008, the City Commission conditionally approved the Preliminary Plat of West Ridge Addition Phases V – VI, as recommended by the Planning Board.

The developer now requests approval of the final plat and annexation of Phase V of the Preliminary Plat. The final plat consists of 24 single-family residential lots ranging in size from 10,520 sq ft to 12,295 sq ft and is located along the west boundary of 2nd Street Northeast and along 37th & 38th Avenues Northeast.

For additional information, please refer to the attached Vicinity/Zoning Map and reduced copy of the Final Plat.

The public roadways contained therein will be improved with standard City paving, curb and gutter. The developer and City Engineer's Office have agreed on the construction of temporary, concrete "T" turnarounds at the west terminus of 37th and 38th Avenues Northeast. The developer has agreed to reimburse the City a proportionate share of paving, curb and gutter and water main previously installed in 2nd Street Northeast. An easement for the Montana Refinery Crude Oil Line passes through the subdivision. The developer has adjusted lot lines within the subdivision to provide buildable areas on the affected lots.

City water and sanitary sewer mains will be installed in the east-west roadways. A sanitary sewer main will also be installed along the west side of 2nd Street Northeast. The developer will provide easements within the subdivision for private utilities such as telephone, cable, power and gas.

Surface drainage from Phase V generally flows to the east and south. Storm drainage from a majority of the subdivision will be piped to the City's Northeast Regional Storm Water Retention Facility, located ½ mile to the east. The developer will pay the subdivision's proportionate share of the costs of the Retention Facility and the offsite storm piping system.

The developer has agreed to pay a fee in lieu of dedicating park land. The payment in lieu of dedication is acceptable to the City Park and Recreation Department.

Subject property borders West Ridge Addition Phase IV and Skyline Park Addition Phase 11, which are being developed as single-family residential subdivisions. It is anticipated the planned single-family residential use of the property will be compatible with neighboring uses.

Subject property is located on the fringe of the City, which has been attracting high quality single-family dwelling units. The subdivision is a natural projection of urban growth.

Annexation of subject property will enhance health, safety and welfare through application of City Codes and provision of municipal services.

Subject property is presently zoned in the County as "A-1" Agricultural District and it is proposed Phase V be zoned R-3 Single-family high density district, upon annexation to the City.

Section 76-2-304 Montana Code Annotated lists criteria and guidelines which must be considered in conjunction with establishing municipal zoning on land:

- a) is designed in accordance with the growth policy (comprehensive plan);
- b) is designed to lessen congestion in the streets;
- c) will secure safety from fire, panic or other dangers;
- d) will promote health and the general welfare;
- e) will provide adequate light and air;
- f) will prevent overcrowding of land;
- g) will avoid undue concentration of population;

- h) will facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements;
- i) gives reasonable consideration to the character of the district;
- j) gives reasonable consideration to the peculiar suitability of the property for particular uses;
- k) will conserve the value of buildings; and
- l) will encourage the most appropriate use of land throughout the municipality.

It is anticipated the planned single family use of the property will be compatible with neighboring uses. Therefore, staff concluded the twelve criteria stated above are substantially met.

At the conclusion of a public hearing held December 11, 2007, the Zoning Commission passed a motion recommending the City Commission assign a zoning classification of R-3 Single-family high density district to West Ridge Addition Phases V and VI. No citizens spoke as proponents or opponents during the hearing. At the conclusion of a meeting held April 22, 2008, the Planning Board passed a motion recommending the City Commission approve the Final Plat of West Ridge Addition Phase V and annexation of the property contained therein, subject to fulfillment of the following conditions by the applicant:

- 1) The final plat of West Ridge Addition Phase V shall incorporate correction of any errors or omissions noted by staff.
- 2) The final engineering drawings and specifications for the required public improvements to serve West Ridge Addition, Phase V shall be submitted to the City Public Works Department for review and approval prior to filing of the final plat, including resolution of the temporary turnaround cul-de-sacs.
- 3) An Annexation Agreement shall be prepared containing terms and conditions for annexation of West Ridge Addition, Phase V.
- 4) All applicable fees owed as a condition of plat or annexation approval shall be paid upon final platting and annexation.

At the time of writing this report items 2) and 3) have been completed by the applicant and items 1) and 4) will be completed and fees collected prior to filing the final plat.

Concurrences: Representatives from the City's Public Works, Community Development, Park and Recreation, and Fire Departments have been involved throughout the review and approval process for this project.

Fiscal Impact: Providing services to the single-family lots in the subdivision is expected to be a negligible cost to the City. Any increased costs likely will be covered by increased tax revenues from improved properties.

Alternatives: If there are justifiable reasons to do so, the City Commission could deny the requested action to the extent allowed in City Code and State Statute.

Attachments/Exhibits:

- 1. Resolution 9741
- 2. Ordinance 3007

3. Vicinity/Zoning Map
4. Reduced copy of final plat
5. Annexation Agreement

Cc: Jim Rearden, Public Works Director
Dave Dobbs, City Engineer
S & L Development LLC, 221 30th Ave NE, Great Falls, MT 59404
HKM Engineering, P O Box 49, Great Falls, MT 59403

RESOLUTION 9741

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, TO EXTEND THE BOUNDARIES OF SAID CITY TO INCLUDE WEST RIDGE ADDITION PHASE V, IN SECTION 26, TOWNSHIP 21 NORTH, RANGE 3 EAST, P.M.M., CASCADE COUNTY, MONTANA, MORE PARTICULARLY DESCRIBED HEREINBELOW.

* * * * *

WHEREAS, the City of Great Falls is a city incorporated under the laws of the State of Montana, and having a population of more than ten thousand (10,000) is a city of the first class; and,

WHEREAS, there is contiguous to said City, but without the boundaries thereof, certain tracts or parcels of land situated in the County of Cascade, State of Montana, and described as follows:

West Ridge Addition Phase V, located in Section 26, Township 21 North, Range 3 East, P.M.M., Cascade County, Montana, and containing 7.82 acres more or less,

all as shown on the final plat of West Ridge Addition Phase V, filed with the Clerk and Recorder's Office of Cascade County, Montana; and,

WHEREAS, Section 7-2-4601, Montana Code Annotated, provides that whenever the owners of real property contiguous to any incorporated city of the first class petition to have said property made a part of the municipal corporation, such lands may be embraced within the corporate limits thereof and the boundaries of such city of the first class extended so as to include the same; and,

WHEREAS, the owner of the hereinabove described property has submitted a petition to have said property annexed to the City of Great Falls.

NOW, THEREFORE, the City Commission now finds that it is to the best interest of the City of Great Falls and its inhabitants to proceed with the incorporation of said territory into the City of Great Falls; and,

WHEREAS, all of the proceedings herein have been conducted in strict compliance with and in conformity to the law and constitution of the State of Montana, and all conditions, acts, and things required to be done precedent to and in the passage and adoption of this resolution have been properly and legally done, and performed;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA;

That the boundaries of the City of Great Falls, Montana, be and the same are hereby extended so as to embrace and include within the corporate limits of said City all of the land hereinabove described, included as: "WEST RIDGE ADDITION PHASE V, IN SECTION 26, TOWNSHIP 21 NORTH, RANGE 3 EAST, P.M.M., CASCADE COUNTY, MONTANA."

BE IT FURTHER RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

That the Cascade County Clerk and Recorder is hereby authorized and directed to change the appropriate district boundaries of the City of Great Falls, Montana, to include said tract of land; and,

That this Resolution shall become effective from and after the date of the filing of said document in the office of the Cascade County Clerk and Recorder.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, on this 17th day of June, 2008.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade :ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution 9741 was placed on its final passage by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 17th day of June, 2008, wherein it was approved by said Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 17th day of June, 2008.

Lisa Kuntz, City Clerk

(CITY SEAL)

ORDINANCE 3007

AN ORDINANCE ASSIGNING A ZONING CLASSIFICATION OF R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT TO WEST RIDGE ADDITION PHASE V, IN SECTION 26, TOWNSHIP 21 NORTH, RANGE 3 EAST, P.M.M., CASCADE COUNTY, MONTANA

* * * * *

WHEREAS, S & L Development, LLC is the owner of record of West Ridge Addition Phase V, in Section 26, Township 21 North, Range 3 East, P.M.M., Cascade County, Montana; and,

WHEREAS, S & L Development, LLC has petitioned the City of Great Falls to annex West Ridge Addition Phase V; and,

WHEREAS, S & L Development, LLC has petitioned said West Ridge Addition Phase V, be assigned a City zoning classification of R-3 Single-family high density district, upon annexation to City; and,

WHEREAS, notice of assigning a zoning classification of R-3 Single-family high density district, to West Ridge Addition Phase V, was published in the Great Falls Tribune advising that a public hearing on this zoning designation would be held on the 17th day of June, 2008, before final passage of said Ordinance herein; and,

WHEREAS, following said public hearing, it was found and recommended that the said zoning designation be made, NOW THEREFORE,

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA:

Section 1. It is determined that the herein requested zoning designation will meet the criteria and guidelines cited in Section 76-2-304 Montana Code Annotated, and Section 17.16.40.030 of the Unified Land Development Code of the City of Great Falls.

Section 2. That the zoning of West Ridge Addition Phase V be designated as R-3 Single-family high density district classification.

Section 3. This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission or upon filing in the office of the Cascade County Clerk and Recorder the resolution annexing West Ridge Addition Phase V into the corporate limits of the City of Great Falls, Montana, whichever event shall occur later.

PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, this 17th day of June, 2008.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Ordinance 3007 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 17th day of June, 2008 and approved by the Mayor of said City on the 17th day of June, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 17th day of June, 2008.

Lisa Kunz, City Clerk

(CITY SEAL)

State of Montana)
County of Cascade : ss
City of Great Falls)

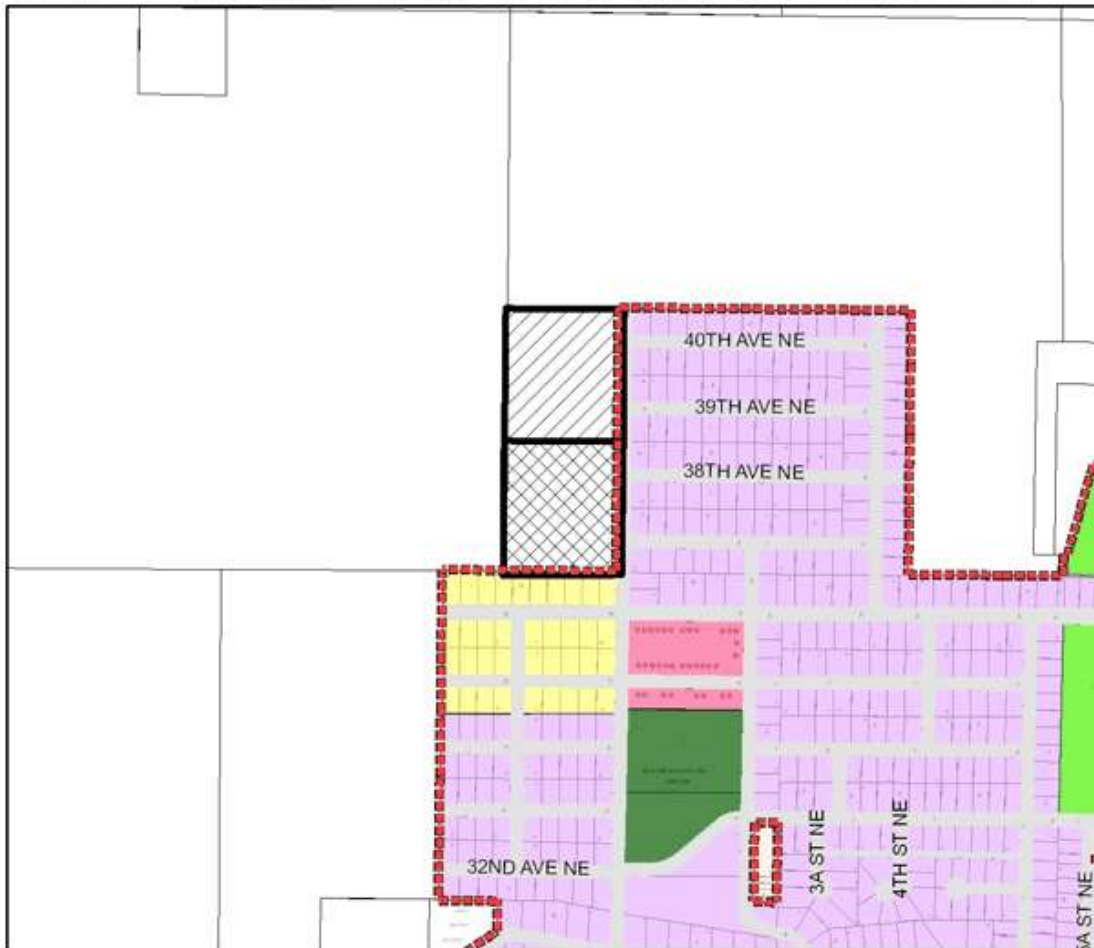
I, Lisa Kunz, being first duly sworn, deposes and says: That on the 17th day of June, 2008 and prior thereto, I was the City Clerk of the City of Great Falls, Montana; that as said City Clerk, I did publish and post as required by law and as prescribed and directed by the Commission, Ordinance 3007 of the City of Great Falls, in three conspicuous places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library

Lisa Kunz, City Clerk

(CITY SEAL)

VICINITY/ZONING MAP



FINAL PLAT OF WEST RIDGE ADDITION PHASE V TO BE ANNEXED TO THE CITY



REMAINING PORTION OF THE AREA CONTAINED WITHIN THE PRELIMINARY PLAT OF WEST RIDGE ADDITION PHASES V AND VI

City Limits

PLI Public Lands and Institutional

U Unincorporated enclave

R-2 Single-family medium density

POS Parks and Open Space

Tracts of land outside City

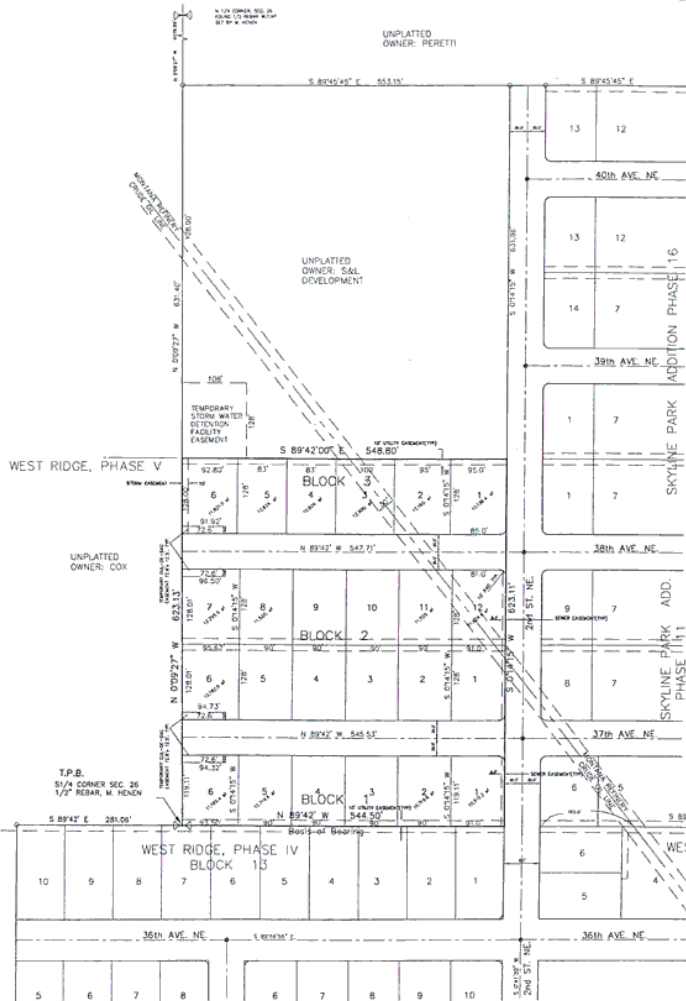
R-3 Single-family high density

PUD Planned unit development

880 440 0 880 Feet



**SUBDIVISION PLAT OF
WEST RIDGE ADDITION, PHASE V
IN THE W1/2 SWSE SEC. 26, T 21 N, R 3 E, P.M.M.
CASCADE COUNTY, MONTANA**



CERTIFICATE DISPENSING WITH PARK OR PLAYGROUND
I, Gregory T. Dayn, City Manager of the City of Great Falls, Cascade County, Montana, do hereby certify that the City Commission of the City of Great Falls, Montana, at a regular meeting held on the ____ day of _____, 2008, found no necessity due to the size and location of the Plat of West Ridge Addition - Phase V to the City of Great Falls, Cascade County, Montana, and instead selected a cash donation in the sum of \$_____ for the park land in lieu of the land that would have been dedicated if a dedication were made, in accordance with Section 76-3-62(1)(X), M.C.A.

City Manager, City of Great Falls, Montana

CERTIFICATE OF PUBLIC SERVICE DIRECTOR
I, Jim Reardon, Public Service Director for the City of Great Falls, Montana, do hereby certify that I have examined the accompanying Plat of West Ridge Addition, Phase V and the survey it represents, and that I find the same conform to regulations governing the platting of lands, and to presently platted adjacent land, as near as circumstances will permit and I do hereby approve the same. Dated this ____ day of _____, 2008.

Jim Reardon,
Public Service Director
City of Great Falls, Montana

CERTIFICATE OF CITY COMMISSION
I, Gregory T. Dayn, City Manager of Great Falls, Montana, do hereby certify that the accompanying plat was duly examined and approved by the City Commission of the City of Great Falls at its regular meeting held on the ____ day of _____, 2008.

City Manager, City of Great Falls, Montana

CERTIFICATE OF AVAILABILITY OF MUNICIPAL SERVICES
I, Gregory T. Dayn, City Manager of the City of Great Falls, Montana, do hereby certify that the City Commission of the City of Great Falls, Montana, at its regular meeting held on the ____ day of _____, 2008, found that adequate municipal facilities for the supply of water and disposal of sewage and solid waste are available to the above described property, namely the said facilities of the City of Great Falls, Montana, and this certificate is made pursuant to section 76-4-124 M.C.A., permitting the Clerk and Recorder of Cascade County, Montana, to record the accompanying plat.

City Manager, City of Great Falls, Montana

CERTIFICATE OF GREAT FALLS PLANNING BOARD
We, the undersigned, John Harding, President of said Great Falls City Planning Board, Great Falls, Cascade County, Montana, and Benjamin M. Rangel, Secretary of said Great Falls City Planning Board, do hereby certify that the accompanying Subdivision Plat of West Ridge Addition, Phase V to Great Falls, Cascade County, Montana has been submitted to the said Great Falls City Planning Board of Great Falls, Cascade County, Montana, for examination by them and was approved at a meeting held on the ____ day of _____, 2008.

President, Great Falls Planning Board

ATTEST:

Secretary, Great Falls Planning Board

CERTIFICATE OF DEDICATION
We, the undersigned property owner(s), do hereby certify that we have caused to be surveyed, for the purpose of dedicating streets and the subdivision of Lots and Blocks the following described land in Great Falls, Cascade County, Montana, to wit:

DESCRIPTION
The land being described lies in the W1/2, SW1/4, SE1/4, Section 26, T 21 N, R 3 E, P.M.M., Cascade County, Montana and is the South portion of former C/S #3381.

PHASE V of West Ridge Addition Beginning at S1/4 corner Section 26, the True Point of Beginning; thence N 02°27' W along the N-S subsection line of Sec. 26, 623.13 ft.; thence S 89°42'00" E, 548.80 ft. to the West boundary Skyline Park Add. Phase II; thence S 07°41'5" W along the West boundary of Skyline Park Add. Phase II, 623.13 ft.; thence N 89°42'00" W along the South boundary of Sec. 26, 544.5 ft. to the True Point of Beginning.

Herein described Phase V contains 7,820 acres

The above described tract of land is to be known and designated as the subdivision plat of WEST RIDGE ADDITION, PHASE V to the City of Great Falls, Cascade County, Montana, and the land included in all streets and owners shown on said plat are hereby granted and donated to the use of the public forever.

S & L Development, LLC this day of _____, 2008.

S & L Development, LLC this day of _____, 2008.

State of Montana
County of Cascade

On this ____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared _____ known to me to be the persons who executed the foregoing Certificate of Dedication, and they acknowledged to me that they executed the same.

Signature of Notary

Printed Name of Notary
Notary Public for the State of Montana
Residing at Great Falls, Montana
My commission expires _____

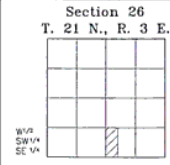
CERTIFICATE OF SURVEYOR
State of Montana
County of Cascade

Dwight L. Axelson, a Registered Land Surveyor, do hereby certify that I have performed the survey on the attached Plat of West Ridge Addition, Phase V, that such survey was made on 27 day of September, 2007, that said survey is true and complete as shown. Dated this ____ day of _____, 2008.

Dwight L. Axelson Registrar No. 28615



BLOCK NO.	LOTS	ZONING	AREA
1	1-6	R 3	64,877.8 sf
2	PHASE V 1-12	R 3	139,883.8 sf
3	1-6	R 3	70,165.7 sf
TOTAL	24		274,927.3 sf
			ROAD AREA 65,712 sf



LEGEND

○ FOUND SECTION CORNER
○ WITH PIN / CAP
● EXISTING CURB MONUMENT

County Treasurer's Certification
I hereby certify that no real property taxes assessed and levied on the land being divided are delinquent.

Cascade County Treasurer

Cascade County Clerk and Recorder

BASIS OF BEARING
Basis of bearing is the South boundary of Section 26, Township 21 North, Range 3 East of the P.M.M.

HMM ENGINEERING
2701 16th Avenue NE
PO Box 49
Great Falls, MT 59403
Phone: (406) 453-4085
Fax: (406) 453-4288

COUNTY OF CASCADE
SUBDIVISION PLAT No. _____
W1/2 SW1/4 SEC. 26, Township 21 North, Range 3 East of the P.M.M.

Prepared for:
S & L Development
221 30th Ave. NE
Great Falls, MT 59405

Page 1 of 1



Item: Resolution 9749, Creating an Animal **Ordinance**/Shelter
Operations/Enforcement Advisory Committee

From: City Manager's Office

Initiated By: City Staff

Presented By: Cheryl Patton, Assistant City Manager

Action Requested: Adopt or Deny Resolution 9749 as amended

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 9749 as amended.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background: On May 20, 2008, staff recommended the adoption of Resolution 9749 creating an Animal Shelter/Enforcement Advisory Committee to assist the Commission in a variety of issues relating to the animal shelter and animal control. The action on the resolution was postponed until June 3, 2008. At the June 3, City Commission meeting the resolution was again postponed to allow Commissioner Bronson an opportunity to draft amendments to the resolution that might be acceptable to the Commission. The resolution, as amended, is included in this agenda for City Commission consideration.

Additional Background: The City of Great Falls did not renew a contract with the Humane Society of Cascade County (HSCC) and resumed operation of the City owned Animal Shelter and all municipal animal code enforcement duties in July of 2007 following several months of attempting to resolve citizen complaints and performance issues with the contractor. The decision by the City has been a contentious and divisive issue in the community.

The City Commission has advised the community that it does not intend for the City to continue to operate the shelter in the future but intends to contract for shelter operation when an acceptable contractor can be found willing to provide the level of service desired by the City. In the meantime, the animal shelter and all animal code enforcement operations are being provided by the police department. Staff is working to assess the accurate level of financial support which

will be necessary for either the City to continue to provide the services or for support of a contractor.

The idea of an Animal Advisory Committee was raised by Elizabeth Baker, the Special Examiner hired by the Commission to review complaints at the shelter since the City had taken over operation. The makeup of the Committee was suggested to facilitate future decisions regarding the animal ordinance and enforcement; as well as the operation of the City's animal shelter. The idea was to include representation from the active community groups with animal interests.

Concurrences: NA

Fiscal Impact: The fiscal impact of creating an Animal Ordinance/Shelter Advisory Committee would be minimal with staff time the most significant City expense.

However, the annual fiscal impact of the City continuing to operate the Animal Shelter and providing animal enforcement is anticipated to be \$500,000 for FY 2009. The City is experiencing related revenue for FY 2008 of \$136,000.

When a new shelter is built, there will be a need for the City to participate in the cost of the construction. The amount requested by the Animal Foundation is \$1.5 million. This will not include annual operating expenses.

Alternatives: The City Commission can choose to adopt, deny or further amend Resolution 9749 as amended.

Attachments/Exhibits: Resolution 9749 Amended
June 6, 2008 Memorandum from Commissioner Bronson

RESOLUTION 9749 AMENDED

**A RESOLUTION CREATING AN ANIMAL
ORDINANCE/SHELTER OPERATIONS
~~ENFORCEMENT~~ ADVISORY COMMITTEE TO
ADVISE ON THE ROLE OF THE CITY OF GREAT
FALLS PERTAINING TO ANIMAL ORDINANCES
~~ENFORCEMENT AND SHELTER OPERATIONS~~**

WHEREAS: The City of Great Falls owns and currently operates the existing animal shelter in Great Falls, and

WHEREAS: Since July of 2007, the City has performed all duties necessary to enforce the animal ordinances in the City which were performed previously by the ~~Cascade County~~ Humane Society of Cascade County [HSCC] on behalf of the City, and

WHEREAS, the City of Great Falls commissioned a report by consultant Kim Staton in the summer of 2007 to advise and guide the City on animal shelter operations [the “Staton Report”], and

WHEREAS, the City Commission presently contemplates retaining control of animal control/enforcement obligations under state law and local ordinance, but also envisions the establishment of a public/private partnership with respect to animal shelter operations, and

WHEREAS: The Animal Foundation of Great Falls [Animal Foundation] is raising funds to build a new Animal Shelter, has indicated it may be ready to proceed with construction of this facility, and has requested City participation, and the City presently contemplates use of and/or cooperation with the developers of that facility once it is completed, and

WHEREAS, the City Commission must address in the near future the terms and conditions of the aforementioned public/private partnership for animal shelter operations, and

WHEREAS, the City Commission also contemplates co-operation with Cascade County officials concerning animal control, adoption and placement issues as they pertain to the area outside the city limits of Great Falls and non-residents of the City of Great Falls, and

WHEREAS: ~~Within~~ within the community there are differing opinions as to the level of involvement the City ~~government~~ should have relating to both animal control and enforcement as well as the future shelter and shelter operations, and

WHEREAS, the City Commission also contemplates continuing review of various animal ordinances adopted in 2007, and

WHEREAS, the Special Examiners appointed by the City Commission to investigate complaints arising from animal shelter operations made recommendations for the development of certain new ordinances, prioritization of tasks identified in the aforementioned "Staton Report", and the creation of a citizen advisory committee to, among other things, serve as a liaison between the animal shelter and the Great Falls community

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA: The Animal **Ordinance**/Shelter Operations /~~Enforcement~~ Committee is hereby established to prepare recommendations to the City Commission pertaining to Animal Ordinances, ~~Animal Control/Enforcement Issues and~~ Animal Shelter Operations, **and such other matters as may be designated by the City Commission, consistent with this Resolution.** ~~including the City's financial responsibility.~~ The Committee would further act as a liaison in regards to the current ~~[animal control,]~~ shelter operations and the community.

1. **MEMBERSHIP.** The Committee shall consist of 7 members that share an interest in animal issues. All members must be residents of the City of Great Falls. The City Commission will endeavor to appoint the following: 2 members recommended by the Animal Foundation who have not been on the foundation's Board of Directors for the past 3 years; 2 members recommended by the **HSCC Board of Directors** who have not been on the society's Board of Directors for the past 3 years; 3 members from the current roster of elected neighborhood council members who have not served on the Board of Directors of either the Animal Foundation or ~~the~~ **CCHS HSCC.** All members should have an interest in resolving all animal issues for the betterment of the community. **In the event a vacancy arises in any position during the term of the**

Committee's existence, the City Commission will endeavor to fill that vacancy in the same manner as appointment of the former committee member, but any replacement must meet the same qualifications as set forth above.

2. **STAFF LIAISONS.** Staff of the City of Great Falls would be assigned to work with the Advisory Committee. Staff members include: Police Chief Corky Grove; Captain Tim Shanks; **and such other staff as directed by the City Manager.** ~~Fiscal Services Director Coleen Balzarini; and Budget Officer Melissa Kinzler.~~ Staff members would attend Committee meetings but would not have a vote on issues before the Committee or on recommendations made to the City Commission.
3. **TERM.** The Advisory Committee would be created for a period of **three (3) years.** The **City Commission may in its discretion renew the existence of this** ~~Committee. could be renewed following the 3 year term if determined necessary by the City.~~

PASSED by the Commission of the City of Great Falls, Montana on this 3rd 17th day of June, 2008.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade :ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the forgoing Resolution No. 9749 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana at a meeting thereof held on the ~~3rd~~ 17th day of June, 2008, and approved by the Mayor of said City, on the ~~3rd~~ 17th day of June, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City, this ~~3rd~~ 17th day of June, 2008.

Lisa Kunz, City Clerk

(SEAL OF THE CITY)

MEMORANDUM

To: Mayor and City Commissioners

From: Bill Bronson

Re: Proposed Amendments to Resolution 9749 (Animal Ordinance)

Date: 6/6/08

CC: Greg Doyon/Cheryl Patton

I've attached some proposed amendments to the Animal Shelter Ordinance Resolution. They are noted in bold and/or with underlining or strikeouts. Other than a few grammatical/style changes, the following summarizes the principal amendments:

1. If I'm right that there is a consensus that the City will maintain control of enforcement for the immediate future, the focus of this Committee's work should be on shelter operations, although I suggest some other tasks for them as well;
2. The resolution should also reflect the work of the Special Investigators and Kim Staton. Their reports offer a good guide to the Commission and the proposed Committee;
3. Since it appears the Animal Foundation is the only entity prepared to go forward with a building, then we should be working with them in terms of this facility being a major part of future animal operations in the city. We maintain flexibility as to how we will work with that group;
4. There is always the prospect that we may do something co-operatively with the County in the future, and the Committee should have the flexibility to work with ideas/proposals involving the County;
5. Another area that will need to be explored over time is a possible update to the animal ordinance itself. The Investigators also made recommendations in that regard, and there may be some need to tweak the ordinance adopted last year.
6. I don't see a need to involve financial staff right now with the proposed Committee; I leave it to the City Manager to decide when that may be appropriate, if at all;
7. The Commission maintains flexibility in directing other assignments to the proposed Committee.

I think it best that we develop some consensus about this Committee going forward. While the financial issues and any possible agreements with the Foundation still need to be worked out, they will likely be worked out in the near future. It will take some time to get this Committee up and running. I anticipate that whatever arrangements we might work out with the Foundation will be worked out or will be close to being worked out by the time the Committee membership is chosen. They can then start on matters pertaining to future operations of the facility. My concern is that if we wait too long to get the

Committee up and running, we may lose some time in getting the entire animal control/enforcement/shelter operations issues resolved.

I also see this Resolution as keeping faith with what the City has been attempting to do up this point regarding implementation of the Staton Report recommendations, and also with the recommendations made by Beth Baker and Amy Christianson, which have merit.

Obviously I would like Dave Gliko's input on the text. I am not permanently wedded to all of these proposed changes, so input is welcome.



Item: Fire Protection and Emergency Services Agreement between Southern Montana Electric G&T and City of Great Falls Fire Rescue, OF 1472.2

From: Coleen Balzarini, Fiscal Services Director; and Randy McCamley, Fire Chief

Initiated By: Southern Montana Electric Generation and Transmission Cooperative, Inc.

Presented By: Fire Department Staff

Action Requested: Approve the Fire Protection and Emergency Services Agreement and Authorize the City Manager to Execute the Agreement

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (approve/deny) the Fire Protection and Emergency Services Agreement for Highwood Generating Station, authorize the City Manager to Execute the Agreement, direct staff to present the referenced list of fees for Commission approval, as well as annual fee reviews thereafter.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission adopt the proposed agreement to provide necessary fire services to Highwood Generating Station at a fee appropriate to cover all costs related to providing the service.

Background: The City of Great Falls and Southern Montana Electric G&T have been engaged in discussions regarding city services which are available and necessary to the operation of the Highwood Generating Station (HGS). Agreements that have already been approved include Raw Water, Potable Water, and Wastewater Return Agreements. A condition of the proposed Fire Protection and Emergency Services Agreement, as well as the existing Potable Water and Wastewater Return Agreements, requires that SME agree not to protest annexation and to comply with additional terms related to future annexation in a separate agreement. The additional terms must meet the requirements of Ordinance 2972, adopted by the City Commission on September 18, 2007.

Former and current discussions include consideration of the impact on City services that will occur during the 4 year construction cycle when up to 550 construction workers will be onsite and during the operations phase which will require approximately 65 full time employees to run

the plant. As an example, a primary need identified has been Fire/Rescue services. Reasons why the City Commission is asked to approve this agreement include, but are not limited to, the following:

1. The plant will be located within Cascade County, approximately 8 miles to the east of the eastern city limits;
2. Approximately 70% of the construction laborers will be residents of the City;
3. The plant requires fire/rescue services that the Great Falls Fire Department can provide;
4. An agreement with the City for fire/rescue services is a condition of the HGS site rezoning.

The Fire Protection and Emergency Services Agreement is an agreement between the City and SME related to City services to be provided to the Highwood Generating Station facility. Staff met with SME's legal counsel and SME General Manager on Thursday, May 29th to discuss and define the intent and contents of this agreement. A preliminary draft of the agreement was distributed to the City Commissioners on June 5, 2008. The draft was presented to the ECP Board for informational purposes on June 9, 2008.

The services described within the agreement are based on the January 2008 letter submitted, by the Fire Department, during the County Zone Change hearing. As noted above, one of the conditions for the approval of the zone change requires SME to enter into an agreement for fire protection and emergency services with the City of Great Falls. Execution of this agreement is required by the County prior to issuance of a County location conformance permit.

Concurrences: The proposed agreement has been reviewed and approved by the City Attorney, the Fire Chief, and Fiscal Services Director. Chief McCamley contacted the Sand Coulee Rural Fire Chief to discuss the provision of fire services to HGS. No issues were raised during that discussion regarding the intent of the agreement. HGS will reside within the Sand Coulee Rural Fire District and will pay all appropriate taxes and fees to that District.

Fiscal Impact: On October 3, 2006, the Commission authorized a contract with Tischler Bise, Inc. to perform a Fiscal Impact Study. The study evaluated the cost of services attributable to the HGS facility. The results of that study are found within the report dated February 21, 2007.

Based on the Tischler Bise report, it is estimated the annual cost to provide basic city services during the construction and operation phases of HGS will be \$100,000. The proposed agreement includes services in addition to these basic services. The intent of all parties is that the fee for the services will cover the costs of providing those services. Direct costs to be considered include such things as materials, equipment, direct staffing, staff overtime, and staff call back expenses. Consideration must also be given to the intrinsic value of indirect and intangible costs such as having the resources available when needed. The agreement references a cost range between \$150,000 and \$300,000 per year. The Fire Department will calculate the fee based upon factors such as anticipated number of responses, type of responses, and anticipated training of HGS staff by GFFR deemed necessary in terms of events such as confined space incidents.

Any budget or operational increases will be offset by the fee for services paid by HGS to the City.

Alternatives:

The City Commission may request changes to the proposed agreement.

The City Commission may deny the approval of the agreement. The outcome of such a decision must take into consideration the safety and welfare of the residents (rural and municipal) of Cascade County in the event of an incident occurring at the HGS facility. The Great Falls Fire/Rescue Department is the best available provider of the intended services. GFFR has the resources, training, and ability to respond to incidents at the facility. Cascade County Commissioners recognized this by making such an agreement a condition of re-zoning the HGS site.

Attachments/Exhibits:

1. Proposed Fire Protection and Emergency Services Agreement.
2. Fire Chief's letter to City Manager, dated January 10, 2008.
3. Tischler Bise, Inc., Fiscal Impact Report, dated February 21, 2007; Authorized by City Commission on October 3, 2006.
4. Ordinance 2972 with accompanying agenda report; Adopted by City Commission on September 18, 2007.
5. Lawton and Rangel memo to City Commission concerning Ordinance 2972, dated September 14, 2007.

**FIRE PROTECTION AND EMERGENCY
SERVICES AGREEMENT**

This Fire Protection and Emergency Services Agreement (hereinafter "Agreement") is made and entered into this ____ day of _____, 2008, by and between Southern Montana Electric Generation and Transmission Cooperative, Inc., a Montana nonprofit electric cooperative membership corporation (hereinafter "SME") and the City of Great Falls, Montana, a municipal corporation and political subdivision of the State of Montana (hereinafter "City").

WHEREAS, SME plans to construct and operate a 250 mW (net) coal-fired electric generation facility (hereinafter "Facility") east of Great Falls, off Salem Road, in Cascade County, in order to provide long-term electric services to its members;

WHEREAS, SME expects to commence commercial operation of the Facility in or around the year 2012;

WHEREAS, SME desires that the City fire department, Great Falls Fire Rescue (hereinafter "GFFR"), provide fire protection and emergency services to the Facility;

WHEREAS, GFFR presently provides fire protection and emergency services to industry, businesses and residences located outside the City limits;

WHEREAS, the City desires, and hereby agrees, to provide fire protection and emergency services to SME, subject to the terms set forth herein;

WHEREAS, SME and the City acknowledge that the Facility will be located in the existing Sand Coulee Rural Fire District and the parties intend and agree that the services provided hereunder by GFFR will be in addition to the fire protection and emergency services to be provided by the Sand Coulee Rural Fire District;

WHEREAS, SME and the City intend and agree that this Fire Protection and Emergency Services Agreement fulfills and fully satisfies the condition to issuance of the County location conformance permit for a mutual aid agreement for fire protection between SME and the City;

WHEREAS, the City requires that SME agree not to protest annexation by the City for the provision of the services to be provided pursuant to this Agreement and SME agrees not to protest such future annexation. As a condition of receiving City fire protection and emergency services, SME agrees to be annexed to the City at a time which the City deems appropriate; additional terms of the annexation will be the subject of a separate agreement to be entered into between the parties.

NOW, THEREFORE, in consideration of the following promises, and the mutual obligations and understandings hereinafter set forth, the parties agree as follows:

1. SME fully intends to develop the Facility and to provide fire protection and emergency services to construction workers and others during construction and to provide fire protection and emergency services to its employees, others on site and to the Facility over the life of the Facility. In order to facilitate development of the Facility, SME must be assured that fire protection and emergency services will commence at the time of commencement of construction.

2. The City agrees to provide fire protection and emergency services during the construction and operation of the Facility, pursuant to and in accordance with the terms of this Agreement.

3. GFFR shall provide the same type and quality of fire protection and emergency services to the Facility as it does to other industrial customers it serves. Such services shall include, but not be limited to the following:

a. Fire suppression: GFFR agrees to combat structural fires, to suppress combustible, flammable, liquid and gas fires, and to address hazardous materials fires and wildland/urban interface fires.

b. Emergency Medical Services: GFFR agrees to provide emergency medical response at the Advance Life Support level and to perform specialized extrication and disentanglement of injured persons.

c. Hazardous Materials: GFFR is home to one of the five regional hazardous materials teams within Montana. GFFR agrees to use its substantial resources and expertise on any hazardous material release or act of terrorism.

d. Special Operations: GFFR agrees to respond to emergencies using, as appropriate, Confined Space and Technical Rescue, Cold Water Rescue and High Angle Rope Rescue.

e. Fire Prevention Activities: GFFR agrees to provide a proactive safety inspection program and to conduct safety inspections on site. GFFR further agrees to provide safety training to SME and its employees.

4. SME agrees to consult with, and obtain the approval of GFFR, on the design and operation of the Facility, for purposes of fire protection and emergency response. The parties agree that this includes compliance with applicable provisions of the International Fire Code, as directed by GFFR.

5. SME agrees to install a state-of-the-art internal emergency fire suppression system at the Facility and to purchase, for the exclusive and sole use of the Facility, a Water/Tender Fire Apparatus, both of which shall be subject to approval by GFFR. SME further agrees to train and staff its own internal fire response and first response fire suppression teams.

6. The parties agree that the fees for services rendered by the City pursuant to this Agreement shall cover the costs incurred by the City for the services provided. The parties also agree that the amounts charged by the City shall be the usual and customary charge and SME agrees to pay the same. The parties further agree that they anticipate that the annual fees will range from \$150,000.00 to \$300,000.00 and that an itemized list or schedule of fees will be agreed to in either an addendum to this Agreement or a separate agreement between the parties. The itemized list or schedule of fees provided for in the addendum or separate agreement shall be reviewed and approved by the City Commission. The fees shall thereafter be reviewed and approved by the City Commission annually.

7. SME shall provide the City with at least thirty (30) days' prior notice of the need for fire protection and emergency services in connection with the Facility.

8. SME is not liable for any expenses, other than those set forth herein, for the services provided under this Agreement.

9. Nothing herein shall be construed so as to create any personal liability on the part of any officer, director, employee or agent, or any public body which may be a party hereto, nor shall the Agreement be construed as giving any rights or benefits hereunder to anyone other than the City and SME.

10. The City shall be solely responsible for the quality of the fire protection and emergency services provided by it pursuant to this Agreement.

11. This Fire Protection and Emergency Services Agreement shall terminate only upon written notice from SME that the Facility will not be built or at such time as annexation occurs.

12. Any notice to the City required in this Agreement shall be accomplished in writing by first class mail and fax to the following individuals:

City Manager
City of Great Falls
P.O. Box 5021
Great Falls, MT 59403
Fax number: 406.727.0005

GFFR Fire Chief
105 9th Street South
Great Falls, MT 59401
Fax number: 406.454.2454

13. The construction, interpretation and performance of this Fire Protection and Emergency Services Agreement shall be governed by and construed in accordance with applicable federal law, the laws of the State of Montana and the Great Falls City

Code. Any action in law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted or maintained in any court of competent jurisdiction only in the State of Montana.

14. If any section, clause or provision of this contract shall be held invalid, such holding of invalidity shall not affect the validity of the remaining section, clause, paragraph, portion or provision of this contract.

15. This Fire Protection and Emergency Services Agreement supersedes all previous agreements specific to fire protection and emergency services, and represents the whole and entire agreement between the parties.

16. This Agreement may not be altered, modified or amended except in writing, properly executed by an authorized representative of the City and SME.

IN TESTIMONY WHEREOF, Witness the signatures of SME and the City, each by its proper officers thereunto duly authorized and ratified by their respective governing bodies.

City of Great Falls

Southern Montana Electric Generation
and Transmission Cooperative, Inc.

By:

By:

Date

Date

Reviewed as to form:

David Gliko, City Attorney

Date



GREAT FALLS FIRE RESCUE

105 9th Street South
Great Falls, MT 59401

Phone: 406-727-8070
Fax: 406-454-2454

January 10, 2008

To: City Manager John Lawton

From: Fire Chief McCamley

Re: Highwood Generating Station Fire Protection and Emergency Services

In September of 2006, I was invited to Billings to speak to the SME Board of Director regarding the fire protection services available through the Great Falls Fire Department. During my presentation I spoke of our qualifications as a professional fire department and our capability to provide fire protection services during the construction and operation of their power plant if it was built.

I am writing this letter to you to reiterate my position and to ensure you that we are still capable of meeting SME needs.

Great Falls Fire Rescue (GFFR) is willing and able to provide Fire Protection and Emergency Medical response services to the SME Industrial Complex located east of Great Falls. We are uniquely qualified to provide the full range of emergency response services, site safety inspection and employee training programs requested by SME for the Highwood Generating Station.

Great Falls Fire Rescue is a professional full time fire department with over one hundred and fifteen years of continuous service. Great Falls Fire Rescue is a 24/7 full service public safety organization with considerable experience in emergency management and hazard mitigation in a multitude of disciplines.

Our main areas of expertise include:

- **Fire Suppression:** GFFR staff is trained to combat structural fire both in commercial and residential occupancies; also the department is equipped and trained to suppress combustible, flammable and liquid and gas fires. Additionally they are qualified to address hazardous materials fires, and wild-land/urban interface fires.
- **Emergency Medical Services:** We provide emergency medical response at the Advance Life Support level and perform specialized extrication and disentanglement of injured persons.

- **Hazardous Materials:** GFFR is home for one of the five regional hazardous materials teams within Montana. Along with our partners at Montana Air National Guard and Malmstrom Air Force Fire Departments, we bring substantial resources and expertise to bear on any hazardous material release or act of terrorism.
- **Special Operations:** GFFR maintains the ability to respond to emergencies involving Confined Space and Technical Rescue, Cold Water Rescue, and High Angle Rope Rescue.
- **Fire Prevention Activities:** GFFR has a very proactive safety inspection program and conducts well over 3000 commercial site safety inspections each year. In addition to these inspections, our members provide safety training for businesses and their employees.

GFFR has considerable experience with providing fire protection services to specialized industrial facilities within our community. Currently we serve Montana Refining Company, International Malting Company, Meadow Gold Dairy, and several large agricultural handling and storage elevators, just to name a few. It has been our experience that these larger industrial businesses have good safety records and encounter few emergencies. Industries with large investments generally instill a culture of safe practice with their employees and demonstrate a willingness to train with GFFR for incidents that may occur. These industrial facilities work very hard to operate and maintain safe facilities and I have been assured by SME officials that they are committed to installing state of the art fire protection systems throughout their facility and will promote safety as a first priority.

Although the HGS complex is located a little further outside the existing city limits than any of our current contracted county fire districts, I am confident that we can service SME needs without adversely impacting fire service responsibilities within the city. GFFR currently provides fire protection and emergency medical response to 16 separate county fire districts outside the formal city limits, with some of these districts being nearly five miles outside the city limits. Fire department records indicate that we respond outside the city between 130-150 times per year and still maintain our ability to respond to incidents within the city on an average of just over four minutes. We are able to maintain these quick responses by utilizing good resource management modeling as well as our ability to recall off-duty firefighters to ensure minimum staffing levels throughout our primary service areas. Additionally, we routinely supplement our resource levels by utilizing our formal mutual aid agreements with the fire departments at Malmstrom Air Force Base and Montana Air National Guard during periods of simultaneous emergencies.

Recently, I was asked if providing fire protection to SME would require additional equipment and staff for the city. The short answer to this is “No”. At this time I don’t anticipate the immediate need to add any specialized equipment to the city’s fleet. However, I have expressed the need for SME to purchase a Water/Tender Fire Apparatus that would be dedicated to their facility. This apparatus would be stationed at HGS and utilized by HGS Fire Brigade members for first response fire suppression efforts. The full cost of this apparatus will be born by SME and not the City of Great Falls.

The issue of additional staffing is a separate issue and is typically viewed on more of system wide basis, rather than on any one new subdivision or individual occupancy. As the City of Great Falls grows, we continually monitor service delivery expectations to ensure the city is meeting the public safety needs of the community. The addition of HGS into the service area in and of itself would not necessitate additional staffing. However, if it is added, it is one of many factors the city will consider along with the other growth issues to determine if additional staffing is warranted.

In closing, Great Falls Fire Rescue has the capacity to service Highwood Generating Station fire protection needs. We welcome the opportunity to provide them with the highest possible fire protection service with a highly motivated and professionally trained workforce. I am comfortable we can provide them service without jeopardizing public safety within the city. Any additional cost for providing fire protection to HGS will be paid by HGS and will be identified in the service agreement.

Sincerely,

A handwritten signature in cursive script that reads "Randy McCamley". The signature is written in dark ink and is positioned above the typed name and title.

Randy McCamley
Fire Chief City of Great Falls

City of Great Falls, Montana



Fiscal Impact Analysis of the Proposed Highwood Generating Facility

February 21, 2007

Prepared by

TischlerBise
Fiscal, Economic & Planning Consultants

THE PROPOSED HIGHWOOD GENERATING FACILITY FISCAL IMPACT ANALYSIS
Great Falls, Montana

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I. EXECUTIVE SUMMARY

A. Background

TischlerBise is under contract with the City of Great Falls to evaluate the fiscal impact of the proposed Highwood Generating Facility on the provision of services and facilities, with and without annexation. A fiscal impact analysis determines whether revenues generated by new growth are sufficient to cover the resulting costs to the City.

As a first step in this analysis, TischlerBise conducted interviews with City staff and reviewed the Environmental Impact Statement prepared on the behalf of the City of Great Falls. TischlerBise then prepared demographic projections for two potential scenarios (discussed below). The methodologies and projections are contained within the appendices of this report.

As part of this fiscal analysis, TischlerBise evaluated levels of service as well as prepared the appropriate cost and revenue assumptions. These assumptions are based on interviews and subsequent discussions with department heads, their representatives, and other related personnel in addition to a detailed analysis of the City of Great Falls's adopted 2007 Fiscal Year Budget. A number of these assumptions are included and discussed in this document. Please see the appendices of this report for more detailed information regarding the assumptions used in this analysis.

The revenue and cost projections contained within this fiscal impact analysis are based on the assumption that the current level of spending, as provided in the FY07 budget, will continue through the 14-year analysis period. The current level of spending is referred to as the current level-of-service in this type of analysis. The General and Street District Funds (revenues and expenditures) are included within this analysis.

The fiscal impact analysis is based on projections for the construction (Years 1-3) and operating phase (Year 4-14) according to the assumptions described in this report. However, it should be noted that projections become more speculative into the future.

B. Scenarios

Two scenarios have been developed in order to analyze the fiscal impact of the proposed Highwood Generating Facility on the City of Great Falls. In both scenarios, two phases are evaluated: 1) the construction impacts, and 2) the operational impacts. Under the *Servicing Scenario*, it is assumed that the City of Great Falls would have to provide certain services (fire and police) to the proposed Highwood Generating Facility although the Facility would be outside of the City's corporate boundary. Under the *Annexation Scenario*, it is assumed the City of Great Falls annexes the proposed Highwood Generating Facility and will provide the full complement of City services to the site.

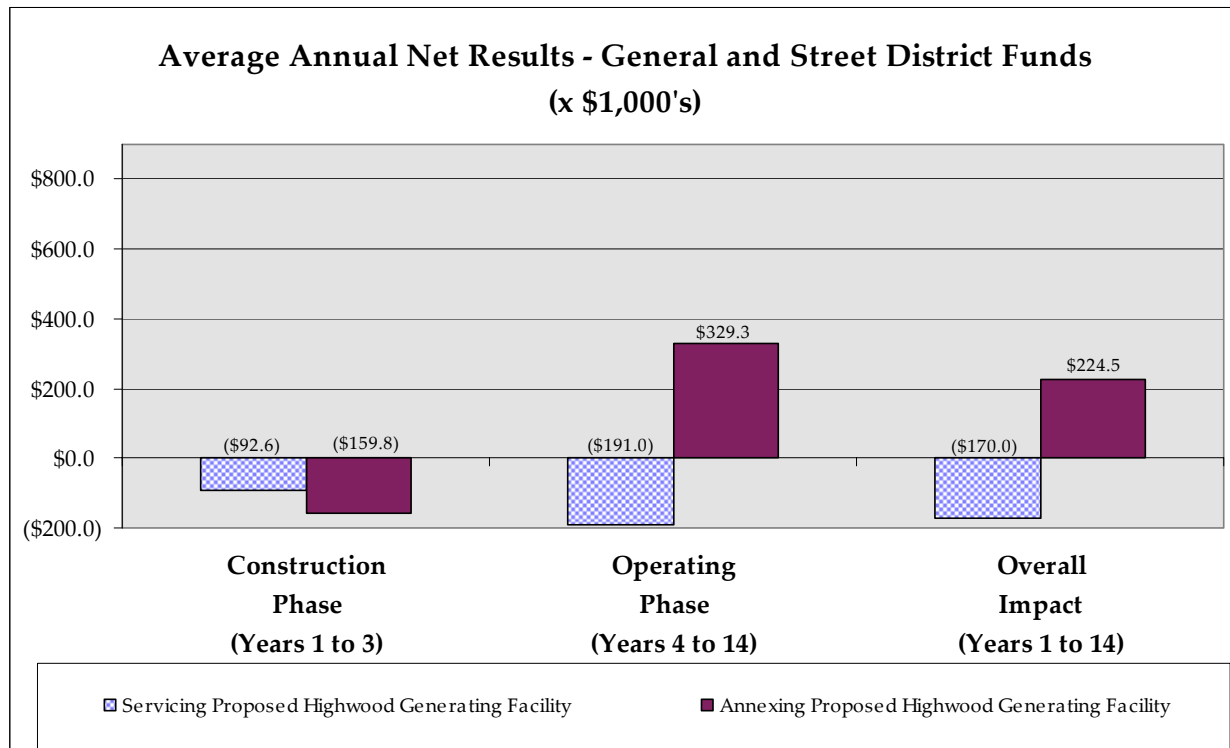
Under both scenarios, the temporary construction jobs generated during the three-year construction phase are 420 in 2008, 650 in 2009, and 215 in 2010. In 2011, the facility will be fully operational, with 65 full time positions. According to the 2000 Census, 83 percent of the workers in the City of Great Falls live in the City. TischlerBise and City staff agreed this percentage will be applied for those permanent employees associated with the proposed Highwood Generating Facility under both scenarios. Accordingly, 54 of the 65 full time employees will live in the City Great Falls. Further, TischlerBise assumes that the current housing unit distribution will also be maintained. Currently, single family housing units represent 63 percent of the housing stock and multifamily units represent 37 percent to the housing stock. Therefore, out of the 54 permanent employees assumed to be City residents, it is assumed that 33 workers will be part of single family households and 21 workers will be part of multifamily households in the City of Great Falls.

C. Fiscal Impact Results

1. Average Annual Net Results

Figure 1 shows the average annual net results to the General and Street District Funds under both scenarios throughout the 14-year analysis period.

Figure 1: Average Annual Net Results – General and Street District Funds

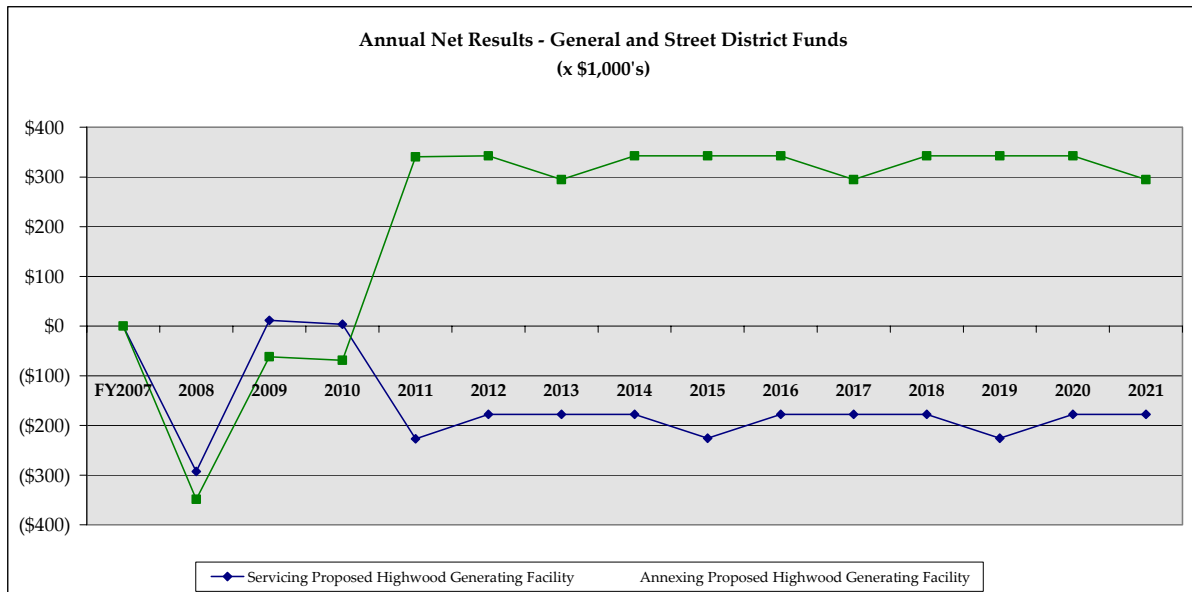


2. Annual Net Results

Figure 2 shows the annual net results of the General and Street District Funds under both scenarios for the 14-year analysis period. By showing the results annually, the magnitude, rate of change, and timeline of deficits and revenues can be observed over time. The “bumpy” nature of the annual results during particular years represents the “purchase” of capital equipment and/or major operating costs being incurred. The points above the \$0 line represent annual surpluses; points below the \$0 line represent annual deficits.

Figure 2: Annual Net Results – General and Street District Funds

Scenario	FY2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative Net Impact
Servicing Proposed Highwood Generating Facility	\$0	(\$293)	\$11	\$4	(\$227)	(\$178)	(\$178)	(\$178)	(\$226)	(\$178)	(\$178)	(\$178)	(\$226)	(\$178)	(\$178)	(\$2,379)
Annexing Proposed Highwood Generating Facility	\$0	(\$349)	(\$62)	(\$69)	\$341	\$343	\$295	\$343	\$343	\$343	\$295	\$343	\$343	\$343	\$295	\$3,143



D. Discussion of the Results

The cumulative net surplus generated under the *Annexation Scenario* indicate the revenue generated by the proposed Highwood Generating Facility can fully support the extension of City services, at the current levels, to the proposed Highwood Generating Facility if the property is annexed into the City of Great Falls. The cumulative net deficits generated under the *Servicing Scenario* indicate that the revenue generated through the proposed Highwood Generating Facility cannot support the extension of City services, at the current levels, to the proposed Highwood Generating Facility.

- Since the total number of housing units assumed to be located in the City of Great Falls associated with employment (54 units) at the proposed Highwood Generating Facility once the Facility is operational is the same, regardless of scenario, the costs the City incurs as a result of residential development is the same in each scenario.
- Related to the above point, the best results to the City of Great Falls were produced under the *Annexation Scenario*, where a long-term average annual net surplus of \$224,500 is generated. Since the total number of housing units assumed to be located in the City of Great Falls is the same in each scenario, this positive fiscal result can be directly attributed to the increased property tax revenue the City receives once the proposed Generating Facility is operational. The cumulative revenues generated under the *Annexation Scenario* reach \$6.2 million, as opposed to \$365,000 generated by the *Servicing Scenario*.
- Under the *Annexation Scenario* a cumulative net surplus of over \$3.1 million dollars is produced over the 14-year analysis period. While, the *Servicing Scenario*, produces a cumulative net deficit of over \$2.3 million dollars. As discussed above, only the *Annexation Scenario* benefits from the property tax generated by the proposed Highwood Generating Facility once it is operational.
- Both scenarios generate average annual net deficits during the construction phase (years 1-3). This is due in large part to the “purchase” in year 1 of the 3,000 gallon water tender that is required to service the proposed Highwood Generating Facility. In addition, no property tax accrues to the City until the proposed facility is operational in year 4.
- The revenues generated by the residential development located in the City as a result of the proposed Highwood Generating Facility is insufficient to cover the costs brought about by the increased demand for services under the *Servicing Scenario*. The deficits that occur in 2011 and throughout the remainder to the analysis period are a result of the proposed Highwood Generating Facility becoming fully operational, without a corresponding increase in revenues generated by the facility. Therefore, there is a higher demand for services beginning in 2011 and continuing throughout the 14-year analysis period.

E. Conclusions

The following major conclusions from this analysis are noted below.

- It is clear from conversations with City staff that regardless of annexation, the City will be providing services to the proposed Highwood Generating Facility, the level at which these services will be provided is the unknown.
- In the first three years of this fiscal impact analysis, temporary construction jobs will be created; 420 in 2008, 650 in 2009, and 215 in 2010. Regardless of the scenario, there will be an increased demand for certain services while the proposed Highwood Generating Facility is under construction (fire and support services).
- Due to the geographic location of the proposed Highwood Generating Facility, the costs to provide police and fire services to the facility are greater than providing services within the current City boundary. The response time for a call within the current service area is 4 minutes as compared to an estimated 17 minutes to respond to a call from the proposed Highwood Generating Facility site; an increase of 425 percent, which results in a commensurate increase in the cost per call. Under the *Annexation Scenario*, this geographic cost differential to provide the police and fire services is fully offset by the revenues generated by the facility.
- In 2011 when the proposed Highwood Generating Facility is fully operational, the demand for services is increased based on the additional 54 housing units, 65 full time jobs and 198,000 nonresidential square feet. The largest cost differential between the two scenarios occurs within the Police Department. Under the *Annexation Scenario*, the Police Department will respond to all of the additional calls originating from the facility. Under the *Servicing Scenario*, it is assumed the Police Department will respond to only 15 percent of the additional calls originating from the facility.
- Regardless of the scenario, the City will be required to provide housing for much of the proposed Highwood Generating Facility workforce. The results from the *Servicing Scenario* indicate a larger picture fiscal problem; the City is losing money on residential development. This is not surprising given the State's property tax limitations. However, unless the City pursues alternative funding strategies such as impact fees, it will not be in a position to provide *current* levels of service to future development.
- If the proposed Highwood Generating Facility is not annexed into the City, alternative revenue sources must be discussed to offset the cost to the city to provide those valuable services.
 - **"Fee for Services"** – The City of Great Falls could establish specific fees to service the proposed Highwood Generating Facility based on the cost and revenue projections contained within this impact fee analysis.

- **Service Agreement** - The City of Great Falls could negotiate a service agreement with the proposed Highwood Generating Facility. The agreement would provide the terms under which services would be provided to the facility.
- **Payment in Lieu of Taxes** - The City of Great Falls could negotiate an annual payment in lieu of taxes with the proposed Highwood Generating Facility. The payment in lieu of taxes could partially or fully offset the loss in property taxes to the City's General Fund.
- It is important to acknowledge that fiscal issues are only one way to evaluate a future growth. Environmental, land use, and social issues should also be taken into consideration when determining what is in the best interest of the City of Great Falls.

II. SCENARIOS

TischlerBise met with City staff to prepare two scenarios for the proposed Highwood Generating Facility. Based on the assumptions within these scenarios, TischlerBise has prepared a fiscal model to evaluate the impact of the development on the General and Street District Funds (revenues and expenditures). Figure 3, provides a summary of the growth projections.

Figure 3: Proposed Highwood Generating Facility Growth Projections

Growth Periods	Development	Growth Projections
2008	Single Family Units	0
	Multifamily Units	0
	Total Housing Units	0
	Industrial (SF)	0
	Full-Time Employees	0
	Temporary Employees	420
2009	Single Family Units	0
	Multifamily Units	0
	Total Housing Units	0
	Industrial (SF)	0
	Full-Time Employees	0
	Temporary Employees	650
2010	Single Family Units	0
	Multifamily Units	0
	Total Housing Units	0
	Industrial (SF)	0
	Full-Time Employees	0
	Temporary Employees	215
2011	Single Family Units	33
	Multifamily Units	21
	Total Housing Units	54
	Highwood Generating Facility	198,000
	Full-Time Employees	65
	Temporary Employees	0

Within this analysis, TischlerBise provides an illustration and evaluation of two separate scenarios which could occur from the proposed Highwood Generating Facility over the next 14 years. A short description of both scenarios is on the next page.

Scenario 1- Servicing the Proposed Highwood Generating Facility Development (“Servicing Scenario”)

Under the *Servicing Scenario*, it is assumed that the City of Great Falls would have to provide certain services (fire and police) to the proposed Highwood Generating Facility although the Facility would be outside of the City’s corporate boundary. Discussions with City staff indicate that it is likely that the City fire department will be the primary responder to the proposed Highwood Generating Facility, given the proposed facility’s location relative to other fire stations located in the unincorporated County. Discussions also indicate that although the County Sheriff’s Department will be the primary law enforcement provider, it is highly likely that the City Police Department will also be asked to respond to a certain percentage of calls, which is assumed to be 15 percent of the calls originating from the proposed Highwood Generating Facility. For the first three years of this fiscal impact analysis, temporary construction jobs will be created; 420 in 2008, 650 in 2009, and 215 in 2010. In 2011, the facility will be fully operational, with 65 full time positions.

Each scenario assumes that the current percentage of workers that live and work in Great Falls will also apply to the Proposed Highwood Generating Facility once it is operational. According to the 2000 Census, 83 percent of the workers in the City of Great Falls live in the City. Therefore, TischlerBise assumes that 54 of the 65 full time employees will live in the City Great Falls. Further, TischlerBise assumes that the housing unit distribution will also apply to the proposed Highwood Generating Facility. Currently, single family housing units represent 63 percent of the housing stock and multifamily units represent 37 percent to the housing stock. Therefore, out of the 54 permanent employees assumed to be City residents, it is assumed that 33 workers will be part of single family households and 21 workers will be part of multifamily households in the City of Great Falls.

Scenario 2- Annexing the Proposed Highwood Generating Facility Development (“Annexing Scenario”)

Under the *Annexation Scenario*, it is assumed the City of Great Falls annexes the proposed Highwood Generating Facility and will provide the full complement of City services to the site. As with the *Servicing Scenario*, within the first three years of this fiscal impact analysis, temporary construction jobs will be created; 420 in 2008, 650 in 2009, and 215 in 2010. In 2011, the facility will be fully operational, with 65 full time positions.

The methodologies utilized to determine the residential development associated with the proposed Highwood Generating Facility development under this scenario remain the same as with the *Servicing Scenario*. Therefore, the *Annexation Scenario* assumes residential development of 33 single family and 21 multifamily housing units will be located in the City.

III. MAJOR ASSUMPTIONS

- Specific assumptions pertaining to revenue and cost factors are discussed wherever relevant throughout this report and appendices.
- The revenue and cost projections are based on the assumption that the current level of spending, as provided in the FY07 Budget, will continue through the 14-year analysis period. The current level of spending is referred to as the current level-of-service in this type of analysis.
- Population estimates in addition to the current number of dwelling units and employment levels were used to calculate unit costs and service level thresholds. For further details, refer to the appendices of this report.
- TischlerBise assumes that the current percentage of workers that live and work in Great Falls will also apply to employment generated by the proposed Highwood Generating Facility. According to the 2000 Census, 83 percent of the workers in the City of Great Falls live in the City. Therefore, TischlerBise assumes that 54 of the 65 full time employees will live in the City Great Falls. Further, TischlerBise assumes that the housing unit distribution will be maintained throughout the 14-year analysis period. Currently, single family housing units represent 63 percent of the housing stock and multifamily units represent 37 percent to the housing stock. Therefore, TischlerBise is assuming that proposed Highwood Generating Facility will generate 33 single family and 21 multifamily housing units.
- For the purposes of this analysis, revenues and expenditures that are directly attributable to new growth are included. Both *operating and limited capital* costs are taken into consideration. Wherever possible, a marginal cost approach was used. Some costs are not expected to be impacted by demographic changes, and are fixed in this analysis.
- It should be noted that while a fiscal impact analysis is an important consideration in planning decisions, it is only one of several issues that should be considered. Environmental and social issues, for example, should also be considered when making planning and policy decisions. The above notwithstanding, this analysis will enable interested parties to understand the fiscal implications of future development.

IV. FISCAL IMPACT RESULTS

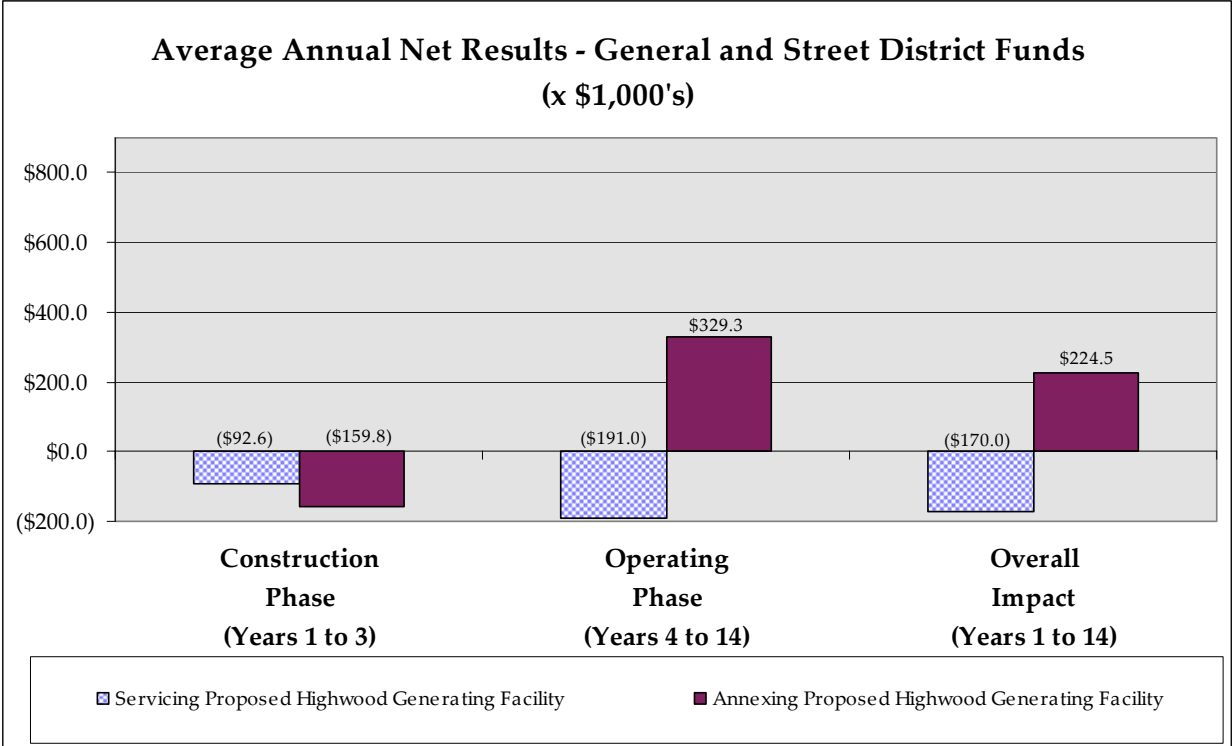
Average annual results are discussed first and provide an easy way to summarize the general impacts over time. Annual results are discussed next and show the impacts from one year to the next. The results in this section summarize total net results from the General Fund and Street District Fund under both scenarios.

A. Average Annual Results – General and Street District Funds

Figure 4 shows the average annual net results for the General and Street District Funds under both scenarios. The average annual net fiscal results (operating fund revenues minus operating and capital expenditures) are included within this analysis. The results shown are for three time periods—(1) construction phase (Years 1-3); (2) operating phase (Years 4-14); and (3) overall impact (Years 1-14). The revenues and expenditures included are those that are defined and discussed throughout this report and appendices. All operating and new capital costs are included in the net fiscal results and represent those accruing from the proposed Highwood Generating Facility.

Capital facilities are projected based on the methodology discussed within Section V, C and the appendices of this report. TischlerBise assumes that police and fire capital equipment will be directly funded, rather than debt financed. The bars above the \$0 line represent annual surpluses; bars below the \$0 line represent annual deficits.

Figure 4: Average Annual Net Results - General and Street District Funds



Regardless of annexation, the total number of housing units that are assumed to be located in the City of Great Falls associated with employment at the proposed Highwood Generating Facility remains the same in both scenarios. Further, the taxable value associated with the proposed Highwood Generating Facility is only added to the City’s tax base under the *Annexation Scenario*. Therefore, the long-term fiscal results are drastically different.

As shown in the chart above, average annual net deficits are generated under the *Servicing Scenario*. This is because the revenue generated by the housing unit growth it is assumed the City captures as a result of the proposed Highwood Generating Facility is insufficient to cover the shortfalls brought about by the demand for services. This demand for services includes the residential population assumed to locate in the City as well as the police and fire calls the City will have to respond too, due to the location of the proposed Facility. Smaller average annual net deficits (\$92,600) occur during the construction phase (Years 1-3) than during the operating phase (years 4-14), because it is assumed that the households locating in the City as a result of the proposed Facility does not occur until the Facility is fully operational in 2011. Therefore, there is a higher demand for services beginning in 2011 and continuing throughout the remainder of the 14-year analysis period.

Under the *Annexation Scenario*, the average annual net surplus produced is \$224,500 over the 14-year analysis period. As previously stated, this is a direct result of the property tax the City would receive as a result of annexing the proposed Highwood Generating Facility. The annual property tax increase generated as a result of the Facility amounts to \$528,000. Average annual

net *deficits* (\$159,800) do occur in during the construction phase (years 1-3) as a result of the increased demand on city services without the corresponding property tax revenue generation the City receives once the Facility is operational. Additionally, the “purchase” of the 3,000 gallon water tender required by the Fire Department to service the proposed Highwood Generating Facility increases the deficit.

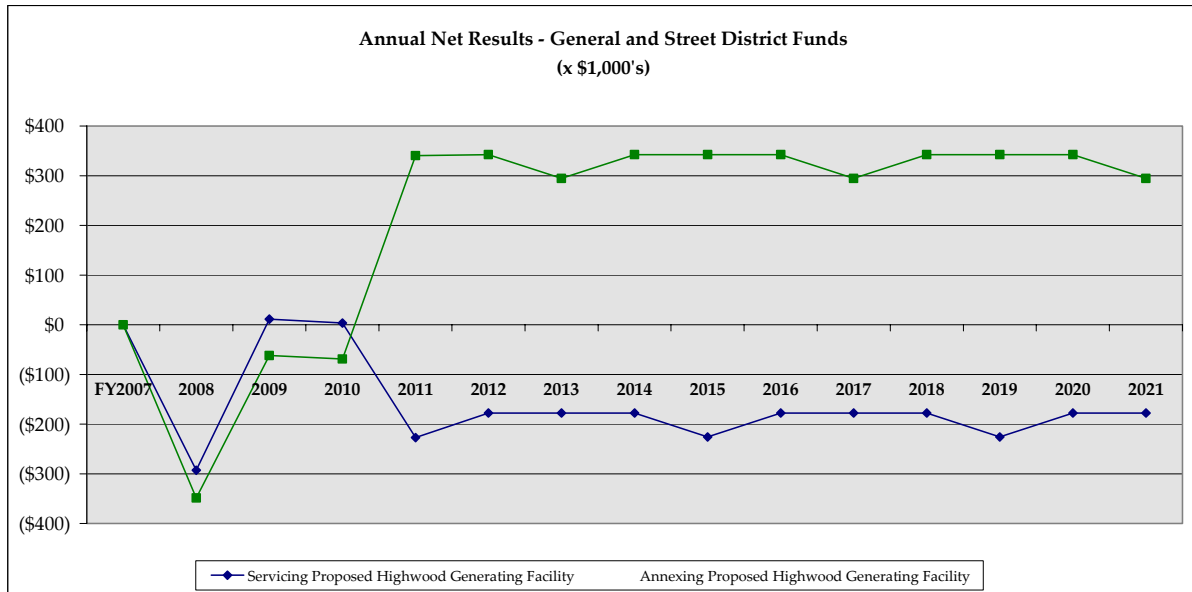
B. Annual Results – General and Street District Funds

Figure 5 shows the annual net results under both scenarios. Both capital and operating costs are included in these calculations. By showing the results annually, the magnitude, rate of change, and timeline of deficits and revenues can be observed over time. The “bumpy” nature of the annual results during particular years represents “purchasing” of capital equipment and/or major operating costs being incurred.

Capital costs are projected based on the methodology discussed within each departmental section of this report and appendices. TischlerBise assumed that capital equipment “purchased” through this analysis to be directly funded. The points above the \$0 line represent annual surpluses; points below the \$0 line represent annual deficits.

Figure 5: Annual Net Results - General and Street District Funds

Scenario	FY2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative Net Impact
Servicing Proposed Highwood Generating Facility	\$0	(\$293)	\$11	\$4	(\$227)	(\$178)	(\$178)	(\$178)	(\$226)	(\$178)	(\$178)	(\$178)	(\$226)	(\$178)	(\$178)	(\$2,379)
Annexing Proposed Highwood Generating Facility	\$0	(\$349)	(\$62)	(\$69)	\$341	\$343	\$295	\$343	\$343	\$343	\$295	\$343	\$343	\$343	\$295	\$3,143



As illustrated above, deficits occur in 2008 under both scenarios. In 2008, deficits are brought about by the cost associated with the water tender required by the Fire Department to serve the proposed Highwood Generating Facility (\$300,000). Under the *Servicing Scenario*, surpluses are produced in 2009 (\$11,000) and 2010 (\$4,000); while, the *Annexation Scenario* produces deficits (\$62,000 and \$69,000) during the same time period. The deficits brought about during the construction phase, under the *Annexation Scenario*, are due to the increased demand for City services without the corresponding property tax revenue generation the City receives once the Facility is operational. However, the scenarios begin to produce different results in once the proposed Generating Facility becomes operational in 2011. The *Servicing Scenario* produces deficits beginning in 2011 and the deficits continue throughout the remainder of the 14-year analysis period. Under the *Servicing Scenario*, the only tax base expansion comes from the residential growth (54 housing units) the City captures from employment associated with the operating phase of the proposed Highwood Generating Facility. However, the *Annexation Scenario* begins to generate surpluses in 2011 and the surpluses continue throughout the remainder of the 14-year analysis period due to the property taxes generated once the proposed Highwood Generating Facility is operational.

V. REVENUE AND COST DETAIL

A. Operating Revenues

Within this section, the operating revenues for the General and Street District Funds are discussed. The City’s fund balance is not utilized in this analysis.

Figures 6 through 8 show the General and Street District Funds operating revenues for those revenues that will increase due to the proposed Highwood Generating Facility. As shown, the largest sources of revenue are property taxes from residential development within the City resulting from employees who live in the City, intergovernmental and fines and forfeitures.

Figure 6: Annual Operating Revenue: General and Street District Funds – Servicing Scenario (x \$1,000’s)

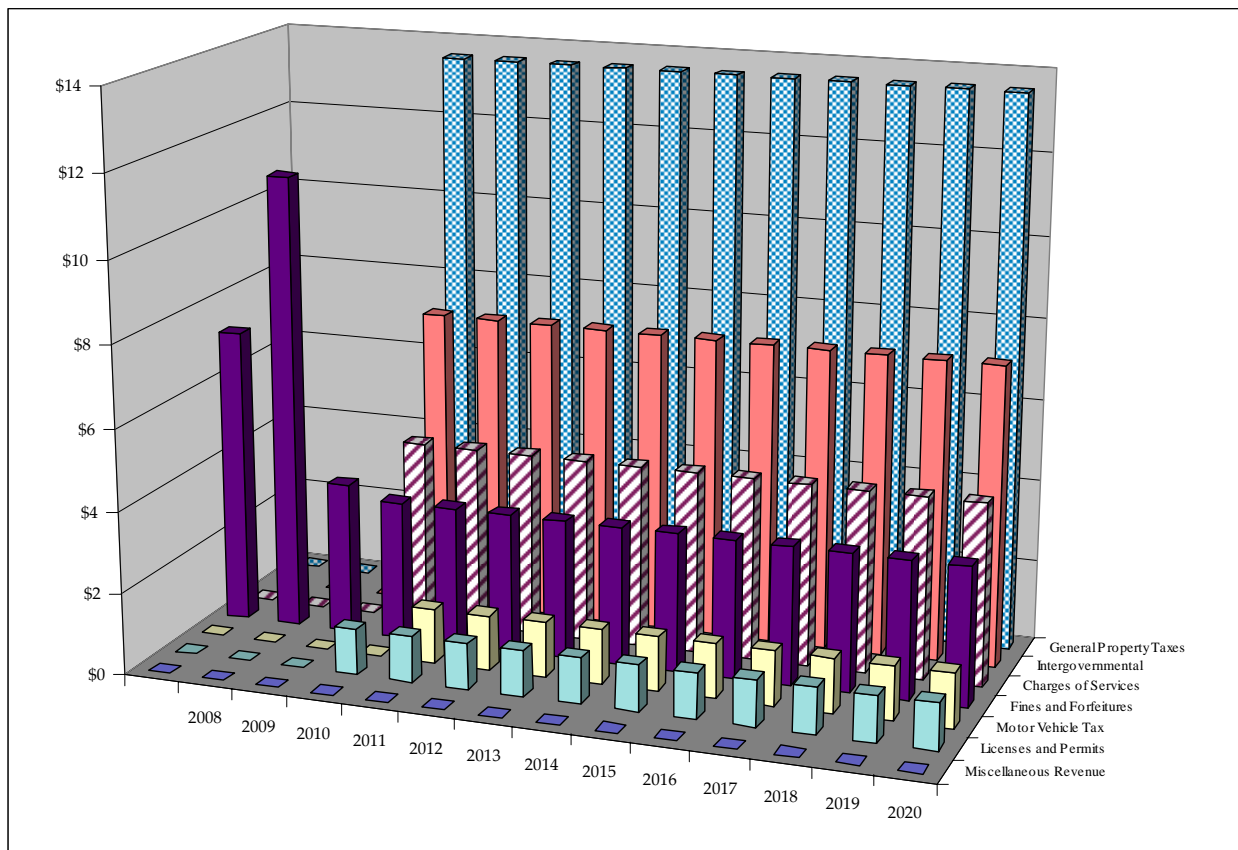
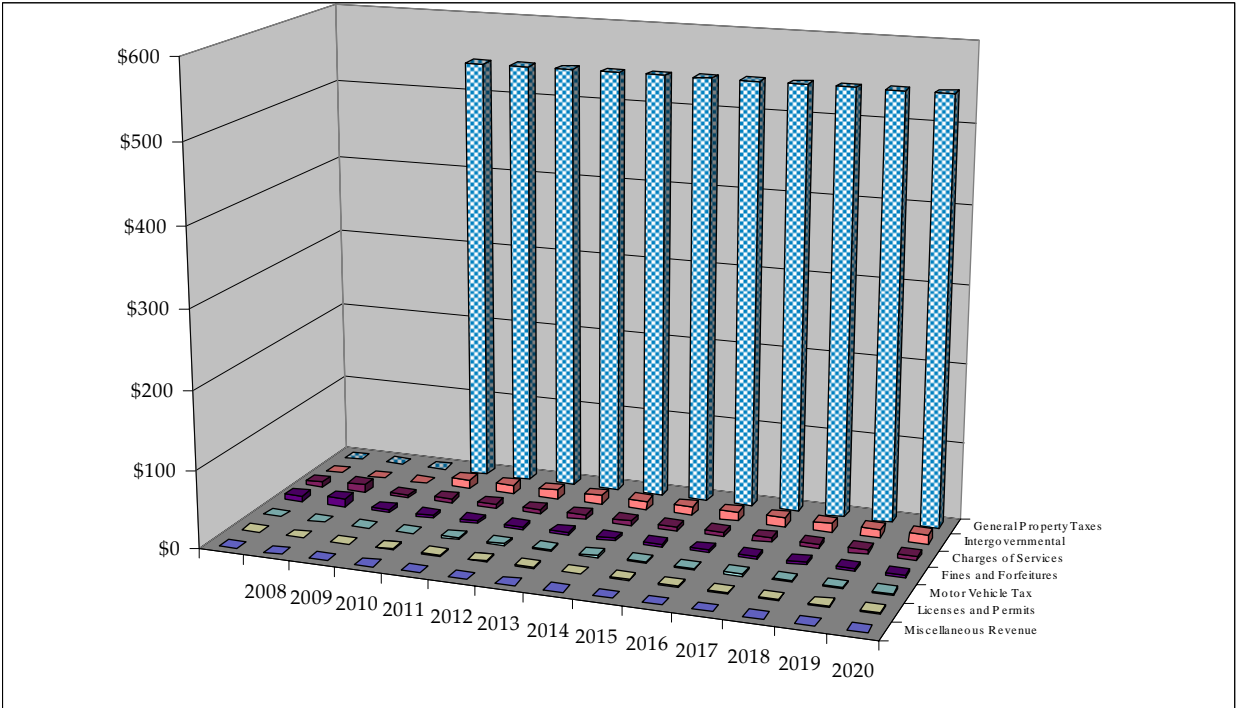


Figure 7: Annual Operating Revenue: General and Street District Funds – Annexing Scenario (x \$1,000's)



To provide further detail, Figure 8 shows the General and Street District Funds cumulative operating revenues for both scenarios.

Figure 8: Cumulative General Fund Operating Revenue (x \$1,000's)

Category	SCENARIO			
	Servicing Proposed Highwood Generating Facility	%	Annexing Proposed Highwood Generating Facility	%
General Property Taxes	\$149	41%	\$5,968	95%
Motor Vehicle Tax	\$13	4%	\$21	0%
Intergovernmental	\$81	22%	\$126	2%
Licenses and Permits	\$12	3%	\$13	0%
Charges of Services	\$49	14%	\$83	1%
Fines and Forfeitures	\$60	16%	\$60	1%
Miscellaneous Revenue	\$0	0%	\$0	0%
TOTAL	\$365	100%	\$6,270	100%

Regardless of annexation, the total number of housing units that are assumed to be located in the City of Great Falls associated with employment at the proposed Highwood Generating Facility remains the same in both scenarios (33 single family units and 21 multifamily units).

However, since the *Annexation Scenario* benefits from the additional property tax generated by the proposed Highwood Generating Facility once it is operational 2011 this scenario generates the highest cumulative revenues, approximately \$6.2 million over the 14-year analysis period. During the same time frame, the *Servicing Scenario* generates \$365,000 in cumulative revenues, all of which is generated by the residential development it is assumed the City captures from employment at the proposed Highwood Generating Facility once it is operational.

Figure 8 illustrates the City's reliance on property tax revenues. The property tax is projected based on residential (54 housing units) and nonresidential (198,000 square feet associated with the proposed Highwood Generating Facility) growth in the City of Great Falls. To project the property tax revenue, the number of housing units, by type, was multiplied by the taxable values as provided by City staff. The nonresidential property taxes were projected based on the square footage and market values for the proposed Highwood Generating Facility that were provided by City staff. The market and taxable values are shown within Figure 9, below.

Figure 9: Average Taxable and Assessed Values

Land Use	Average Market Value	Taxable Value
Residential		
Single Family	\$67,387	\$2,083
Multifamily	\$36,294	\$1,127
Nonresidential		
Highwood Generating Facility	\$648	\$19

The intergovernmental revenue category is the second largest revenue source generated by the proposed Highwood Generating Facility. This revenue source represents 2% to 22% of total revenues, depending on scenario. As is the case with property tax, the intergovernmental revenue generated through the *Annexation Scenario* is the higher than the *Servicing Scenario*. The revenues included within this category include the property tax relief reimbursements to the City. Therefore, these revenues were projected based on population and permanent jobs. Under the *Annexation Scenario*, the permanent jobs created do generate revenue. Under the *Servicing Scenario*, they do not.

Charges for Services represent the third largest revenue source generated by the proposed Highwood Generating Facility. This revenue category is projected based on population and calls for service. This revenue source represents 1% to 14% of total revenues, depending on scenario. The charges for services revenue generated through the *Annexation Scenario* is higher due to the increased police calls for service. Under the *Annexation Scenario*, TischlerBise assumes that the Police Department will respond to all of the police calls generated by the proposed Highwood Generating Facility. While under the *Servicing Scenario*, it is assumed that the Police Department will only respond to 15 percent of the calls generated by the proposed Highwood Generating Facility.

B. Operating Expenditures

Figures 10 through 12 show the General and Street District Funds operating expenditures from 2008 to 2021 for both scenarios. In general terms, the greatest expenditures are for police operations followed by fire and street maintenance and traffic operations.

Figure 10: Annual Operating Expenditures: General and Street District Funds – Servicing Scenario (x \$1,000's)

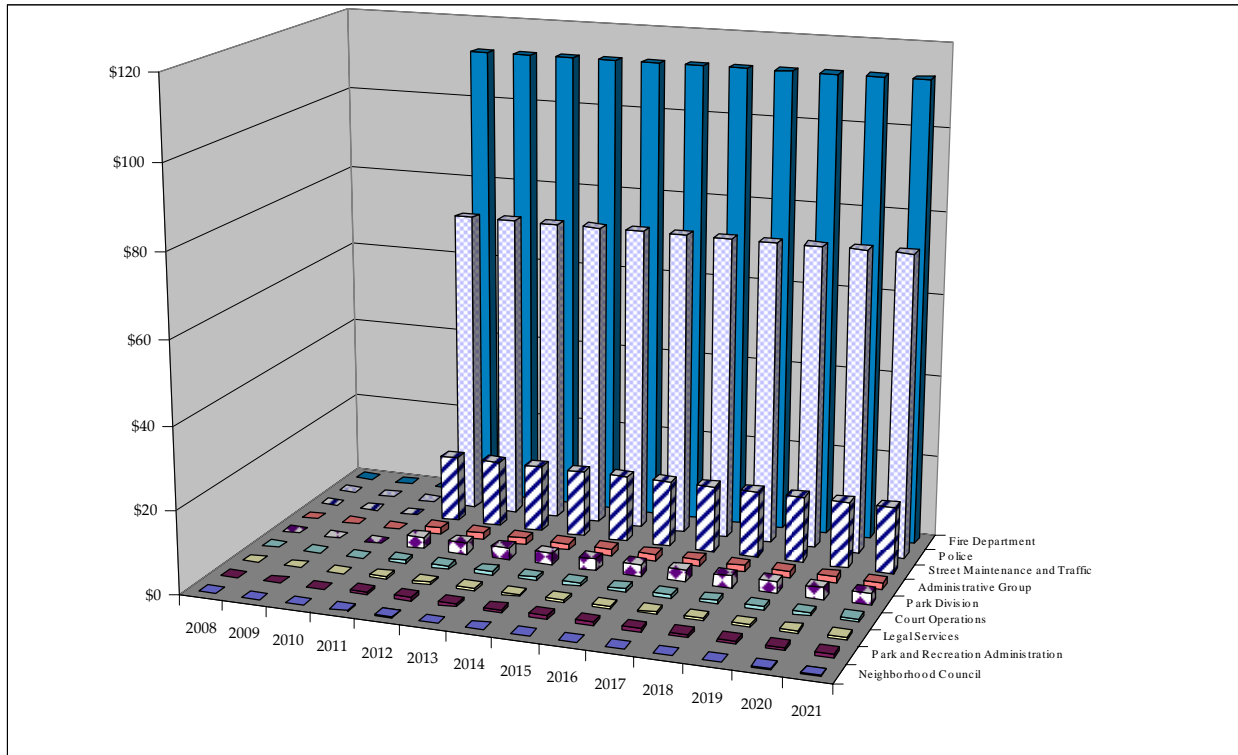
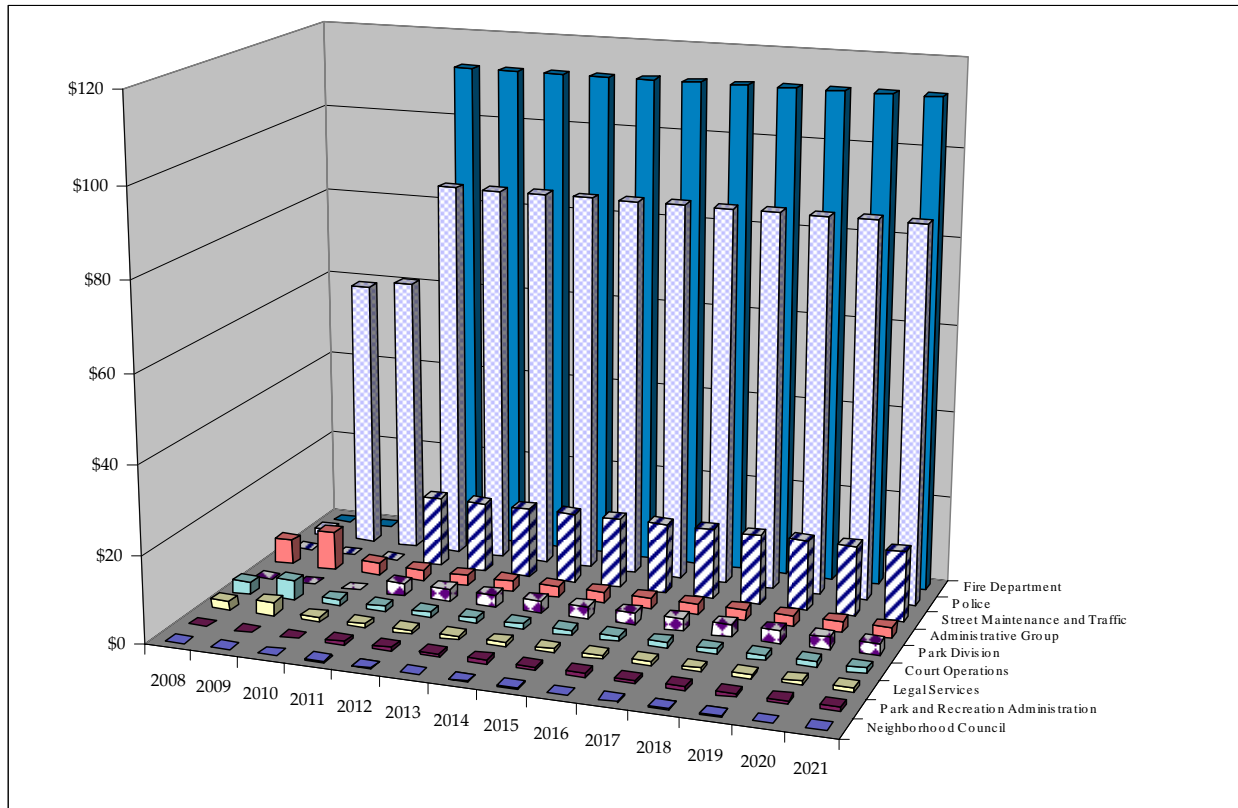


Figure 11: Annual Operating Expenditures: General and Street District Fund – Annexation Scenario (x \$1,000's)



To provide further detail, Figure 12 shows the General and Street District Funds cumulative operating expenditures for both scenarios.

Figure 12: Cumulative Operating Expenditures: General and Street District Funds (x \$1,000's)

Category	SCENARIO			
	Servicing Proposed Highwood Generating Facility	%	Annexing Proposed Highwood Generating Facility	%
Administrative Group	\$18	1%	\$45	2%
Court Operations	\$9	0%	\$23	1%
Fire Department	\$1,236	54%	\$1,236	47%
Legal Services	\$6	0%	\$16	1%
Neighborhood Council	\$2	0%	\$2	0%
Park and Recreation Administration	\$9	0%	\$9	0%
Park Division	\$32	1%	\$32	1%
Police	\$812	35%	\$1,081	41%
Street Maintenance and Traffic	\$177	8%	\$192	7%
TOTAL	\$2,301	100%	\$2,635	100%

The greatest cumulative operating expenditures are generated by the *Annexation Scenario*, approximately \$2.6 million over the 14-year analysis period. The *Servicing Scenario* generates \$2.3 million. Of the individual expenditure categories, Fire Department expenditures represent the greatest percentage of operating expenditures, comprising approximately 47%-54% of cumulative expenditures, followed by the Police Department (35%-41%) and the Street Maintenance and Traffic (7%-8%).

The Fire Department has the highest cumulative operating expenditures under both scenarios (\$1.2 million). The operating costs for the Fire Department are projected based on the call volume. It is assumed that the Fire Department will be servicing the proposed Highwood Generating Facility, with or without annexation. Therefore, the demand for services is the same under both scenarios and the results are the same. In addition to the call volume, the response time differential for responding to a call outside the current service area also impacts the results. The time needed to respond to a call within the service area is currently 4 minutes, while the response time for a call to the proposed Highwood Generating Facility is 17 minutes; representing a 425 percent increase. Therefore, TischlerBise projected the operating costs for those nonresidential calls 425 percent higher than the current cost per call.

The largest expenditure differential between the two scenarios surrounds the additional costs of fully serving the proposed Generating Facility through annexation. As with the Fire Department, TischlerBise projected the operating costs for the nonresidential calls 425 percent higher than the current cost per call due to the geographic location of the proposed Highwood Generating Facility. Under the *Annexation Scenario*, it is assumed that the City Police Department will respond to all additional calls for service resulting from the proposed

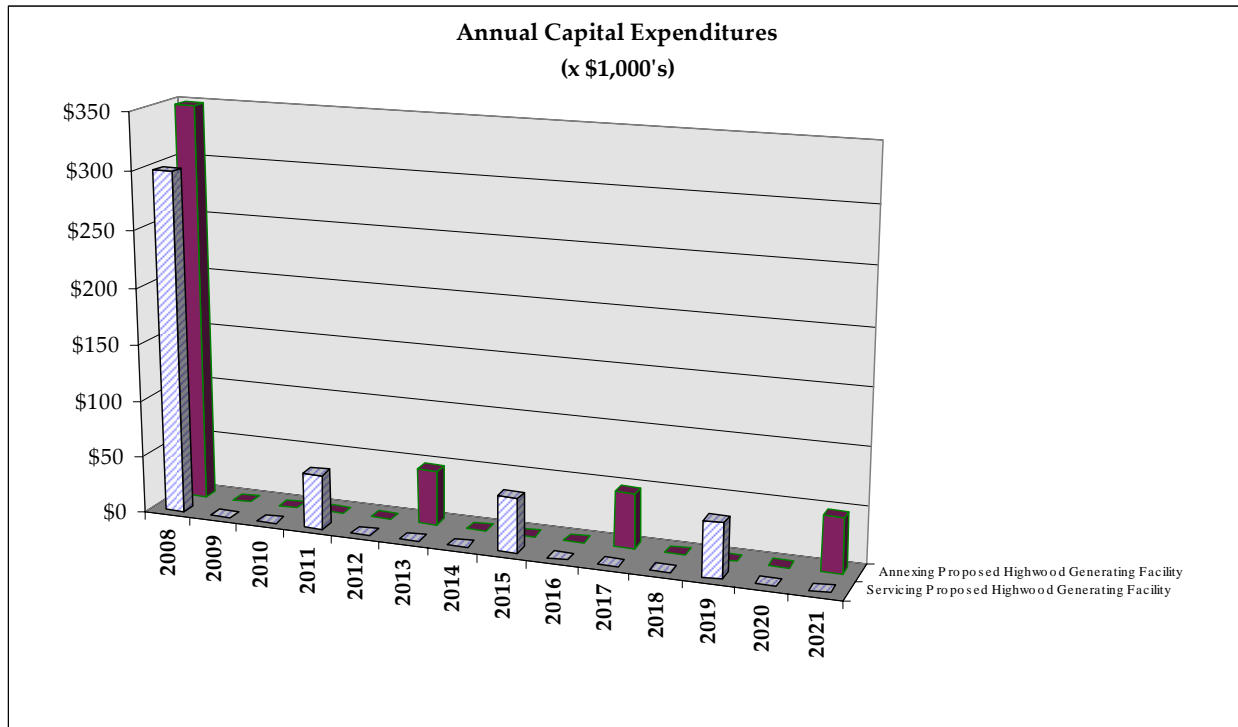
Highwood Generating Facility. Under the *Servicing Scenario*, it is assumed that the City Police Department will respond to 15 percent of the calls for service generated by the proposed Highwood Generating Facility, although it is located in the unincorporated County, and 100 percent of the residential calls generating within the City resulting from the housing units associated with employment from the proposed Highwood Generating Facility once it is operational. Therefore, under the *Annexation Scenario*, the police call for service thresholds are met sooner and the costs accrue over a longer period of time. Under the *Annexation Scenario*, an additional officer is “hired” in 2009 representing a cumulative cost of \$767,000 over the 14-year analysis period. While, the call volume thresholds are not met until 2011 under the *Servicing Scenario*; resulting in an additional officer being “hired” in 2011 representing a cumulative cost of \$649,000 over the 14-year analysis period.

The cumulative operating expenditures for the Street Maintenance and Traffic Fund reach \$192,000 under the *Annexation Scenario* over the 14-year analysis period. Under the *Servicing Scenario*, the cumulative operating expenditures are \$177,000 over the 14-year analysis period. The operating costs for the Street District Fund are projected based on the number of residential and nonresidential pm peak vehicle trips. The trip rate is a function of the housing type and nonresidential square feet. During the construction phase of the *Annexation Scenario*, the square footage of the proposed Highwood Generating Facility is phased in over the three year construction phase, creating an increased demand for services and a corresponding increase in expenditures to meet the demand. Therefore, the cumulative operating expenditures for the Street Maintenance and Traffic Fund are higher under the *Annexation Scenario*.

C. Capital Expenditures

Figures 13 and 14 show the capital costs under both scenarios for the 14-year analysis period. The fiscal impact analysis assumes capital improvements for the Police and Fire Departments only. The costs to cover the needed capital improvements are *directly funded*.

Figure 13: Annual Capital Expenditures



To provide further detail, Figure 14 shows the cumulative capital expenditures for the City throughout the 14-year analysis period, under both scenarios.

Figure 14: Cumulative Capital Expenditures (x \$1,000's)

Category	SCENARIO			
	Servicing Proposed Highwood Generating Facility	%	Annexing Proposed Highwood Generating Facility	%
Police Capital	\$144	32%	\$192	39%
Fire Capital	\$300	68%	\$300	61%
TOTAL	\$444	100%	\$492	100%

Capital facilities are projected based on the methodology discussed within the appendices of this report. TischlerBise assumes that fire apparatus and police vehicle to be directly funded.

The cumulative capital expenditures that are generated by the *Annexation Scenario* amount to \$492,000 over the 14-year analysis period. While the *Servicing Scenario*, generates capital expenditures in the amount to \$444,000 over the 14-year analysis period. The only capital costs assumed within this fiscal analysis are fire apparatus and police vehicles.

Fire Department capital costs reach \$300,000 over the 14-year analysis period, under the both scenarios. Based on conversations with the Fire Department, Station #3 would be the primary responder to the proposed Highwood Generating Facility. Under both scenarios, the only additional apparatus needed is a fully equipped 3,000 gallon water tender with an estimated cost of \$300,000.

The Police Department capital costs reach \$192,000 over the 14-year analysis period, under the *Annexation Scenario*. Within the fiscal analysis, a car with an estimated 3-year useful life is purchased for every additional officer hired. The personnel costs are project based on the increased police call volume estimated within each scenario. Under the *Annexation Scenario*, the call volume threshold is met in 2009; resulting in four vehicles being “purchased” at a cost of \$48,000 each over the 14-year analysis period. The Police Department capital costs reach \$144,000 over the 14-year analysis period, under the *Servicing Scenario*. Under the *Servicing Scenario*, the call volume threshold is not met until 2011; resulting in three vehicles being “purchased” at a cost of \$48,000 each over the 14-year analysis period.

APPENDIX A. SUPPORTING DATA

A. Current Demographic and Economic Estimates

Figure A1 summarizes estimates of current demographic and other factors in the City of Great Falls. These estimated values serve as the basis for defining LOS standards used in the fiscal impact analysis and are used to determine the revenue and expenditure factors discussed in this report.

Figure A1. Demographic Data: City of Great Falls

	Year->	Base
Population¹		
POPULATION		2007
		57,470
Housing Units²		
SFDU		16,693
MF		9,710
TOTAL UNITS		26,403
Jobs by Type³		
RETAIL JOBS		8,397
INDUSTRIAL JOBS		5,033
OFFICE JOBS & INSTITUTIONAL		15,205
TOTAL JOBS		28,635
Non-Residential Floor Area⁴		
RETAIL KSF		2,890
INDUSTRIAL KSF		3,947
OFFICE JOBS & INSTITUTIONAL KSF		3,617
TOTAL NR KSF		10,454
POP AND JOBS		86,105
Vehicle Trips⁵		
RESIDENTIAL TRIPS		11,766
NONRESIDENTIAL TRIPS		16,022
VEHICLE TRIPS		27,788
Other Demand Factors⁶		
FIRE CALLS		5,026
NR FIRE CALLS		1,656
POLICE CALLS		33,295
NR POLICE CALLS		6,587

¹ 2005 estimate from City of Great Falls; TischlerBise estimated 2007 population based on the persons per housing ratios and the building permit data obtained from the U.S. Census Bureau.

² 2007 estimate from TischlerBise based on building permits obtained from U.S. Census Bureau.

³ 2005 jobs obtained from ESRI; TischlerBise estimated 2007 employment based on the population to jobs ratio of .498.

⁴ KSF = 1,000 s.f.; TischlerBise estimated based on average employee density factors (See Appendix C).

⁵ Average Weekday Trips calculated by TischlerBise from ITE trip rates (See Appendix C).

⁶ 2005 calls for service provided by City staff; TischlerBise estimated 2007 based on the population & jobs call ratios.

To estimate the 2007 population, TischlerBise applied the persons per housing unit ratio to the number of building permits issued in 2005 and 2006, by housing type, as shown in Figure A2, below. The population increase was added to the 2005 population estimate of 56,503, as supplied by City staff. Therefore, the January 1, 2007 population for Great Falls is estimated to be 57,470 ($56,503 + 967 = 57,470$).

Figure A2. Population Calculations

<u>Year and Housing Unit Type</u>	<u>Building Permits</u>	<u>PPH</u>	<u>Population Increase</u>
2005 Single Family Housing Units	185	2.50	463
2005 Multifamily Housing Units	44	1.65	73
2006 Single Family Housing Units	168	2.50	420
2006 Multifamily Housing Units	7	1.65	<u>12</u>
Total Population Increase			967

TischlerBise uses the term “jobs” to refer to employment by place of work (i.e., located within the City of Great Falls). According to ESRI Business Information Solutions, a private firm specializing in demographic and market data there were 28,153 jobs located in the City of Great Falls in 2005. TischlerBise then calculated the population to jobs ratio for 2005 ($28,153/56,503 = .498$). TischlerBise assumes that the population to jobs ratio of .498 would remain constant from 2005 to 2007. Therefore, the estimated number of jobs located within the City in 2007 is 28,635 ($57,470 \times .498 = 28,635$).

The nonresidential floor area is calculated based on employee density factors, and vehicle trips from residential and nonresidential development are calculated based on vehicle trip rates from the Institute of Transportation Engineers (See Appendix C).

B. Demand Factors

1. Residential

The first step in estimating the population growth brought about by the proposed Highwood Generating Facility is to determine the percentage of the workers that live in the jurisdiction in which they work. According to the 2000 Census, 83 percent of the workers within the City of Great Falls lived in the City. For the purposes of this analysis, TischlerBise assumes that this percentage will remain constant. Therefore, it is estimated that 54 employees of the proposed Highwood Generating Facility will become residents of the City of Great Falls ($65 \times .83 = 54$).

TischlerBise then determined the housing unit distribution, by housing unit type. Based on the building permit information obtained from the U.S. Census Bureau, single family housing units represent 63 percent of the housing stock, while the multifamily units represent 37 percent of the housing stock, as shown in Figure A3, below.

Figure A3. Housing Unit Type and Distribution

	<i>Single Family</i>	<i>Multifamily</i>	<i>Total</i>
Total Housing Units in 2000	15,744	9,509	25,253
Units Added in 2000	81	18	99
Units Added in 2001	113	48	161
Units Added in 2002	112	8	120
Units Added in 2003	142	32	174
Units Added in 2004	148	44	192
Units Added in 2005	185	44	229
Estimate 2006	168	7	175
Estimated Housing Units 2007	16,693	9,710	26,403
Distribution	63%	37%	

Source: U.S. Census Bureau.

Based on the housing unit distribution, TischlerBise assumes that of the 54 new housing units, 33 will be single family housing units and 21 will be multifamily units.

The housing unit size estimates by type of unit are generated using data from the 2000 Census. As shown in Figure A4, the persons per housing unit for a single family and multifamily housing unit are 2.50 and 1.65, respectively.

Figure A4. Persons per Housing Unit

<i>Units in Structure</i>	<i>Renter & Owner Population</i>	<i>Housing Units</i>	<i>Persons Per Housing Unit</i>	<i>Vacancy Rate</i>
Single Family	39,387	15,744	2.50	3.7%
Multifamily	15,712	9,509	1.65	9.3%
Total SF3 Sample Data	55,099	25,253		

Source: 2000 Census

Based on the housing unit distribution and persons per housing unit ratios, the increased population from the proposed Highwood Generating Facility is estimated to be 117 ($33 \times 2.50 + 21 \times 1.65 = 117$).

Average market values by type of unit are shown in Figure A5. Values were provided by City staff. Property is assessed at 3.22 percent of market value.

Vehicle trip rates are from the Institute of Transportation Engineers, *Trip Generation*, 2003, and are pm peak rates. A “trip end” represents a vehicle either entering or exiting a development (as if a traffic counter was placed across a driveway). The trip rates shown will be adjusted to avoid overestimating the number of actual trips because one vehicle trip is counted in the trip rates of both the origination and destination points. For residential development, the basic trip adjustment factor of 50 percent will be applied. (For example, trips attributed to a single family unit will be $1.02 \times 50\%$, or .51.)

Figure A5 summarizes the residential demand factors utilized within this fiscal analysis.

Figure A5. Residential Demand Factors

	<i>Household Size (Persons per Housing Unit)¹</i>	<i>Average Market Value per Unit²</i>	<i>PM Peak Vehicle Trip Rate per Unit³</i>
Single Family	2.50	\$67,387	1.02
Multifamily	1.65	\$36,294	0.67

¹ 2000 Census for Great Falls, Montana

² City of Great Falls, Montana

³ Trip rates are from the Institute of Transportation Engineers(ITE) Trip Generation Manual (1997)

2. Nonresidential

The estimated number of jobs created by the proposed Highwood Generating Facility is 65, as provided by City staff. Figure A6 shows those assumptions for floor area per employee utilized in this analysis. The market value per square foot was obtained from the City staff and is used to calculate property tax revenues in the fiscal analysis.

Also shown in Figure A6 is the trip generation rate for the proposed nonresidential land use from *Trip Generation* (ITE). As noted above, a “trip end” represents a vehicle either entering or exiting a development. Trip rates will be adjusted to avoid overestimating the number of actual trips because one vehicle trip is counted in the trip rates of both the origination and destination points. The basic adjustment factor of 50 percent has been applied to Industrial category.

Figure A6. Nonresidential Demand Factors

	<i>Floor Area per Employee (s.f.)¹</i>	<i>Market Value per s.f.¹</i>	<i>PM Peak Vehicle Trip Rate per 1,000 s.f.²</i>
Industrial	3,052	\$648	0.80

¹ City of Great Falls, Montana

² Trip rates are from the Institute of Transportation Engineers(ITE) Trip Generation Manual (1997)

APPENDIX B. PROJECTION METHODOLOGIES

Revenues and expenditures of the City of Great Falls affected by the development of the proposed Highwood Generating Facility will be projected by applying applicable revenue and expenditure factors, as outlined below. In general, the following methodologies will be used in this analysis and are reflected in Figures A9 and A10.

1. Per Capita

If a revenue or expenditure is assumed to be allocated on a per capita basis, the budget item is divided by the current population estimate (57,470) to arrive at the current level-of-service factor.

2. Per Vehicle Trip

A per trip approach is used to allocate certain factors such as Street expenditures. Trip generation rates by type of development are from the reference book, *Trip Generation*, published by the Institute of Transportation Engineers (7th Edition, 2003). To translate the trip generation rate into associated operating costs, the trip generation factors are used to estimate total number of current trips, which in turn are used to estimate costs per trip.

3. Marginal Calculations

A marginal cost approach identifies factors that will be impacted by demographic or land use changes and allocates the changes on a marginal basis. An example of this approach is property tax revenue, which is based on estimated property values. Other examples of marginal calculations are police and fire calls as outlined below.

Fire Calls for Service:

For fire expenditures allocated to calls for service, the current budget item is divided by the current number of Great Falls fire calls for service (5,026).

Police Calls for Service:

For variable police expenditures (i.e., operations), costs are allocated based on volume of police calls. To arrive at the current level of service factor, the current budget item is divided by the current number of Great Falls police calls (33,295).

4. Fixed Factors

Only revenues and expenditures that are directly attributable to new development are included in the fiscal impact analysis. Some factors are not expected to be impacted by demographic changes and are fixed in the analysis. As with the variable factors, fixed factors are determined through a detailed examination of budgets and conversations with staff.

General Fund Operating Revenues and Expenditures

The projection methodologies utilized for the General Fund revenues and expenditures are shown in Figure A9. In addition to the general factors listed above, there are a few factors that are utilized for specific revenue and expenditure categories. There are some revenue streams that will not generate additional revenue through the temporary construction jobs. For example, revenues for motor vehicle taxes, state reimbursement for property tax relief and personal property taxes are only anticipated to increase based on the number of permanent jobs created through the proposed Highwood Generating Facility. Therefore, these revenue categories are projected based on population and permanent jobs. All other revenue categories for the General Fund are based on the general factors listed above.

The expenditures within the General Fund are projected based on the general factors listed above with two notable exceptions, police and fire operations. The Police Department represents 42.85% of the total General Fund expenditures. The Police Department expenditures will be projected on a marginal basis that will include the estimated 2007 calls for service. If the City of Great Falls does not annex the facility, TischlerBise is assuming that the Police Department will only respond to 15 percent of the increased calls generated by the facility. If the City does annex the property, TischlerBise is assuming that the Police Department will respond to all calls generated by the facility.

The residential calls for service represent 80 percent of the total and nonresidential calls represent 20 percent of the total. Non-personnel operating costs will be projected using a cost per call. To project the future police calls for service, TischlerBise will use the 2005 ratio between calls per population and calls per nonresidential vehicle trip. As illustrated in Figure A7, there are .46 calls per capita and .41 calls per nonresidential trip. For example, the police calls for service in 2007 are estimated to be 33,295. This estimate is calculated by multiplying the 2007 population by .46 calls per capita and the 2007 nonresidential trips are multiplied by .41 calls ($57,470 \times .46 + 16,022 \times .41 = 33,295$).

Figure A7. 2005 and Estimated 2007 Police Calls for Service

Police Calls	2005	Percent
Residential Land Uses	26,258	80.0%
Nonresidential Land Uses	6,565	20.0%
TOTAL RES AND NONRES¹	32,823	100.0%
Demand Factors		
2005 Population		56,503
2005 Nonresidential Vehicle Trips		15,968
Calls per Capita		0.46
Calls per Nonres. Trip		0.41
Demand Factors		
2007 Population	57,470	
2007 Nonresidential Vehicle Trips	16,022	
Estimated Fire Calls - 2007		
Residential Land Uses	26,708	
Nonresidential Land Uses	6,587	
TOTAL RES AND NONRES	33,295	

According to Police Department, the need for sworn personnel will increase as new calls for service are generated by new growth. For example, there are currently 36 Police Officers in the Operations Division. When this is compared to the 33,295 calls for service in 2007, there are 925 calls per position. Therefore, for purposes of the fiscal impact analysis, a new Police Officer with an associated salary of \$59,000 will be incurred when the threshold is met.

When we discussed the development projections with City staff, it became apparent that there will be a cost differential on a per call basis between responding to a call within the current service area as opposed to servicing proposed Highwood Generating Facility. The current response time within the City is 4 minutes. The estimated time to respond to a call to the proposed Highwood Generating Facility is 17 minutes, representing a 425 percent increase over the current response time. TischlerBise will apply the current operating expenditures to the current call volume to arrive at a cost per call. The cost per call for operating expenditures will be adjusted by 425 percent for the additional time required to respond to the call outside the current service area.

The Fire Department represents 29.4% of the total General Fund expenditures. Within Figure A8, you will see the projection methodology utilized for the Fire Department. Operating costs for the Fire Department will be projected based on a marginal basis. To project the future fire calls for service, TischlerBise will use the 2005 ratio between calls per capita and per nonresidential trip. Per City staff, there were 4,964 fire calls in 2005. The calls related to residential development were 3,314 (66.8%). Therefore, there are .06 calls per capita. City staff is estimating that there will be 5 calls per month (60 calls per year) originating from the

proposed Highwood Generating Facility. The fire calls for service in 2007 are estimated to be 5,081. This estimate is calculated by multiplying the 2007 population by .06 calls per capita and adding 60 nonresidential calls ($57,470 \times .06 + 1,650 + 60 = 5,081$).

Figure A8. 2005 and Estimated 2007 Fire Calls for Service

Fire Calls- 2005	2005	Percent
Residential Land Uses	3,314	66.8%
Nonresidential Land Uses	1,650	33.2%
TOTAL RES AND NONRES	4,964	100.0%
Demand Factors		
2005 Population		56,503
2005 Nonresidential Vehicle Trips		15,968
Calls per Capita		0.06
Calls per Nonres. Trip		0.10
Demand Factor		
2007 Population	57,470	
Estimated Fire Calls - 2007		
Residential Land Uses	3,371	
Nonresidential Land Uses (Additional 5 Calls/ Month)	1,710	
TOTAL RES AND NONRES	5,081	

Figure A9. Projection Methodologies: City of Great Falls - General Fund

Revenues		2006-07 Budget	Percent of Total	Projection Methodology	
<i>General Property Taxes</i>	Ad Valorem Taxes	7,677,853	40.8%	Assessed Value X Tax Rate	
	Current Health Mill	579,402	3.1%	Assessed Value X Tax Rate	
	Delinquent Taxes /Penalties/Interest	479,000	2.5%	Fixed	
	Mobile Home Taxes	46,000	0.2%	Fixed	
	Other Personal Property Taxes	260,000	1.4%	Population and Perm. Jobs	
<i>Motor Vehicle Tax</i>	Motor Vehicle Tax	985,000	5.2%	Population and Perm. Jobs	
<i>Intergovernmental</i>	<i>State Shared Revenue</i>	Weeds & Seeds	7,000	0.0%	Fixed
		Gaming Licenses	170,000	0.9%	Fixed
		Keno/Bingo Tax Appropriation	3,000	0.0%	Fixed
		State Reim. Property Tax Relief HB 20	39,416	0.2%	Population and Perm. Jobs
		State Reim. Property Tax Relief SB 417	25,401	0.1%	Population and Perm. Jobs
		State Entitlement HB 124	5,370,944	28.5%	Population and Perm. Jobs
		Other County Payments in Lieu	9,000	0.0%	Fixed
<i>Licenses and Permits</i>	Liquor License	59,407	0.3%	Population and Perm. Jobs	
	Beer Licenses	0	0.0%	Fixed	
	Wine Licenses	400	0.0%	Fixed	
	Beer & Wine Licenses	20,000	0.1%	Fixed	
	Refuse Collection Licenses	0	0.0%	Fixed	
	CATV Franchise Fees	515,000	2.7%	Population	
	Towing Contract Fees	900	0.0%	Fixed	
	<i>Charges of Services</i>	Deferred Prosecution Charge	369,193	2.0%	Fixed
<i>Public Safety</i>	City Attorney Misc.	10,000	0.1%	Fixed	
	Municipal Ct Charges	5,000	0.0%	Fixed	
	Special Police Charges	204,347	1.1%	Police Calls	
	Police Photo Charges	450	0.0%	Fixed	
	Police Sex Offender Registration	750	0.0%	Fixed	
	Police Employment Testing Fees	900	0.0%	Fixed	
	Police Service Charges- Misc.	10,000	0.1%	Police Calls	
	Fire District Charges	165,000	0.9%	Fire Calls	
	Fire Report Copy Fees	250	0.0%	Fixed	
	Fire Ext. Maint	3,507	0.0%	Fixed	
	Haz Mat Cost Recovery	5,000	0.0%	Fixed	
	Fire Service Charges - Misc.	100	0.0%	Fixed	
<i>Cultural and Recreation</i>	Handball Court Fees	800	0.0%	Fixed	
	Advertising	4,000	0.0%	Fixed	
	Sales Merchandise	11,200	0.1%	Population	
	Park-Pro Baseball Lease	8,800	0.0%	Fixed	
	Boat Fees	7,100	0.0%	Population	
<i>Housing and Development</i>	Park Facility Charges- Misc	20,000	0.1%	Population	
	GFHA Management Fee	26,000	0.1%	Fixed	
	Training Program Fees	1,000	0.0%	Fixed	
	Web Developer Fees	760	0.0%	Fixed	
	Fire Travel Reimbursement	0	0.0%	Fixed	
<i>Miscellaneous</i>	Other Misc. Charges	500	0.0%	Fixed	
	Traffic Fines	1,095,896	5.8%	Population and Perm. Jobs	
	DUI Fines	0	0.0%	Fixed	
	Parking Fines	86,000	0.5%	Population and Perm. Jobs	
	Animal Control Fines	10,000	0.1%	Population	
	Deferred Fine Forfeitures	0	0.0%	Fixed	
	Collections Agency Fines	120,000	0.6%	Population	
	Victim Witness Surcharge	1,000	0.0%	Fixed	
	Court Surcharge	115,000	0.6%	Population and Perm. Jobs	
	Other Fines & Forfeits - Misc.	50,000	0.3%	Population and Perm. Jobs	
<i>Miscellaneous Revenue</i>	Sale of Machinery & Equipment	0	0.0%	Fixed	
	Land Rental	500	0.0%	Fixed	
	Contributions & Donations	1,000	0.0%	Fixed	
	Special Events - Fireworks	5,000	0.0%	Fixed	
	Sale of Scrap & Surplus	5,000	0.0%	Fixed	
	Refunds & Reimbursements	5,000	0.0%	Fixed	
	Misc. Revenues	5,000	0.0%	Fixed	
	USBP Credits	600	0.0%	Fixed	
	Allowance for Lapse Salary	161,475	0.9%	Fixed	
	<i>Investment Earnings</i>	Investment Earnings	50,000	0.3%	Fixed
Net Decreases/Increase in Value	0	0.0%	Fixed		
TOTAL		\$18,813,851	100.0%		

Expenditures		2006-07 Budget	Percent of Total	Projection Methodology	
General Fund	City Commission	\$133,010	0.8%	Population and Perm. Jobs	
	Neighborhood Councils	\$75,748	0.4%	Population and Perm. Jobs	
	City Manager	\$396,498	2.3%	Population and Perm. Jobs	
	City Clerk	\$97,062	0.6%	Population and Perm. Jobs	
	Innovation	\$43,123	0.2%	Population and Perm. Jobs	
	Support Services	\$501,252	2.9%	Population and Perm. Jobs	
	Miscellaneous Administration	\$44,752	0.3%	Population and Perm. Jobs	
	Fire Operations	\$5,083,461	29.4%	Marginal	
	Fire Prevention	\$236,534	1.4%	Marginal	
	Fire Hydrant Maintenance	\$82,083	0.5%	Marginal	
	Emergency & Disaster Program	\$57,499	0.3%	Marginal	
	Court Administration	\$229,873	1.3%	Population and Perm. Jobs	
	Court Administration Operations	\$238,950	1.4%	Population and Perm. Jobs	
	Court - Elected Judge	\$102,305	0.6%	Population and Perm. Jobs	
	Jail Alternatives	\$28,000	0.2%	Population and Perm. Jobs	
	City Attorney	\$420,568	2.4%	Population and Perm. Jobs	
	Legal Services	\$5,338	0.0%	Population and Perm. Jobs	
	Visitor Center	\$43,869	0.3%	Population and Perm. Jobs	
	Park and Recreation Administration	\$391,655	2.3%	Population	
	Parks	\$1,406,829	8.1%	Population	
	Debt Service Administration	\$80,924	0.5%	Fixed	
	Police Operations	\$7,401,572	42.8%	Marginal	
	Police Court Support	\$208,447	1.2%	Marginal	
	TOTAL		\$17,309,352	100.0%	

Street District Fund Operating Revenues and Expenditures

The operating revenues and expenditures within the Street District Fund are based on the general factors defined previously, as shown in Figure A10. Overall, the revenues anticipated to increase due to the proposed Highwood Generating Facility are projected based on population and jobs. The operating expenditures are projected based on vehicle trips.

Figure A10. Projection Methodologies: City of Great Falls - Street District Fund

Revenues		2006-07 Budget	Percent of Total	Projection Methodology
<i>Licenses and Permits</i>	Licenses and Permits	5,000	0.1%	Population and Perm. Jobs
<i>Charges of Services</i>	Charges of Services	1,347,480	34.3%	Population and Perm. Jobs
<i>Fines and Forfeitures</i>	Fines and Forfeitures	137,220	3.5%	Population and Perm. Jobs
<i>Special Assessments</i>	Special Assessments	2,422,478	61.7%	Fixed
<i>Miscellaneous Revenue</i>	Miscellaneous Revenue	10,000	0.3%	Fixed
<i>Investment Earnings</i>	Investment Earnings	4,253	0.1%	Fixed
TOTAL		\$3,926,431	100.0%	

Expenditures		2006-07 Budget	Percent of Total	Projection Methodology
Street District Fund	Street Maintenance	\$133,010	63.7%	Vehicle Trips
	Traffic	\$75,748	36.3%	Vehicle Trips
TOTAL		\$208,758	100.0%	

Capital Expenditures

The only capital expenditures projected for General Fund operations are police vehicles and fire apparatus. Based on conversations with the Police Department, the City of Great Falls is acquiring their patrol vehicles at a cost of approximately \$48,000 per vehicle. The fiscal model will “purchase” a new vehicle of for every police officer hired as a result of the proposed Highwood Generating Facility. These vehicles are assumed to have an average useful life of 3 years.

Based on conversations with the Fire Department, Station #3 would be the primary responder to the proposed Highwood Generating Facility. The only additional apparatus needed is a 3,000 gallon water tender with an estimated cost of \$167,000.

APPENDIX C. VEHICLE TRIP RATES

The estimated vehicle trips are derived from information contained within Figure A12. This information is published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI).

Data contained in the Trip Generation Handbook (ITE, 2004) indicate an inverse relationship between commercial building size and pass by trip. Therefore, appropriate trip adjustment factors have been calculated. The trip generation adjustment factor for retail trips is 31% and the adjustment factor for goods producing and office trips is 50%. Additionally, the adjustment factor for residential trips is 50%.

The estimated 2007 residential and nonresidential vehicle trips for the City of Great Falls are estimated at 27,788, shown in Figure A11. For example, it is estimated that there are 3,947,000 square feet of industrial space within the City of Great Falls. The pm peak hour vehicle trip ends per 1,000 square foot for industrial is .61. Therefore, there are 1,204 nonresidential vehicle trips on a pm peak hour generated through industrial land uses (3,947 X .61 X 50%).

Figure A11. Residential and Nonresidential Vehicle Trip Rates

<i>Residential Units</i>		<i>Assumptions</i>	
SFDU		16,693	
MF		9,710	
<i>PM Peak Hour Vehicle Trip Ends per Unit**</i>			<i>Trip Factor</i>
SFDU		1.02	50%
MF		0.67	50%
 <i>Residential PM Peak Hour Vehicle Trip Ends</i>			
SFDU		8,513	
MF		3,253	
Total Residential Trips		11,766	
 <i>Nonresidential Gross Floor Area (1,000 sq. ft.)*</i>		<i>Assumptions</i>	
Retail		2,890	
Industrial		3,947	
Office/Inst.		3,617	
<i>PM Peak Hour Vehicle Trip Ends per S.F.**</i>			<i>Trip Factors</i>
Retail		7.92	31%
Industrial		0.61	50%
Office/Inst.		4.27	50%
 <i>Nonresidential PM Peak Hour Vehicle Trips</i>			
Retail		7,096	
Industrial		1,204	
Office/Inst.		7,723	
Total Nonresidential Trips		16,022	
 TOTAL TRIPS		27,788	

*Floor area estimates were derived using sq. ft. per employee factors from ULI and ITE

**Trip rates are from the Institute of Transportation Engineers(ITE) Trip Generation Manual (1997)

Nonresidential trip rates and employee densities are shown below in Figure A12. The prototypes utilized within this analysis are highlighted in gray.

Figure A12. Trip Rates and Employee Densities

ITE Code	Land Use / Size	Demand Unit	Trip Ends PM-Peak Hour per Dmd Unit	Wkdy Trip Ends Per Employee*	Emp Per Dmd Unit**	Sq Ft Per Emp
Commercial / Shopping Center						
821	25K gross leasable area	1,000 Sq Ft	10.03	na	3.33	300
820	50K gross leasable area	1,000 Sq Ft	7.92	na	2.86	350
820	100K gross leasable area	1,000 Sq Ft	6.26	na	2.50	400
820	200K gross leasable area	1,000 Sq Ft	4.95	na	2.22	450
820	400K gross leasable area	1,000 Sq Ft	3.91	na	2.00	500
General Office						
710	10K gross floor area	1,000 Sq Ft	9.00	5.06	4.48	223
710	25K gross floor area	1,000 Sq Ft	4.27	4.43	4.15	241
710	50K gross floor area	1,000 Sq Ft	2.70	4.00	3.91	256
710	100K gross floor area	1,000 Sq Ft	1.91	3.61	3.69	271
Industrial						
770	Business Park***	1,000 Sq Ft	1.29	4.04	0.32	3,132
151	Mini-Warehouse	1,000 Sq Ft	0.29	56.28	0.01	194,069
150	Warehousing	1,000 Sq Ft	0.61	3.89	1.28	784
140	Manufacturing	1,000 Sq Ft	0.75	2.13	0.35	2,840
110	Light Industrial	1,000 Sq Ft	1.08	3.02	0.36	2,796
Other Nonresidential						
720	Medical-Dental Office	1,000 Sq Ft	4.45	8.91	4.05	247
620	Nursing Home	bed	0.30	6.55	0.36	na
610	Hospital	1,000 Sq Ft	1.61	5.20	3.38	296
565	Day Care	student	0.85	28.13	0.16	na
530	High School	student	0.28	19.74	0.09	na
520	Elementary School	student	0.28	15.71	0.08	na
320	Lodging	room	0.56	12.81	0.44	na

* Source: Trip Generation, Institute of Transportation Engineers (2003).

** Employees per demand unit calculated from trip rates, except for Shopping Center data, which are derived from Development Handbook and Dollars and Cents of Shopping Centers, published by the Urban Land Institute.

*** According to ITE, a Business Park is a group of flex-type buildings served by a common roadway system. The tenant space includes a variety of uses with an average mix of 20-30% office/commercial and 70-80% industrial/warehousing.

ORDINANCE 2972

**AN ORDINANCE AMENDING OCCGF 13 CHAPTER 2 SECTION 070(C)
PERTAINING TO THE UTILITY SERVICE AREA**

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY
OF GREAT FALLS, MONTANA:**

Section 1. That OCCGF Title 13, Chapter 2, Section 070(C) is amended as depicted in Exhibit A wherein all language with a bold-face font will be added and all language with a strikeout is removed.

**PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS,
MONTANA, this 18th day of September, 2007.**

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF THE CITY)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Ordinance 2972 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the 18th day of September, 2007, and approved by the Mayor of said City on the 18th day of September, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City

this 18th day of September, 2007.

Lisa Kunz, City Clerk

(SEAL OF CITY)

State of Montana)
County of Cascade : ss
City of Great Falls)

Lisa Kunz, being first duly sworn, deposes and says: That on the 18th day of September, 2007, and prior thereto, she was the City Clerk of the City of Great Falls, Montana; that as said City Clerk she did post as required by law and as prescribed and directed by the Commission, Ordinance 2972 of the City of Great Falls, in three conspicuous places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library

Lisa Kunz, City Clerk

(SEAL OF CITY)

EXHIBIT A

13.2.070 Service Area

The utility system service area shall be:

- A. Inclusive of all premises annexed to the City and bounded by the incorporated City limits, as such limits may be adjusted by the City Commission; and
- B. Restricted to those premises abutting a public right-of-way or easement and directly adjacent to a sanitary sewer or water main location therein. The sole exception thereto shall be those buildings and service lines in place and legally existing prior to the adoption of the ordinance codified in this section. (Ord. 2645, 1993; Ord. 2529 (part), 1989), §13.24.040 (part); Ord. 2386 Exh. A (part), 1985, prior code §13.20.160 (part); Ord. 2356 Exh. B (part), 1984, prior code §13.08.020 (part)).
- C. ~~Notwithstanding the limitation of the service area described in paragraph A and B, the service area may be extended beyond the corporate City limits by a contract for utility and all other City services until an election satisfies the requirements of Article VIII, Section 17, of the Montana Constitution, whereupon, the extended area of service must be annexed to the City. Paragraph C, hereof, shall expire and be of no effect should Article VIII, Section 17, of the Montana Constitution be held unconstitutional or otherwise abrogated.~~

Notwithstanding the limitations of the service area described in paragraph A and B, the City Commission may extend the service area beyond City limits where there are uniquely exceptional circumstances that are not conducive to immediate annexation; and, where the City utility system has the capacity to serve such extension; and, where appropriate, the party requesting services provides an engineering analysis demonstrating the feasibility of the extension. Such an extension of utility services shall be by written contract and contain the following conditions:

- 1. All parties must execute written consent of annexation forms, as a condition precedent to the extension of requested services. The consent forms shall be made a part of the contract for use whenever the City initiates such annexation of the extended service area; and,**
- 2. All parties must agree to be bound by all the rules and regulations of the City's utility system and all Federal and State requirements related thereto; and,**
- 3. All parties must agree to pay such other fees for service and/or fees in lieu of taxes, as deemed necessary and appropriate by the City; and,**
- 4. All parties must agree to restrictions on future subdivision of the property or expanded development of property that increases demand for City services; and,**
- 5. All parties must agree on rezoning of property and compliance with zoning regulations applicable to rezoning designation; and,**
- 6. All parties must agree on compliance with City building and fire codes, plan approval, payment of fees, and submission to inspection of improvements where permissible under state statutes; and,**
- 7. All parties must agree on financial responsibility, including consent to and waiver of protest for creation of special improvement districts, for the installation, construction and reconstruction of infrastructure to City standards, including, but not limited to, water mains and hydrants, sewer mains and lifts stations, storm water facilities, streets, curbs and gutters, and sidewalks; and,**
- 8. All parties must agree on compliance with any City Code applicable to any service provided by the City; and,**
- 9. All parties must agree on plan approval, construction oversight, final acceptance, easements, and ownership by City of infrastructure installed for the City service being provided; and,**

- 10. All parties must agree on legal and physical access provided to the property being served; and,**
- 11. All parties must agree to upgrade and transfer public utility systems and appropriate utility easements to the City.**
- 12. All parties agree such an extension of utility services shall be constructed in accordance with the design and specifications approved by the City Engineer.**
- 13. All parties agree the cost of such an extension of utility services shall be borne by the owners of the property to be served.**
- 14. Upon annexation, all parties agree that Title 17, OCCGF, Land Development Code requirements must be met inclusive of signage, parking, landscaping, lighting.**
- 15. All parties must agree to utilize the City's Fire Department for fire protection services. The Fire Marshall will be required to review and approve area site plans to ensure sufficient access and other fire department considerations.**
- 16. All parties must agree that all right-of-way, easement, or land dedication necessary for construction, installation and maintenance of the extension of utility service shall be obtained by the requesting party at the expense of the requesting party.**

The contract for extension of the service area must be in legal form, as approved by the city attorney; run with the land; be signed by owners of the land area to be considered for inclusion in the water or sewer service area; and be recorded with the County Clerk and Recorder of Cascade County. (Ord. 2972, 2007; Ord. 2749, 1999)

Memo

To: Honorable Mayor and City Commission
From: John Lawton and Ben Rangel
Date: September 14, 2007
Re: Questions Concerning Ordinance 2972

At the last commission meeting a number of questions were asked about Ordinance 2972. The purpose of this memorandum is to answer as many of them as possible. The questions were often repetitive, so rather than going through them speaker by speaker we will try to capture the essence of the questions, observations and complaints as topics and provide answers to respond to them.

Tischler Bise Study and City Costs

One line of questions and observations had to do with the Tischler Bise study and their finding that city services required as a result of the presence of HGS would increase city cost by about \$100,000 per year. The questions and complaints seemed to be based on the assumption that the city would not collect taxes if the plant remains outside the city and that the general taxpayers would have to pick up the tab. Several speakers alluded to a "deficit" of \$1.2 to \$1.9 million over a several year period.

The ordinance is simple and clear concerning responsibility for costs to the city. It covers the cost of city services for any recipient of water and wastewater services in several ways as set out below:

- *Section C. 3. states: All parties must agree to pay such other fees for service and/or fees in lieu of taxes, as deemed appropriate by the City; and*
- *C. 7. states: All parties must agree on financial responsibility, including consent to and waiver of protest for creation of special improvement districts, for the installation, construction and reconstruction of infrastructure; and*
- *C. 13. states: All parties agree the cost of such an extension of utility services shall be borne by the owners of the property to be served.*

Any extension of utilities outside the city boundaries will require negotiated agreements between the city and the property owner setting forth the amounts and the terms for paying the costs of services, including police and fire, as well as infrastructure. All such agreements would come before the City Commission.

The Tischler Bise study simply identified the costs to be recovered by whatever means the city has available, not to say that we could not recover them.

Ordinance 2972 and Other City Annexations: Double Standard?

Two speakers drew a parallel between the properties the city is annexing that presently receive water and sewer and properties we might allow to delay annexation while providing these services. The implication was that these things are inconsistent. Actually, they are consistent. Ordinance 2972 requires nearly everything annexation requires including payment of all city costs and a commitment to future annexation. The properties presently receiving services that have been outside the city have not paid property taxes to the city and they have made no commitment to future annexation. The city's annexation program aims to correct these inequities. Ordinance 2972 would prevent these situations from happening in the first place.

Wastewater Treatment Plant Capacity and Load Requirements

An assertion was made that it is not clear that the wastewater treatment plant (WWTP) can handle the type and volume of effluent coming from Highwood Generating Station. The effluent will consist of returned cooling water and domestic wastewater from the plant offices and employee facilities. Preliminary analysis of return flow indicates that all substances are within appropriate limits for wastewater returned to the WWTP. SME will be responsible for making sure that the actual flow continues to comply with established limits. The only problem may be that the wastewater will be too clean to allow the biological digestion processes to work efficiently. If this turns out to be the case, it will be easily remedied through adjusting the treatment process.

As for capacity, the WWTP's rated capacity is 21 mm gallons per day. Presently, the average flow is about 10mm gallons per day. The return from Highwood will be less than one million gallons per day. Plant capacity is more than sufficient.

It should also be noted that the point explained above has nothing whatsoever to do with the proposed ordinance. Issues of WWTP capacity, and wastewater flow and processing requirements are technical issues dealt with by engineers for the property owners, city engineers, and WWTP contractor staff when a project is being considered. Everyone must follow state and federal requirements. The ordinance does require that all parties agree "to be bound by all the rules and regulations of the City's utility system and all Federal and State requirements related thereto."

Planning and Zoning Issues

Another line of questions and observations had to do with differences between Ordinance 2972 and other Montana city ordinances and growth policies. Seven specific points were stated as follows: (Responses are provided in italics.)

1) In Helena and Billings, the purpose in extending their services is to prompt annexation;

Although not specifically stated in proposed Ordinance 2972, the City's primary interest and preferred alternative is to annex before providing water and wastewater services. However, the proposed ordinance attempts to consider uniquely exceptional circumstances where proposed development may not be conducive to immediate annexation.

It appears the above comment was based on a reference to Billings' code which is structured differently than Ordinance 2972. Billings' code talks first of how its utility service area can be enlarged through annexation, but then describes how the area can also be

enlarged into an unannexed area. Therefore, the reference appears to have been taken out of context.

2) Ordinance 2972 does not include language to require an applicant to waive their right to protest future annexation and the only language regarding waivers is for the creation of special improvement districts;

Section C.1. states: All parties must execute written consent of annexation forms, as a condition precedent to the extension of requested services. The consent forms shall be made a part of the contract for use whenever the City initiates such annexation of the extended service area; and, (This language is stronger than waiving their right to protest annexation).

3) Ordinance 2972 does not require an applicant to apply for annexation prior to receiving services, unlike Missoula and Billings;

Again, reference is made to Section C.1. as presented in #2, above.

4) Ordinance 2972 does not require the property to conform to local plans, like the growth policy, water services or facility plan;

Section C.4. states: All parties must agree to restriction on future subdivision of the property or expanded development of property that increases demand for City services; and

Section C.5. states: All parties must agree on rezoning of property and compliance with zoning regulations applicable to rezoning designations; and,

Section C.8. states: All parties must agree on compliance with any City Codes applicable to any service provided by the City; and,

Section C.14. states: Upon annexation, all parties agree that Title 17, OCCGF, Land Development Code requirements must be met inclusive of signage, parking, landscaping, lighting.

Additionally, the properties being considered for provision of City services will be subject to all applicable provisions, guidelines and requirements included in Cascade County zoning regulations, subdivision regulations, growth policy and related development plans. The provision of City services would not preclude these requirements. As such, the development project requesting City services will be required to meet all applicable local planning requirements, plans, growth policies, etc.

5) Ordinance 2972 does not require consideration for orderly growth and development of the City;

Again, reference is made to the information presented in # 4, above.

6) According to Ordinance 2972, property need not be contiguous with City property, unlike Billings;

Again, reference is made to the last statement presented in #1, above, but restated here: It appears the above comment was based on a reference to Billings' code which is structured differently than Ordinance 2972. Billings' code talks first of how its utility service area can be enlarged through annexation, but then describes how the area can also be enlarged into an unannexed area. Therefore, the reference appears to have been taken out of context.

7) Property does not have to comply with existing County zoning.

Again, reference is made to the information presented in # 4, above, part of which is restated here: the properties being considered for provision of City services will be subject to all applicable provisions, guidelines and requirements included in Cascade County zoning regulations, subdivision regulations, growth policy and related development plans. The provision of City services would not preclude these requirements. As such, the development project requesting City services will be required to meet all applicable local planning requirements, plans, growth policies, etc.

Other Comments

One commenter made extensive quotes of "City Code" regarding annexation and the requirement that annexation be a condition for receipt of City water and waste water services. Staff conducted a review of City Code and could not find any of the specific references or quotes. However, the language is reflective of existing City policy regarding provision of utilities outside the City. The policy would remain relevant and stay intact, even with possible approval of Ordinance 2972. The purpose of Ordinance 2972 is to specifically address the types of issues or problems that would occur from the provision of City utilities without any conditions.

Finally, a couple of questions were raised about the potential impact of the ordinance on a County tax increment district. If the County set up a tax increment district around an unannexed property receiving water and wastewater services from the City under this ordinance, there would be no impact on the district. If the City annexed later, there would still be no impact. The district would still get whatever share of taxation was allocated to it.



Item: Revised Ordinance 3002 to extend the land acquisition date referenced in original Ordinance 3002 (CVS Pharmacy)

From: Bill Walters, Senior Planner

Initiated By: The Velmeir Companies

Presented By: Benjamin Rangel, Planning Director

Action Requested: City Commission accept Revised Ordinance 3002 on first reading and set a public hearing for July 15, 2008.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission accept Revised Ordinance 3002 on first reading and set a public hearing for July 15, 2008.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: It is recommended the City Commission accept Revised Ordinance 3002 on first reading and set July 15, 2008, as the date for public hearing and final consideration of Revised Ordinance 3002.

Background: Following a public hearing held on April 15, 2008, the City Commission approved: 1) Ordinance 3002 rezoning Lots 1 through 7, Block 26, Huy’s Addition; 2) Resolution 9735 vacating a segment of 10th Alley South between 20th & 21st Streets South; 3) the Amended Plat of Lots 1-7 & 10-14, Block 26, Huy’s Addition; and, 4) an Agreement and an Amendment to Agreement containing terms and conditions associated with granting the rezoning. Approval of these documents was intended to accommodate construction of a proposed 13,225 sq ft CVS Pharmacy along the east side of 20th Street South between 9th and 10th Avenues South.

Ordinance 3002 and the Amendment to Agreement contain a provision that should the Purchaser (The Velmeir Companies) fail to acquire Lots 1 through 7, Block 26, Huy’s Addition, by August 31, 2008, the Agreement and Ordinance 3002 shall be deemed null and void and subject Lots 1 through 7 shall remain zoned R-3 single-family high density district.

Attached is a communication from Jon Lennander of The Velmeir Companies dated June 4, 2008, requesting extension of the land acquisition date from August 31, 2008, to April 30, 2009. The letter also explains the reasons for the time extension.

It is anticipated a revised Amendment to Agreement containing extension of the land acquisition date to the end of April next year and signed by the applicant and all involved property owners will be submitted to the City Commission prior to the public hearing on July 15, 2008.

Concurrences: The timeline for acquisition of involved properties which dictates application of the rezoning provided by Ordinance 3002 was previously agreed upon by the applicant, involved property owners and the City Commission. Adjustments to the timeline are at the discretion of these three entities. The requested timeline extension is not intended to open discussion or alter action on any other approvals previously provided by the Commission.

Fiscal Impact: Allowing The Velmeir Companies additional time to close on the acquisition of properties necessary to accommodate construction of a new CVS Pharmacy at 2001 10th Avenue South should not result in any fiscal impact to the City.

Alternatives: The City Commission could deny Revised Ordinance 3002. However, denial of the requested time extension through Revised Ordinance 3002 may not allow The Velmeir Companies sufficient time to close on acquisition of the involved properties thereby resulting in the zone change necessary to accommodate the proposed CVS Pharmacy at 2001 10th Avenue South becoming null and void.

Attachments/Exhibits:

Revised Ordinance 3002

Letter from The Velmeir Companies, dated June 4, 2008

Vicinity/Zoning Map

Cc: Jim Rearden, Public Works Director
Dave Dobbs, City Engineer
Mike Rattray, Community Development Director
Jon Lennander, jlennander@velmeir.com
Mark Macek, mark@macekcompanies.com

REVISED
ORDINANCE 3002

AN ORDINANCE CHANGING THE ZONING CLASSIFICATION ON LOTS 1 THROUGH 7, BLOCK 26, HUY'S ADDITION TO GREAT FALLS, CASCADE COUNTY, MONTANA, ADDRESSED AS 2000, 2004, 2008, 2012, 2016, & 2026 9TH AVENUE SOUTH, RESPECTIVELY, FROM R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT TO C-2 GENERAL COMMERCIAL DISTRICT

* * * * *

WHEREAS, on the 6th day of September, 2005, the City Commission of the City of Great Falls, Montana, adopted a certain Ordinance designated as Ordinance 2923 entitled: "AN ORDINANCE ADOPTING TITLE 17 OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS, MONTANA, PERTAINING TO LAND DEVELOPMENT CODES AND REPEALING ANY AND ALL PREVIOUS ORDINANCES OR INTERIM ORDINANCES,"; and,

WHEREAS, said Ordinance 2923 became effective the 6th day of October, 2005; and,

WHEREAS, said Ordinance 2923 has placed the following described property situated in the City of Great Falls, Cascade County, Montana, in a R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT, as defined therein:

Lots 1 through 7, Block 26, Huy's Addition to Great Falls, Cascade County, Montana, addressed as 2000, 2004, 2008, 2012, 2016, & 2026 9th Avenue South, respectively.

WHEREAS, notice of rezoning the above-mentioned property from the existing R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT to a C-2 GENERAL COMMERCIAL DISTRICT was published in the Great Falls Tribune, advising that a public hearing on this proposed change in zoning would be held on the 15th day of April, 2008, before final passage of said Ordinance herein; and,

WHEREAS, pursuant to said Ordinance 2923, a hearing was duly held after notice thereof was first duly given according to said Ordinance 2923, for the purpose of considering changing said zoning designation on said property to a C-2 GENERAL COMMERCIAL DISTRICT; and,

WHEREAS, following said public hearing, it was found and recommended that the said zone change be made, provided the applicant for the zone change and the owners of said Lots 1 – 7 enter into an agreement with the City containing specified terms and conditions, NOW THEREFORE,

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA:

Section 1. It is determined that the herein requested zone change will meet the criteria and guidelines cited in Section 76-2-304 Montana Code Annotated, and Section 17.16.40.030 of the Unified Land Development Code of the City of Great Falls, provided the terms and conditions in the heretofore mentioned agreement are adhered to and fulfilled.

Section 2. That the zoning designation on the property hereinabove described be changed from a R-3 SINGLE-FAMILY HIGH DENSITY DISTRICT to a C-2 GENERAL COMMERCIAL DISTRICT.

Section 3. All Ordinances and parts of Ordinances in conflict herewith, are hereby repealed.

Section 4. This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission or upon the applicant for the zone change, as referenced in the heretofore mentioned agreement, acquiring ownership and assuming title to the hereinabove described property, whichever event shall occur later. This ordinance shall be deemed null and void should the applicant for the zone change fail to acquire ownership and assume title to the hereinabove described property by April 30, 2009.

PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, this 15th day of July, 2008.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade : ss.
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Revised Ordinance 3002 was placed on its final passage and passed by the City Commission of the City of Great Falls, Montana at a meeting thereof held on the 15th day of July, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City on this 15th day of July, 2008.

Lisa Kunz, City Clerk

(SEAL OF CITY)

State of Montana)
County of Cascade : ss.
City of Great Falls)

Lisa Kunz, being first duly sworn, deposes and says: That on the 15th day of July, 2008, and prior thereto, she was the City Clerk of the City of Great Falls, Montana; that as said City Clerk she did publish and post as required by law and as prescribed and directed by the Commission, Revised Ordinance 3002 of the City of Great Falls, in three conspicuous places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library

Lisa Kunz, City Clerk

(SEAL OF CITY)



June 4, 2008

Mr. Bill Walters
City of Great Falls – Planning Office
Civic Center #2 Park Drive South
Great Falls, Montana 59403

RE: **CVS Pharmacy Store #08624 – NEC 10th Avenue and 20th Street, Great Falls, Montana**

Dear Mr. Walters:

As you are aware, the recently approved Zoning Ordinance 3002 included a provision that the ordinance would become null and void should CVS Pharmacy not acquire the properties by August 31, 2008. Our contracts with the land owners allow us to close as late as Fall 2009, but we have been trying to accelerate our schedule to allow construction to begin on the CVS late this summer with a store opening in early spring.

The contracts we have signed with the residential land owners provide the opportunity for them to remain in their homes for 60 to 90 days after our closing on the property. After the property owners vacate their homes, we are planning to donate the houses to Neighborworks, and need additional time for the houses to be moved. Based on our current closing schedule of no later than August 31, 2008, we will not be able to begin construction until the end of November, and still need to move the houses. Unfortunately this will be too late to start, and we will need to delay construction until spring.

Our client typically closes on the properties they develop shortly before start of construction. The neighbors in this area are also very concerned about the length of the construction period and the impact of the construction on them. Closing in August will require the start of demolition and site work as soon as possible, and will extend the time the site is under construction substantially. Because of this, we respectfully request to amend the ordinance to extend the land acquisition date to April 31, 2009 to provide adequate time to start construction in the spring..

Included with this letter is the \$400.00 application fee. The revised addendum agreements with the property owners will be delivered on Friday by Mark Masek. It is our understanding that we will be on the agenda for a Public Hearing on June 17; the 2nd reading of the City Commission Public hearing on July 15; and the ordinance will take effect on August 15, 2008. Please let me know if this is not correct, or if you need any additional information. Thank you.

Yours truly

Jon Lennander, PE, LS
The Velmeir Companies
Project Manager



EXHIBIT "A"

VICINITY/ZONING MAP



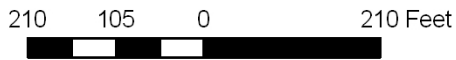
SEGMENT OF 10TH ALLEY SOUTH PROPOSED TO BE VACATED



LOTS 1 THRU 7, BLOCK 26, HUY'S ADDITION PROPOSED TO BE REZONED FROM R-3 SINGLE-FAMILY HIGH DENSITY TO C-2 GENERAL COMMERCIAL ZONING DISTRICT



AMENDED PLAT OF LOTS 1-7 & 10-14, BLOCK 26, HUY'S ADDITION





Item: Ordinance 3009 to address "Disorderly Premises"
From: David Gliko, City Attorney
Initiated By: Gregory T. Doyon, City Manager
Presented By: Gregory T. Doyon, City Manager, and David Gliko, City Attorney
Action Requested: Accept Ordinance 3009 on first reading and set public hearing

Suggested Motion:

1. Commissioner moves:

"I move that the City Commission (accept/deny) Ordinance 3009 on first reading and set public hearing for July 1, 2008."

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: It is the considered recommendation of the City Manager, Police Chief, Community Development Director and City Attorney that the City Commission adopt Ordinance 3009 to address those premises where various types of disturbances arise and when the police are dispatched to said premises as frequently as three times in a thirty day period. If a meeting with the responsible party and resultant agreement does not resolve such disturbances, further legal act may be taken.

Background: There are many instances where the police are dispatched to the same premises on chronic frequency that do not warrant disturbing the peace or domestic abuse or other criminal charges or where criminal charges do not have an effect on the frequency of such activity. The activity includes: loud music or noise, boisterous parties, sounds emanating from within a structure which are audible outside the building, criminal activity.

Ordinance 3009 seeks to resolve such activity by designating the location as a "disorderly premises" and requiring the owner or tenant or responsibly party to meet with representatives of the City inclusive of the Police Department and Community Development Department designees and enter into an agreement to eliminate the disorderly activity.

If the owner or tenant or responsible party fails to agree to take effective measures or fails to implement the agreement, other legal means may be instituted inclusive of criminal charges, injunctive action, fines and other penalties.

Concurrences: The Police Department, Community Development Department and City Attorney have been involved in the review and development of Ordinance 3009 and recommend the same.

Fiscal Impact: It is anticipated a savings of law enforcement service will result from the effectiveness of implementation of the ordinance but otherwise should not incur any added costs.

Alternatives: The City Commission could deny acceptance of Ordinance 3009 and continue to address the chronic problem of "disorderly premises" with the current criminal code and ordinances.

Attachments/Exhibits: Ordinance 3009

ORDINANCE 3009

**AN ORDINANCE AMENDING OCCGF TITLE 8
PERTAINING TO DISORDERLY PREMISES**

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY
OF GREAT FALLS, MONTANA:**

That OCCGF Title 8, Chapter 48, Sections 010 thru 060 be created as depicted in Exhibit
A.

**PASSED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS,
MONTANA, this _____ day of July, 2008.**

Dona R. Stebbins, Mayor

ATTEST:

City Clerk

(SEAL OF THE CITY)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Ordinance 3009 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the ____ day of July, 2008, and approved by the Mayor of said City on the ____ day of July, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this ____ day of July, 2008.

City Clerk

(SEAL OF CITY)

State of Montana)
County of Cascade : ss
City of Great Falls)

Lisa Kunz, being first duly sworn, deposes and says: That on the ____ day of July, 2008, and prior thereto, she was the City Clerk of the City of Great Falls, Montana; that as said City Clerk she did post as required by law and as prescribed and directed by the Commission, Ordinance 3009 of the City of Great Falls, in three conspicuous places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library

City Clerk

(SEAL OF CITY)

Exhibit A

Title 8

Chapter 48

DISORDERLY PREMISES

Sections:

8.48.010	Purpose
8.48.020	Definitions
8.48.030	Notice
8.48.040	Designation
8.48.050	Enforcement
8.48.060	Fines and Penalties

8.48.010 Purpose of Section.

It is hereby declared a valid public purpose and public policy of the City of Great Falls, in order to promote the health and general welfare of the City, and to conserve the financial and other resources of the City, that certain activities defined in § 8.48.020 below, are to be discouraged and penalized as described herein. Specifically, it is the declared public policy of the City to discourage and control unlawful or obnoxious behavior and to limit the undesirable impact of such behavior upon members of the general public and to appropriately assign financial liability for enforcement action to the owners of the property where such activities occur.

8.48.020 Definitions.

As used in this section, the following terms shall have the meanings indicated:

“Disorderly premises” means any premises which the police have visited three or more times in a thirty-day period in response to situations which are created by the owner(s), tenant(s), or tenants' cohabittees, guests, invitees or occupants, and which would have a tendency to unreasonably disturb the community, the neighborhood, or any ordinary individual in the vicinity of said premises, including, but not limited to, loud music; boisterous parties; sounds emanating from within a structure which are audible outside the structure; loud noise, disorderly conduct, or fights on the premises involving owner(s), any tenant(s) or occupant(s) of the premises or their invitees; owner(s) or any tenants or invitees of owner(s) or any tenants or occupants being intoxicated on public ways in the vicinity of the premises; the arrest and conviction of owner(s) or any tenants or their invitees or occupant(s) for activities which constitute either a crime or civil infraction under either state or local law; other similar activities on the premises, or repeated violations of related City ordinances.

“Premises” means the land and the structures on it, a structure or part of a structure, including, but not limited to: a single unit providing complete living facilities for one or more persons or any dwelling unit, a multifamily dwelling unit, a family apartment, a boardinghouse, a condominium, a rooming house, a rooming unit, a mobile home, or leased units in a manufactured housing park.

8.48.030 Notice of Disorderly Premises.

Whenever a premises has been visited by the police three times in any thirty-day period in relation to incidents involving a disorderly premises, the Police Chief, Community Development Director, City Manager, or any other agent designated by the City Manager shall notify the owner and any tenant/occupant of the circumstance(s) involving the said visits.

- A. Notice content. Notice shall be in writing, include a description of the premises sufficient for identification, and include a statement of the reason or reasons why the notice is being issued.
- B. Method of service. The owner and any tenant/occupant shall be notified in the following method: delivery of the notice to the owner and any tenant/occupant personally; mailing the notice by first class mail addressed to the owner and any tenant/occupant at the last known address; posting/affixing or placing a copy of the notice in a conspicuous place in or about the premises affected by such notice. Service of such notice by any of the foregoing methods upon the owner's agent or upon the person responsible for the premises shall constitute complete service of notice upon the owner and any tenant/occupant.

8.48.040 Disorderly Premises Designation.

- A. Whenever the police have visited a premises three or more times in any thirty-day period, in relation to incidents involving a disorderly premises, the City may classify the premises as a disorderly premises.

- B. When a premises is classified by the City as a disorderly premises, the City shall notify the owner and any tenant/occupant in accordance with the procedures set forth in § 8.48.030. The City shall provide a written notification of the events to the owner, which forms the basis for that designation. Such notice shall be sufficient for all legal purposes. The notice shall require the owner and any tenant/occupant or their duly authorized representative, to meet with representatives of the City, including the Police Department and the Community Development Director or their designee(s) within five business days from the date of the written notification, to identify ways in which the disorderly problems will be eliminated.
- C. At the time of said meeting, the City may request documentation including but not limited to:
 - 1. A copy of the names of all owners and any tenant/occupant or other persons authorized to reside or presently residing in the building and the premises or units they occupy;
 - 2. Management contracts with any building supervisor or other person responsible for the orderly operation of the premises.
- D. The owner and/or any tenant/occupant must take effective measures to eliminate the disorderly premises, which measures shall be memorialized in a written agreement at the conclusion of the meeting with the City and shall be implemented within one week of said meeting unless another date is agreed upon by the City manager or his or her designee.
- E. Failure to meet with City officials or enter into such an agreement at the conclusion of said meeting will be deemed a violation of this section, and the City shall pursue legal remedies in accordance with OCCGF 8.48.060.

8.48.050 Enforcement.

- A. If the owner and/or any tenant/occupant refuses to agree to take effective measures to eliminate the disorderly premises, as determined by the City; fails to implement the agreement reached with the City to eliminate the disorderly premises; or the Police Department is called to the premises at any time within a six-month period after premises owner and/or any tenant/occupant meets with the City, the City may institute such other enforcement action against the owner and/or any tenant/occupant seeking any and all damages and remedies to which it is entitled pursuant to state and local laws.
- B. If the same premises should be classified as a disorderly premises on a subsequent occasion, then the City is under no obligation to meet with the owner or issue new notice, but may proceed directly with a complaint to a court of competent jurisdiction seeking all compensatory and equitable relief permitted by law.
- C. The Police Chief shall annually prepare and present a report to the City Manager that details the administration of this section for the prior year. The report shall include, but not be limited to, the number of properties deemed to be disorderly premises, how the complaints were resolved, and legal actions initiated by the City.

8.48.060 Fines and Penalties.

- A. If the building owner and/or any tenant/occupant refuses to agree to take effective measures to eliminate the disorderly premises, a fine of not less than \$500 and not more than \$1,000 and/or up to 6 months jail per incident may be imposed by the court of competent jurisdiction.
- B. In addition, the City may file a legal action against the owner and/or any tenant/occupant seeking court costs, response charges, and all damages and remedies to which it is entitled pursuant to state and local laws.



Item: Resolution 9755, Authorizing the Issuance and Fixing the Terms and Conditions of \$4,010,000 in Water Revenue Bonds

From: Martha Capps, Operations Supervisor

Initiated By: Fiscal Services, Public Works/Water Utility

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Adoption of Resolution 9755

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission adopt or deny Resolution 9755”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Staff recommends adoption of Resolution 9755, authorizing the issuance and fixing the terms and conditions of \$4,010,000 in water revenue bonds

Background: To avoid emergency water main break situations, the City Water Distribution department is proactively improving the utility lines in most need of repair. City Engineering has determined that \$3,700,000 in construction funds are necessary to complete seven separate planned areas of replacements throughout the City during the next two construction seasons. As bids are received and if funds are available, additional projects may be added. The seven replacement projects will be constructed in various phases in the following areas:

2nd Avenue South: 5th to 7th Street South; 6th Avenue South: 9th to 14th Street South;
7th Avenue South: 4th to 14th Street South; 8th Avenue South: 4th to 9th Street South;
8th Avenue South: 13th to 14th Street South; 9th Street South: 10th to 17th Avenue South;
19th Avenue South: 14th to 17th Street South; 20th Avenue South: 14th to 18th Street South;
5th Avenue SW: 14th to 20th Street Southwest; 14th Street SW: 3rd to 5th Avenue SW;
16th Street SW: 4th to 5th Avenue SW

The issuance of water utility system debt, in the amount of \$4,010,000, includes construction, contingency, debt reserves, bond counsel and related costs. City staff has provided the engineering and construction services required for these projects.

On May 6, 2008, the Commission adopted Resolution 9745, acknowledging the commitment of DNRC to finance and authorize Staff to proceed with the issuance of the bonds. The Department of Natural Resources and Conservation has agreed to finance the debt at 3.75% per annum, for 20 years, plus a one time origination fee of 1%. All engineering services have been completed through City staff. All issuance fees and costs will be paid out of this financing. Pending completion of the financing process, cash balances in the water fund will provide sufficient cash to pay upfront expenses. This debt financing supplements the yearly capital improvements constructed using accumulated funds. The City currently has similar financing in place for Sewer, Storm Drain, and other Water debt financings. Staff anticipates the bond closing on July 17, 2008.

Concurrences: 2006 Water Master Plan includes these projects. Dorsey & Whitney, LLC is serving as bond counsel. In this capacity, they prepare necessary resolutions and other documents requiring action by the City Commission and staff, and the DNRC. They will 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 also in compliance with existing bond ordinances of the outstanding Water System Revenue Bonds of the City.

Fiscal Impact: Taking a proactive replacement approach to water main replacements has decreased the likelihood of unforeseen breaks, which causes service interruptions to our customers and potentially large, unavoidable construction costs in an emergency situation. In 2002, the City had 90 breaks, compared to 73 in 2007. The water utility rates, implemented in February 2008, are capable of supporting this debt issuance.

Alternatives: The City Commission may deny passage of the resolution and the issuance of debt. Under this alternative, water distribution projects will be scaled back to a greatly reduced level that can be paid for with existing water fund resources or until such time that an emergency situation occurs.

Attachments/Exhibits: Resolution 9755, Resolution Relating to \$4,010,000 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2008; Authorizing the issuance and fixing the terms and conditions thereof.

CERTIFICATE AS TO RESOLUTION

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. 9755 entitled: "RESOLUTION RELATING TO \$4,010,000 WATER SYSTEM REVENUE BOND (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), SERIES 2008; 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 June 17, 2008, 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 ____ day of June, 2008.

Lisa Kunz, City Clerk

(SEAL OF CITY)

SUPPLEMENTAL RESOLUTION

Relating to

\$4,010,000
WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)
SERIES 2008

CITY OF GREAT FALLS, MONTANA

Adopted: June 17, 2008

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RESOLUTION NO. 9755

RESOLUTION RELATING TO \$4,010,000 WATER SYSTEM
REVENUE BOND (DNRC DRINKING WATER STATE
REVOLVING LOAN PROGRAM), SERIES 2008;
AUTHORIZING THE ISSUANCE AND FIXING THE TERMS
AND CONDITIONS THEREOF

WHEREAS, pursuant to the Drinking Water State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 6, Part 2, 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 drinking water 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 drinking water revolving fund under the federal Safe Drinking Water Act (the “Safe Drinking 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 Safe Drinking 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 a loan (the “2008 Loan”) from the Revolving Fund to enable the City to finance, refinance or reimburse itself for the costs of the 2008 Project (as hereinafter defined) which will carry out the purposes of the Safe Drinking Water Act; and

WHEREAS, the City is authorized under applicable laws, ordinances and regulations to adopt this Resolution and to issue the Series 2008 Bond (as hereinafter defined) to evidence the 2008 Loan for the purposes set forth herein; and

WHEREAS, the DNRC will fund the Loan in part, directly or indirectly, with proceeds of the State’s General Obligation Bonds (Drinking Water State Revolving Fund Program) (the “State Bonds”) and in part, directly or indirectly, with funds provided by the United States Environmental Protection Agency.

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 as follows:

“Accountant” or “Accountants” means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the DNRC.

“Additional Bonds” means any Bonds issued pursuant to Article VI of the Original Resolution.

“Administrative Expense Surcharge” means a surcharge on the 2008 Loan charged by the DNRC to the City equal to (seventy-five hundredths of one percent) 0.75% per annum on the outstanding principal amount of the 2008 Loan, payable by the City on the same dates that payments of interest on the 2008 Loan are due.

“Authorized DNRC Officer” means the Director of the DNRC or his or her designee.

“Bond Counsel” means any Counsel nationally recognized as experienced in matters relating to the issuance by states or political subdivisions of tax-exempt obligations selected by the City and acceptable to the DNRC.

“Bonds” means the Series 2000 Bond, Series 2002A Bonds, Series 2008 Bond and any Additional Bonds.

“Borrower” means the City or any permitted successor or assign.

“Business Day” means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in Montana are authorized or required by law to close.

“City” means the City of Great Falls, Montana.

“Closing” means the date of delivery of the Series 2008 Bond to the DNRC.

“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 2008 Bond. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Supplemental Resolution shall be without effect.

“Committed Amount” means the amount of the 2008 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 and 3.4 of this Supplemental Resolution.

“Construction Account” means the account created in the Water System Fund pursuant to Section 7.02 of the Original Resolution.

“Consultant” means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an Accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the System or the Project, selected by the City and satisfactory to the DNRC.

“Commission” means the City Commission of the City of Great Falls, Montana.

“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 in the Water System Fund pursuant to 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.

“Enabling Act” means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended, which authorizes the Borrower to own and operate the System, and to issue the Series 2008 Bond.

“EPA” means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Safe Drinking 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 Section 1452 of the Safe Drinking Water Act.

“Fund” means the Water System Fund established pursuant to Section 7.01 of the Original Resolution.

“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 May 1, 1998, 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 one percent (1.00%) per annum on the outstanding principal amount of the 2008 Loan, payable on the same dates that payments of interest on the 2008 Loan are due.

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

“Operating Account” means the account created in the Water System Fund pursuant to Section 7.03 of the Original Resolution.

“Original Resolution” means Resolution No. 9226, adopted by this Commission on May 7, 2002.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Program” means the Drinking Water State Revolving Fund Program established by the State Act.

“Public Entity” means a State agency, town, municipality, irrigation district, county water and sewer district, a soil conservation 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.

“Rebate Account” means the account created in the Water System Fund pursuant to Section 7.09 of the Original Resolution.

“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 2008 Bond.

“Repair and Replacement Account” means the Account created in the Water System Fund pursuant to Section 7.07 of the Original Resolution.

“Reserve Account” means the account created in the Water System Fund pursuant to Section 7.05 of the Resolution.

“Reserve Requirement” means as of the date of reference, an amount equal to the maximum amount of Principal and Interest Requirements on all Outstanding Bonds in the then current or any future Fiscal Year; provided that if Additional Bonds are issued to refund any Outstanding Bonds and a crossover refunding escrow is established from proceeds thereof as contemplated in Section 6.01(E)(1), then such Additional Bonds shall not be deemed Outstanding for purposes of the Reserve Requirement until the Crossover Date (as defined in Section 6.01(E)(1)).

“Resolution” means the Original Resolution as amended and supplemented by this Supplemental Resolution and other Supplemental Resolutions.

“Safe Drinking Water Act” means Title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

“Series 2000 Bond” means the City’s Amended and Restated Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2000, issued, as amended and restated, in the maximum authorized principal amount of \$3,000,000 pursuant to the Original Resolution.

“Series 2002A Bonds” means the City’s Water System Revenue Refunding Bonds, Series 2002A, issued in the original principal amount of \$8,030,000 pursuant to the Original Resolution.

“Series 2008 Bond” means the \$4,010,000 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2008, issued to the DNRC to evidence the 2008 Loan pursuant to this Supplemental Resolution.

“State” means the State of Montana.

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

“State Act” means Montana Code Annotated, Title 75, Part 6, Chapter 2, as amended from time to time.

“Supplemental Resolution” means this Resolution No. 9755, of the City adopted on June 17, 2008.

“Surplus Account” means the account created in the Water System Fund pursuant to Section 7.08 of the Original Resolution.

“System” means the water system of the City and all extensions, improvements and betterments thereof heretofore or hereafter constructed and acquired.

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

“2008 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 all or a portion of the costs of the 2008 Project and to fund a deposit to the Reserve Account.

“2008 Project” means the costs of the facilities, improvements and activities financed, refinanced or the cost of which is being reimbursed to the City with proceeds of the 2008 Loan, as described in Exhibit A to this Supplemental Resolution.

“Water Debt” means Debt incurred to acquire, construct, extend, improve, add to or otherwise pay expenses of or related to the System, without regard to the source of payment and security for such Debt (i.e., without regard to whether it is general obligation or revenue Debt), or Debt payable from, or secured by, in whole or in part, any Water Revenues.

“Water Debt Service” means, for the period of determination, all required payments of principal and interest (including mandatory sinking fund redemptions) on all Water Revenue Debt of the City.

“Water Revenue Debt” means all Debt of the City which is secured solely or partly by the Water Revenues.

“Water Revenues” means revenues (gross or net) received by the Borrower from or in connection with the operation of the System.

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

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 Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of the 2008 Project;

Appendix B: the form of the Series 2008 Bond; and

Appendix C: additional agreements and representations of the City.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1. Authorization and Findings.

(a) Authorization. Under the provisions of the Enabling 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 the 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 net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the City.

(b) The System. The City, pursuant to the Enabling Act and other laws of the State has established and presently owns and operates the System.

(c) The 2008 Project. After investigation of the facts and as authorized by the Enabling Act, this Commission has determined it to be necessary and desirable and in the best interests of the City to acquire and construct the 2008 Project.

(d) Outstanding Bonds. Pursuant to the Enabling Act and the Original Resolution, the City has issued and there are outstanding its Series 2000 Bond and Series 2002A Bonds. The Series 2000 Bond and Series 2002A Bonds are 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 6.01 of the Original Resolution to issue Additional Bonds to finance the cost or estimated cost of providing any further improvement, extension or rehabilitation of the System; provided that if the Additional Bonds are issued to finance a Project, a certificate is to be signed by an Independent Consultant stating that the Net Revenues in the Fiscal Year immediately preceding the issuance of such Additional Bonds were at least equal to 125% of the maximum Principal and Interest Requirements for any complete future Fiscal Year (during the term of the then Outstanding Bonds) with respect to the Outstanding Bonds and the Additional Bonds proposed to be issued.

Based on a certificate executed or to be executed by the Independent Consultant, it is hereby determined that the City is authorized to issue \$4,010,000 in aggregate principal amount of Additional Bonds pursuant to Section 6.01 of the Original Resolution payable from and secured by the Net Revenues on a parity with the outstanding Series 2000 Bond and Series 2002A Bonds.

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 2008 Bond and to carry out and consummate all transactions contemplated by the Resolution, the Series 2008 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 2008 Bond and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2008 Bond in the maximum amount of the Committed Amount.

(b) 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 2008 Bond and the Collateral Documents, or the financial condition of the City, or the transactions contemplated by the Resolution, the Series 2008 Bond and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2008 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 2008 Project, the Series 2008 Bond or any Collateral Documents and the period for filing any such petition will have expired before issuance of the Series 2008 Bond.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2008 Bond and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2008 Bond and the Collateral Documents and compliance by the City with the provisions of the Resolution, the Series 2008 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 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 2008 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 2008 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 2008 Bond and the Collateral Documents (including any necessary water rate increase) or for the 2008 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 2008 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 2008 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 2008 Project. The 2008 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 provision of Article III of this Supplemental Resolution. The 2008 Project comprises facilities of a type that, as determined by the EPA, will facilitate compliance with the national primary drinking water regulations applicable to the System or will otherwise significantly further the health protection objectives of the Safe Drinking Water Act.

(h) The System. The System is a “community water system” within the meaning of the State Act and the Safe Drinking Water Act in that it is a public water system, comprising collection, treatment, storage and distribution facilities for the provision to the public of water for human consumption, that serves not less than 15 service connections used by year-round residents of the area served by the System or regularly serves not less than 25 year-round residents.

(i) 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 2008 Bond and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2008 Bond.

(j) 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 2008 Bond and the Collateral Documents.

Section 2.3. Covenants.

(a) Insurance. In addition to the requirements 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. Each policy must provide that it cannot be cancelled by the insurer without giving the City and the DNRC 30 days’ prior written notice. 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 2008 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 2008 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 2008 Bond;

(ii) The City shall forthwith, after the execution and delivery of the Series 2008 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 2008 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.

The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly gross revenues derived from its operation, and the segregation and application of the gross revenues in accordance with the Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted governmental accounting practice and principles. It will cause such books to be maintained on the basis of the same fiscal year as that utilized by the City. The City shall, within 270 days after the close of each fiscal year, cause to be prepared and supply to the DNRC a financial report with respect to the System for such fiscal year. The report shall be prepared at the direction of the financial officer of the City in accordance with applicable generally accepted governmental accounting principles and, in addition to whatever matters may be thought proper by the financial officer to be included therein, shall include the following:

(A) A statement in detail of the income and expenditures of the System for the fiscal year, identifying capital expenditures and separating them from operating expenditures;

(B) A balance sheet as of the end of the fiscal year;

(C) The number of premises connected to the System at the end of the fiscal year;

(D) The amount on hand in each account of the Fund at the end of the fiscal year;

(E) A list of the insurance policies and fidelity bonds in force at the end of the fiscal year, setting out as to each the amount thereof, the risks covered thereby, the name of the insurer or surety and the expiration date of the policy or bond; and

(F) A determination that the report shows full compliance by the City with the provisions of the Resolution during the fiscal year covered thereby, including proper segregation of the capital expenditures from operating expenses, maintenance of the required balance in the Reserve Account, and receipt of Net Revenues during each fiscal year at least equal to 125% of the maximum amount of principal and interest payable on Outstanding Parity Bonds in any subsequent fiscal year, or, if the report should reveal that the revenues have been insufficient for compliance with the Resolution, or that the methods used in accounting for such revenues were contrary to any provision of the Resolution, the report shall include a full explanation thereof, together with recommendations for such change in rates or accounting practices or in the operation of the System as may be required.

The City shall also have prepared and supplied to the DNRC and the DEQ, within 270 days of the close of every other fiscal year, an audit report prepared by an independent certified public

accountant or an agency of the state in accordance with generally accepted governmental accounting principles and practice with respect to the financial statements and records of the System. The audit report shall include an analysis of the City's compliance with the provisions of the Resolution.

(g) Project Accounts. The City shall maintain Project accounts in accordance with generally accepted government accounting standards.

(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 the Safe Drinking Water Act, as provided in Section 75-6-224(1)(h) of the State Act.

(i) Compliance with Safe Drinking Water Act. The City has complied and shall comply with all conditions and requirements of the Safe Drinking Water Act pertaining to the 2008 Loan and the 2008 Project, and shall maintain sufficient financial, managerial and technical capability to continue to effect such compliance.

(j) Compliance with DEQ Requirements. The City shall comply with plan, specification and other requirements for public water systems established by the DEQ, as required by Section 756-224(1)(h).

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 2008 Bond or any other funds of the City in respect of the 2008 Project or the Series 2008 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 2008 Loan or the portion of the 2008 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 2008 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 2008 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the 2008 Loan, be owned

by the City and not by any other Person. Any portion of the 2008 Project being financed shall be acquired by and shall, during the term of the 2008 Loan, be owned by the City and not by any other Person. Notwithstanding the previous two sentences, the City may transfer the 2008 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 Sections 2.2(h), 2.2(i) and 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 Safe Drinking Water Act or adversely affect the exclusion of interest on the State 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 2008 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 Safe Drinking Water Act.

(e) At the Closing of the 2008 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 or any Additional 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 2008 Loan term it will not contract with or permit any Private Person to manage the 2008 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 Safe Drinking Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The City may not lease the 2008 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 2008 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 2008 Project if (i) such change will violate the Safe Drinking 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 2008 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 2008 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 2008 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 2008 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 2008 Bond and the Collateral Documents, (b) such action does not violate the State Act or the Safe Drinking Water Act and does not adversely affect the exclusion of interest on the Series 2008 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 2008 PROJECT

Section 3.1. Use of Proceeds. The City shall apply the proceeds of the 2008 Loan from the DNRC solely as follows:

(a) The City shall apply the proceeds of the 2008 Loan solely to the financing, refinancing or reimbursement of the costs of the 2008 Project as set forth in Appendix A hereto and this Section 3.1. The 2008 Loan will be disbursed in accordance with Article IV hereof and Article VII of the Indenture. If the 2008 Project has not been completed prior to Closing, the City shall, as quickly as reasonably possible, complete the 2008 Project and expend proceeds of the Series 2008 Bond to pay the costs of completing the 2008 Project.

(b) No portion of the proceeds of the 2008 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 June 1, 1993. In addition, if any proceeds of the 2008 Loan are to be used to reimburse the City for 2008 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 in respect of such costs.

(c) Any Debt to be refinanced with proceeds of the 2008 Loan was incurred after June 1, 1993 for a Project the construction or acquisition of which began after June 1, 1993. No proceeds of the 2008 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 2008 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2008 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 2008 Loan (the 2008 Project may consist of more than one facility or activity). The 2008 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 2008 Project, an increase or decrease in the amount of 2008 Loan proceeds which will be required to complete the 2008 Project and whether the change will materially accelerate or delay the construction schedule for the 2008 Project;

(b) A written consent to such change in the 2008 Project by an Authorized DNRC Officer;

(c) An Opinion or Opinions of Bond Counsel stating that the 2008 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 2008 Bond was issued, eligible for financing under the Enabling Act, such amendment will not violate the State Act or the Enabling Act and such amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2008 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 2008 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 2008 Loan to pay 2008 Project costs or as to the availability of additional funds under the Program to increase the principal amount of the 2008 Loan.

Section 3.3. 2008 Project Representations and Covenants. The City hereby represents to and covenants with the DNRC that:

- (a) all construction of the 2008 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 2008 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; and
- (d) the 2008 Project is a project of the type permitted to be financed under the Enabling Act, the State Act and the Program and Section 1452 of the Safe Drinking Water Act.

Section 3.4. Completion or Cancellation or Reduction of Costs of the 2008 Project.

- (a) Upon completion of the 2008 Project, the City shall deliver to the DNRC a certificate stating that the 2008 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 2008 Project, a separate completion certificate shall be delivered for each.
- (b) If all or any portion of the 2008 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 2008 LOAN

Section 4.1. The 2008 Loan; Disbursement of 2008 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 \$4,010,000 (the "Committed Amount") for the purposes of financing, refinancing or reimbursing the City for the costs of the 2008 Project; provided the DNRC shall not be required to loan any proceeds of the State Bonds to the City after December 31, 2009. The Committed Amount may be reduced as provided in Sections 3.2(a) and 3.4 of this Supplemental Resolution. The 2008 Loan shall be disbursed as provided in this Section 4.1. The DNRC intends to disburse the 2008 Loan through the Trustee.

(a) In consideration of the issuance of the Series 2008 Bond by the City, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2008 Loan upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2008 Bond and the security therefor and stating in effect that interest on the Series 2008 Bond is not includable in gross income for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(2) the Series 2008 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 2008 Loan;

(5) if all or part of a 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 June 1, 1993 or the debt was incurred no earlier than June 1, 1993, (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 2008 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 2008 Loan to pay costs of the 2008 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 2008 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 Safe Drinking Water Act shall be established by the DNRC and the City at Closing. The Trustee shall disburse 2008 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 2008 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 the 2008 Loan is made to reimburse a City for 2008 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 Safe Drinking 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 2008 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 2008 Project costs are incurred faster than the City projected at Closing, there may be delays in making 2008 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 best efforts to obtain an acceleration of such schedule if necessary.

(f) Upon making each 2008 Loan disbursement, the Trustee is to note such disbursement on Schedule A to the Series 2008 Bond.

(g) The City agrees that it will deposit in the Reserve Account upon receipt any proceeds of the 2008 Loan borrowed for the purpose of causing the balance in the Reserve Account equal the Reserve Requirement, either on the Closing Date of the 2008 Loan or upon any disbursement date. The City further acknowledges and agrees that any portions of the 2008 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 2008 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, this Supplemental Resolution and the Collateral Documents shall be a further condition precedent to the disbursement of the 2008 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 2008 Loan.

Section 4.2. Commencement of 2008 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 2008 Loan proceeds.

Section 4.3. Termination of 2008 Loan Term. The City's obligations under the Resolution and the Collateral Documents in respect of the Series 2008 Bonds shall terminate upon payment in full of all amounts due under the Series 2008 Bond and the Resolution in respect thereof; provided, however, that the covenants and obligations provided in Article VII and Section 11.4 of this Supplemental Resolution shall survive the termination of the Resolution.

Section 4.4. 2008 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 2008 LOAN

Section 5.1. Repayment of 2008 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 on the outstanding principal amount of the 2008 Loan at the rate of seventy-five hundredths of one percent (0.75%) per annum and a Loan Loss Reserve Surcharge equal to one percent (1.00%) per annum on the outstanding principal amount of the 2008 Loan. For purposes of this Supplemental Resolution and the Program, the term "Interest on the Loan" or "Interest on the 2008 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 and 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 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:

(a) interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal balance of the 2008 Loan shall be payable on each January 1 and July 1, beginning on January 1, 2009 and concluding on July 1, 2028; and

(b) the principal of the 2008 Loan shall be repayable on each Payment Date, beginning on January 1, 2009 and concluding on July 1, 2028, and the amount of each principal payment shall be calculated on the basis of an interest rate of 3.75% per annum; provided that principal of the 2008 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 2008 Loan shall be due on the dates and in the amounts shown in Schedule B to the Series 2008 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 2008 Bond. Upon each disbursement of 2008 Loan amounts to the City pursuant to Section 4.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the Series 2008 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 2008 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 the 2008 Project has been delivered to the DNRC, the Trustee shall revise Schedule B to the Series 2008 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 and interest and Administrative Expense Surcharge 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 or Administrative Expense Surcharge and Loan Loss Reserve Surcharge under this Section 5.1 shall also be credited against the same payment obligation under the Series 2008 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 2008 Loan, if the City so chooses, all reasonable expenses of the DNRC and the Trustee in connection with the 2008 Loan, the Collateral Documents and the Series 2008 Bond, including, but not limited to:

(1) the cost of reproducing this Supplemental Resolution, the Collateral Documents and the Series 2008 Bond;

(2) the fees and disbursements of Bond Counsel and other Counsel utilized by the DNRC and the Trustee in connection with the 2008 Loan, the Resolution, the Collateral Documents and the Series 2008 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 2008 Bond, whether or not the Series 2008 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 2008 Bond, the Collateral Documents and the Resolution under the Board 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 2008 Bond unless (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 2008 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 2008 Bond and to perform its other agreements contained in the Resolution, the Series 2008 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 2008 Bond, (b) shall perform all its other agreements in the Resolution, the Series 2008 Bond and the Collateral Documents and (c) shall not terminate the Resolution, the Series 2008 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 2008 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 2008 Loan and other payment obligations of the City hereunder and under the Series 2008 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 2008 Bond shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory or charter 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 2008 Bond, and no funds or property of the City other than the Net Revenues may be required to be used to pay principal of or interest on the Series 2008 Bond.

ARTICLE VI

INDEMNIFICATION OF DNRC AND DEQ

The Borrower shall indemnify and save harmless the DNRC, 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 Borrower 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 Project. The Borrower shall also 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 Borrower 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 2008 Bond.

Section 7.2. Assignment by DNRC. The DNRC will pledge its rights under and interest in the Resolution, the Series 2008 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 and Additional 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 2008 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 Series 2000 Bond, the Series 2002A Bonds, and the Series 2008 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 2008 Bond will be more than sufficient to pay the principal and interest when due on the Series 2000 Bond, the Series 2002A Bonds, and the Series 2008 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 2008 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 2008 Bond to evidence the 2008 Loan. The Series 2008 Bond is issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433(2)(a).

Section 8.3. Terms. The Series 2008 Bond shall be in the maximum principal amount equal to the original Committed Amount of the 2008 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 2008 Loan. The principal of and interest on the Series 2008 Bond shall be payable on the same dates and in the same amounts as principal and interest of the Loan Repayments are payable. Advances of principal of the Series 2008 Bond shall be deemed made when advances of the 2008 Loan are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2008 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 2008 Bond, in whole or in part, only upon the terms and conditions under which it can prepay the 2008 Loan under Section 5.3.

Section 8.4. Negotiability, Transfer and Registration. The Series 2008 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 2008 Bond shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1625 Eleventh Avenue, Helena, Montana 59620-1601 or such other place as may be designated by the DNRC in writing and delivered to the City. The Series 2008 Bond shall be negotiable, subject to the provisions for registration and transfer contained in this Section. No transfer of the Series 2008 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 2008 Bond, and (2) the Fiscal Services Director of the City (or successors, the "Registrar"), as Bond Registrar, has duly noted the transfer on the Series 2008 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 2008 Bond is registered as the absolute owner of the Series 2008 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 2008 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 2008 Bond. The Series 2008 Bond shall be sealed with the corporate seal of the City. In the event that any of the officers who shall have signed the Series 2008 Bond shall cease to be officers of the City before the Series 2008 Bond is issued or delivered, their signatures shall remain binding upon the City. Conversely, the Series 2008 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 2008 Bond shall be delivered to the DNRC, or its attorney or legal representative.

Section 8.6. Form. The Series 2008 Bond shall be prepared in substantially the form attached as Appendix B.

ARTICLE IX

SECURITY FOR THE SERIES 2008 BOND

The Series 2008 Bond is issued as an Additional Bond under Section 6.01 of the Resolution and shall, with the Series 2000 Bond, the Series 2002A Bonds, and any other Additional Bonds issued under the provisions of Section 6.01 of the Original Resolution, 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 Water System Fund, without preference or priority, all as provided in the Resolution, and secured by the Reserve Account, as further provided in Sections 6 and 7.05 of the Original Resolution. Upon advancement of principal of the Series 2008 Bond, the Fiscal Services Director shall transfer from available funds of the System or proceeds of the Series 2008 Bond such amount or amounts to the Reserve Account to cause the balance therein to equal the Reserve Requirement, treating such principal amount as Outstanding. Upon the first advance of proceeds of the Series 2008 Bond, the deposit to the Reserve Account shall be sufficient to cause the balance in the Reserve Account to equal the Reserve Requirement in respect of the Series 2000 Bond, the Series 2002A Bonds, and the principal of the Series 2008 Bond so advanced. 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 2008 Bond.

ARTICLE X

TAX MATTERS

Section 10.1. Use of 2008 Project. The 2008 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 2008 Project or the System or security for the payment of the Series 2008 Bond which might cause the Series 2008 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 2008 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 2008 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 2008 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 Mayor, City Manager and the City Fiscal Services Director, being the officers of the City charged with the responsibility for issuing the Series 2008 Bond pursuant to the Resolution, 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 2008 Bond, it is reasonably expected that the proceeds of the Series 2008 Bond will be used in a manner that would not cause the Series 2008 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 2008 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 2008 Bond from gross income for federal income tax purposes, unless the Series 2008 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 2008 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 Fiscal Services Director is hereby authorized and directed to execute a Rebate Certificate, substantially in the form of the Rebate Certificate 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 November 15, 2008, a statement concerning the Series 2008 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 2008 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 Mayor, the City Manager and the City Fiscal Services Director of the City 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
1625 Eleventh Avenue
P. O. Box 201601
Helena, Montana 59620-1601
Attn: Conservation and Resource
Development Division

Trustee: U.S. Bank National Association
c/o Corporate Trust Services
Two Union Square
601 Union Street, Suite 2120
Seattle, Washington 98101

City: City of Great Falls
P.O. Box 5021
Great Falls, MT 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 without the written consent of the DNRC.

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, the DEQ or the Trustee, either directly or through the DNRC, the 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 Resolution and the making of the 2008 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 2008 Bond, shall not be 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 2008 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 2008 Project or the facility or facilities of which the 2008 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 2008 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 2008 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.

Adopted by the City Commission of the City of Great Falls, Montana, on this 17th day of June, 2008.

Dona R. Stebbins, Mayor

Attest:

Lisa Kunz, City Clerk

Approved for Legal Content:

David V. Gliko, City Attorney

APPENDIX A

Description of the 2008 Project

The cost of designing and engineering seven water main replacements within the city limits of Great Falls to be completed during the next two construction seasons.

APPENDIX B

[Form of the Series 2008 Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CASCADE

CITY OF GREAT FALLS

WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)
SERIES 2008

R-1

\$4,010,000

FOR VALUE RECEIVED, THE CITY OF GREAT FALLS, MONTANA (the "City"), 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 Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A hereto under "Total Amount Advanced," with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid. In addition, the City shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Bond at the rates of seventy-five hundredths of one percent (0.75%) and one percent (1.00%), respectively, per annum. Interest and 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 January 1, 2009. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment 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 and 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 2008 Loan amounts to the City pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under "Advances" and the total amount advanced under the Resolution (as hereinafter defined), including such disbursement, under "Total Amount Advanced." The DNRC shall prepare Schedule B and revised Schedules B, or cause Schedule B and revised Schedules B to be prepared, as provided in Section 5.1 of the Resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of three and seventy-five hundredths percent (3.75%) per annum. Past-due payments of principal and 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 and 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 constitutes a series in the maximum authorized principal amount of \$4,010,000 (the "Series 2008 Bond"), issued to finance costs of designing and engineering of certain improvements to the water system of the City (the "System") and to make a deposit to a reserve fund for the Bonds. The Series 2008 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, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the City, including Resolution No. 9226, adopted by this Commission on May 7, 2002 (the "Original Resolution"), as amended and supplemented by Resolution No. 9755 (the "Supplemental Resolution"), adopted June 17, 2008 (as so amended and supplemented, the "Resolution"). The Series 2008 Bond is issuable only as a single, fully registered bond. The Series 2008 Bond is issued on a parity and is equally and ratably secured by the Net Revenues of the System with the City's outstanding Amended and Restated Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2000 (the "Series 2000 Bond") and its Water System Revenue Refunding Bonds, Series 2002A (the "Series 2002A Bond").

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2008 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 2000 Bond, the Series 2002A Bonds, and the Series 2008 Bond (collectively, the "Bonds") or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the City, and the rights of the owners of the Series 2008 Bond.

The City may prepay the principal of the Series 2008 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 2008 Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

The Bonds, 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 City within the meaning of any constitutional, statutory or charter limitation or provision.

The City may deem and treat the person in whose name this Series 2008 Bond is registered as the absolute owner hereof, whether this Series 2008 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the City shall not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City has duly authorized and will forthwith undertake the improvements to the System hereinabove described, has fixed and established and will collect reasonable rates and charges for the services and facilities afforded by the System, and has created a special Water System Fund into which the Revenues (as defined in the Resolution) of the System, including all additions thereto and replacements and improvements thereof, will be paid, and a separate and special Debt Service Account in that fund, into which will be paid each month, Net Revenues of the System then on hand (the gross revenues remaining after the payment of operating expenses of the System), an amount equal to not less than the sum of one-sixth of the interest due within the next six months and one-twelfth of the principal due within the next twelve months with respect to all outstanding Bonds payable from that account, and a Reserve Account in that fund into which shall be paid additional Net Revenues sufficient to establish and maintain a reserve therein equal to, as of the date of calculation, the maximum amount of Principal and Interest Requirements on all Outstanding Bonds in the current or any future Fiscal Year (giving effect to any mandatory sinking fund redemption); that the Debt Service Account and the Reserve Account will be used only to pay the principal of, premium, if any, and interest on the Bonds issued pursuant to the authority herein recited; that the rates and charges for the System will from time to time be made and kept sufficient to provide Net Revenues (Revenues less Operating Expenses, as defined in the Resolution) for each Fiscal Year at least equal to 125% of the principal and interest payable from the Debt Service Account in any subsequent fiscal year, to maintain the balance in the Reserve Account at the Reserve Requirement, to pay promptly the reasonable and current expenses of operating and maintaining the System, to pay the principal of and interest on any Subordinate Obligations and to provide reserves for the replacement and depreciation of the System; that Additional Bonds may be issued and made payable from the Debt Service Account on a parity with the Series 2000 Bond, the Series 2002A Bonds, and the Series 2008 Bond upon certain conditions set forth in the Resolution but no obligation will be otherwise incurred and made payable from the Net Revenues, unless the lien thereof shall be expressly made subordinate to the lien of the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and other Additional Bonds on such Net Revenues; that all provisions for the security of this Series 2008 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 City to be done, to exist, to happen and to be performed in order to make this Series 2008 Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2008 Bond and the premium, if any, and 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 City within the meaning of any constitutional, statutory or charter limitation or provision and the issuance of the Series 2008 Bond does not cause either the general or the special indebtedness of the City to exceed any constitutional, statutory or charter 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 City to be affixed hereto, and has caused this Bond to be dated as of the ____ day of _____, 2008.

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 City 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 City'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>
_____, 2008	<u>Department of Natural</u> <u>Resources and Conservation</u> <u>1625 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 City, 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>

SCHEDULE B

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

ADDITIONAL REPRESENTATIONS AND COVENANTS

None

Regular City Commission Meeting

Mayor Stebbins presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL: City Commissioners present: Dona Stebbins, Bill Bronson, Mary Jolley, Bill Beecher and John Rosenbaum. Also present were the City Manager, Assistant City Manager, City Attorney, Directors of Community Development, Fiscal Services, Library, Park and Recreation, Planning and Public Works, the Police Chief, Fire Marshal, and the City Clerk.

FIREFIGHTER SWEARING IN: Colton D. Walter and Joshua D. Kulbeck

NEIGHBORHOOD COUNCILS

- NC 1.** 1. Swearing In Ceremony, Steven Bonilla, Neighborhood Council 1.
- NC 7.** 2A. **Aaron Weissman, NC 7 Chair**, commented that neighbors and landlords in the area are in favor of a disorderly residence ordinance as discussed at the work session. Mr. Weissman thanked everyone for their efforts to begin lighting Gibson Park.
- NC 4.** 2B. **Sandra Guynn, NC 4 Chair**, thanked the Planning Department for the memo regarding the possible annexation of 10th Avenue North from 38th to 57th Streets. Ms. Guynn reported that clean up efforts with the County have progressed on the property east of Bundi Gardens.

PUBLIC HEARINGS

- Res. 9736 and Ord. 3003, Annexation and Zoning for Lots 34 and 35A, Beebe Tracts and a Segment of 2nd Avenue North from 52nd Street North through the Intersection of 57th Street North. Adopted.**
- 3A. RESOLUTION 9736, ANNEXES LOTS 34 AND 35A, BEEBE TRACTS AND A SEGMENT OF 2ND AVENUE NORTH FROM 52ND STREET NORTH THROUGH THE INTERSECTION OF 57TH STREET NORTH.**
- 3B. ORDINANCE 3003, ASSIGNS ZONING CLASSIFICATION OF C-2 GENERAL COMMERCIAL DISTRICT TO PROPERTY.**

Planning Director Ben Rangel reported that in February, 2006, the City Commission adopted Ordinance 2930 regarding the annexation of parcels receiving water and/or sewer services, but located outside the City limits. The Commission has decided to annex these parcels to more effectively provide services and, as a matter of fairness to current City residents, to make certain that those who use City services help to equally pay for the cost of providing them. A number of properties have already been annexed under this program. This agenda item involves Murph's Bowling Alley & Nightclub on 2nd Avenue North, near 57th Street. As a condition for the continued receipt of City water

services, the property owner has provided written consent to annex.

On May 6, 2008, the City Commission set a public hearing for this evening. After conducting a joint public hearing, Mr. Rangel requested that the City Commission adopt Resolution 9736, which would annex the involved parcels and segments of 2nd Avenue North and 57th Street North and to adopt Ordinance 3003, which would assign C-2 General Commercial zoning.

The City Planning Board/Zoning Commission unanimously recommends Commission approval.

Mayor Stebbins declared the public hearing open. **Sandra Guynn**, NC 4, 3624 9th Avenue South, spoke in support of Resolution 9736 and Ordinance 3003. No one spoke in opposition.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the City Commission adopt Resolution 9736.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded.

Motion carried 5-0.

Commissioner Jolley moved, seconded by Commissioner Bronson, that the City Commission adopt Ordinance 3003.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded.

Motion carried 5-0.

**Res. 9737 and Ord. 3004,
Annexation and Zoning
for Bootlegger Addition
Phase I. Adopted.**

**4A. RESOLUTION 9737, ANNEXES BOOTLEGGERS ADDITION
PHASE I.**

**4B. ORDINANCE 3004, ASSIGNS ZONING CLASSIFICATION OF R-3
SINGLE-FAMILY HIGH DENSITY TO PROPERTY.**

Planning Director Ben Rangel reported that in January, 2008, the City Commission approved the Preliminary Plat of Bootlegger Addition, Phases I & II. The subdivision is located in North Great Falls, just west of Bootlegger Trail and between Northview Addition and Eagle's Crossing Addition.

The property owners and developers, McIntyre Enterprises and Murphy Real Estate, are now ready to proceed with Phase 1, which consists of 26 single family residential lots.

On May 6, 2008, the City Commission set a public hearing for this evening. After conducting a joint public hearing, Mr. Rangel requested that the City Commission adopt Resolution 9737, which would annex the subdivision and to adopt Ordinance 3004, which would assign R-3 Single-Family Residential zoning, and to approve the final plat and annexation agreement.

The City Planning Board/Zoning Commission unanimously recommends Commission approval.

Mayor Stebbins declared the public hearing open. No one spoke in favor of or opposition to Resolution 9737 and Ordinance 3004.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Jolley moved, seconded by Commissioner Bronson, that the City Commission adopt Resolution 9737 and approve the Final Plat and Annexation Agreement all related to Bootlegger Addition Phase I.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded.

Motion carried 5-0.

Commissioner Bronson moved, seconded by Commissioners Beecher and Rosenbaum, that the City Commission adopt Ordinance 3004.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded.

Motion carried 5-0.

Res. 9739, Res. 9740 and Ord. 3006, Annexation and Zoning for Castle Pines Addition Phase VI. Adopted.

5A. RESOLUTIONS 9739 and 9740, ANNEXES CASTLE PINES ADDITION PHASE VI.

5B. ORDINANCE 3006, ASSIGNS ZONING CLASSIFICATION OF R-3 SINGLE-FAMILY HIGH DENSITY TO PROPERTY.

Planning Director Ben Rangel reported that in March, 2008, the City Commission approved the Preliminary Plat of Castle Pines Addition, Phases VI-VII. The subdivision is located in South Great Falls along the east side of 13th Street South, near 27th Avenue South.

Harold Poulsen, the property owner and developer, is now ready to proceed with Phase VI, which consists of 23 single family residential lots.

On May 6, 2008, the City Commission set a public hearing for this evening. After conducting a joint public hearing, Mr. Rangel requested the City

Commission (1) adopt Resolution 9739, which would annex a segment of 13th Street South and a majority of Phase 6, (2) adopt Resolution 9740, which would separately annex 10 lots for NeighborWorks “self-help” program homes, (3) adopt Ordinance 3006, which would assign R-3 Single-Family Residential zoning, and (4) approve the final plat and annexation agreement.

The City Planning Board/Zoning Commission unanimously recommends Commission approval.

Mayor Stebbins declared the public hearing open. No one spoke in favor of or opposition to Resolution 9739 and Ordinance 3006.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the City Commission adopt Resolutions 9739 and 9740, and approve the Final Plat and Annexation Agreement all related to Castle Pines Addition Phase VI.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded.

Motion carried 5-0.

Commissioner Rosenbaum moved, seconded by Commissioner Bronson, that the City Commission adopt Ordinance 3006.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded.

Motion carried 5-0.

Res. 9744, Cost Recovery, 209 2nd Avenue North. Adopted.

6. RESOLUTION 9744, COST RECOVERY, 209 2ND AVENUE NORTH.

Community Development Director Mike Rattray reported that approval of this resolution will place a lien on the property located at 209 2nd Avenue North in the amount of \$1,628.79. The property was condemned by the City building official. This property was subject to a U.S. Bankruptcy proceeding and the Court requested that the City secure the property. The City incurred costs in sanitation clean up.

Mayor Stebbins declared the public hearing open. No one spoke in favor of or opposition to Resolution 9744.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Rosenbaum moved, seconded by Commissioner Beecher, that the City Commission adopt Resolution 9744.

Mayor Stebbins asked if there was any discussion amongst the Commission. Commissioner Jolley read a portion of the staff report wherein it stated the owner gave approval for demolition to a private contractor. Mr. Rattray responded that the Bankruptcy Court became the owner, requested City staff to secure and clean up the building, and recognized that the City would have a cost recovery. Commissioner Jolley reiterated that the bank will pay the costs and Mr. Rattray responded affirmatively that there will be a lien on the property.

Motion carried 5-0.

Sale of City-Owned Park Land, Blocks 21 and 22 of Highland Park Addition. Approved.

7. SALE OF CITY-OWNED PARK LAND, BLOCKS 21 AND 22 OF HIGHLAND PARK ADDITION.

Park and Recreation Director Marty Basta reported that this agenda item is to conduct a public hearing for the sale of park land to Williamson Fencing. The 2.7 acre Highland Park property lies outside of the City limits, has no utilities, has had a history of maintenance issues associated with illegal dumping and off-road vehicle usage. The Park and Recreation Advisory Board approved the sale of Highland Park property and further approved the use of proceeds to fund water slides, benches and trees at the Jaycee and Water Tower neighborhood swimming pools. The Highland Park property was appraised at \$40,000. Bids were opened on April 30, 2008, with three bidders responding. The highest bid was received from Williamson Fencing for \$55,001, approximately 38% over the appraised value.

Mayor Stebbins declared the public hearing open. No one spoke in favor of or opposition to the sale of city-owned park land.

Mayor Stebbins declared the public hearing closed and asked for the direction of the City Commission.

Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the City Commission approve the sale of city-owned park land, Blocks 21 and 22 of Highland Park Addition.

Mayor Stebbins asked if there was any discussion amongst the Commission. Commissioner Jolley asked how the City acquired land outside of the City limits.

Mr. Basta responded that the City owns quite a substantial amount of properties outside of the City limits. Some of the properties were donated to the City for future park use. Mr. Basta did not know the history of this particular parcel. Commissioner Jolley asked if all City land that isn't developed with buildings considered undeveloped park land per se. Mr. Basta

answered no.

Motion carried 5-0.

OLD BUSINESS

Res. 9749, Creating an Animal Shelter/Enforcement Advisory Committee. Postponed and reset for June 17, 2008.

8. RESOLUTION 9749, CREATING AN ANIMAL SHELTER/ENFORCEMENT ADVISORY COMMITTEE.

Mayor Stebbins opened the hearing for public comment. Speaking in favor of Resolution 9749 was **Jan Cahill**, 746 33rd B Avenue N.E. Mr. Cahill thanked Mr. Doyon for meeting with him and for his openness to information from a variety of people. Mr. Cahill made it clear that he was speaking with Mr. Doyon as a person who is a member of the Humane Society and not on behalf of the Board of Directors. Mr. Cahill stated that the Board viewed Resolution 9749 as an opportunity to work with the Animal Foundation and three Neighborhood Council representatives with the idea that they are all trying to achieve the same goal which is the health and welfare of animals in both the City of Great Falls and Cascade County. Mr. Cahill asked the City Commission to look favorably upon this resolution.

No one spoke in opposition to Resolution 9749.

Commissioner Bronson moved, seconded by Commissioner Beecher, that the City Commission postpone consideration of Resolution 9749 until the next regular meeting for the purpose of considering amendments to the text of the resolution.

Commissioner Bronson explained that there has been public discussion and reflection in a news article about this proposed resolution. The article accurately conveyed that this Commission was not yet of one mind on this particular resolution. That simply reflects a lot of the discussions that this body has already had in connection with the proposed City budget whether or not the City should give up the responsibility of enforcement of animal control. There has also been discussion about whether the City will be a participant in the construction of the new animal shelter. In recognizing that there was not yet a consensus on this resolution, and in recognition of the good of the community, Commissioner Bronson felt it appropriate to have a higher degree of consensus on this issue. He made an effort to draft amendments to Resolution 9749 that would address the concerns of the Commission, but also create a better scope of the mission for this proposed advisory group. With that in mind, Commissioner Bronson stated that he would provide the ideas to City staff and then have a public hearing and make a final decision.

Commissioner Jolley thanked Commissioner Bronson for spending time on this issue.

Commissioner Rosenbaum stated that the Commission discussed traveling to Bozeman or possibly Missoula or Billings in the near future to look at the new shelters that have been built elsewhere. Commissioner Rosenbaum stated that the Commission wants to do the best thing possible and come up with the most efficient facility with the dollars and the commitment the City has to make on behalf of the citizens and pet owners.

Mayor Stebbins asked Commissioner Bronson to restate his motion.

Commissioner Bronson moved, seconded by Commissioner Jolly, that the City Commission postpone consideration of Resolution 9749 until the next regular meeting for the purpose of making and presenting amendments to the resolution.

Motion carried 5-0.

NEW BUSINESS

ORDINANCES/RESOLUTIONS

Ord. 3008, Rezone a 40' wide strip of land being added to the rear of Lots 1-5, Block 1, Taylor Addition. Accepted Ord. 3008 on first reading and set public hearing for July 1, 2008.

9. ORDINANCE 3008, REZONE A 40' WIDE STRIP OF LAND BEING ADDED TO THE REAR OF LOTS 1-5, BLOCK 1, TAYLOR ADDITION.

Planning Director Ben Rangel reported that Taylor Land Partnership LLP and five lot owners have submitted an amended plat and rezoning request. Their interest is to add a 40 foot strip of land to the rear of five residential lots in Taylor Addition. The additional strip of land will serve as a private access easement to the rear of the lots. The lots are located in Southeast Great Falls along 13th Avenue South between 39th and 43rd Streets.

Mr. Rangel requested the City Commission to accept Ordinance 3008 on first reading and to set public hearing for July 1, 2008, to consider assignment of City zoning, and to approve the amended plat.

Commissioner Jolley moved, seconded by Commissioner Beecher, that the City Commission accept Ordinance 3008 on first reading, and set public hearing for July 1, 2008.

Mayor Stebbins asked if there was any discussion amongst the Commission. No one responded. Mayor Stebbins asked if there were any inquiries from members of the public. No one responded.

Motion carried 5-0.

Res. 9748, Annual Special Improvement District (SID) Revolving Fund Analysis. Adopted.

10. RESOLUTION 9748, ANNUAL SPECIAL IMPROVEMENT DISTRICT (SID) REVOLVING FUND ANALYSIS.

Fiscal Services Director Coleen Balzarini reported that this item is an annual resolution. City staff looks at the cash reserves that are set aside for special improvement district debt service payments. The reserves are required to not fall below five percent of the original bonds outstanding and can't exceed 10% of the current bonds outstanding due to IRS and State regulations. The money is used if it is necessary to make loans to those individual debt service funds. This year there are no loans that are necessary. All the funds that are in the reserve are within the criteria that are specified.

Commissioner Bronson moved, seconded by Commissioners Beecher and Rosenbaum, that the City Commission adopt Resolution 9748.

Mayor Stebbins asked if there was any discussion amongst the Commissioners. Commissioner Jolley asked if it was City policy to keep an extra amount. Ms. Balzarini responded that there are surplus funds. On the other hand, if the City issues additional special improvement district debt, the bond entities and the buyers of those bonds will look at how much money is in the fund. It is more than what is needed, but less than the max. The Commission does have the ability to transfer \$115,000 to the general fund. Commissioner Jolley asked if, in six months, they could change their minds and use \$40,000. Ms. Balzarini responded yes that this is an annual analysis to make sure the City is in compliance with the minimums and maximums. Another resolution could be presented later if the Commission chooses to use the money.

Commissioner Rosenbaum added that, historically, the Commission has kept that in good shape because the default rate and delinquency rate that has to do with bonding also has to do with the interest rate.

Mayor Stebbins asked if there were any inquiries from the public. No one responded.

Motion carried 5-0.

**Consent Agenda.
Approved as printed.**

CONSENT AGENDA

11. Minutes, May 20, 2008, Commission meeting.
12. Total expenditures of \$2,056,768 for the period of May 12-28, 2008, to include claims over \$5,000, in the amount of \$1,807,230.
13. Contracts list.
14. Approve sponsorship of up to \$500 for use of the Mansfield Center for the Performing Arts to the Harvard Glee Club concert on June 15, 2008.
15. Adopt the North Central Montana Military Road Map.
16. Approve final payment to PEC, Inc. and the State Miscellaneous Tax Division for the Sanitary Sewer Trenchless Rehabilitation in the amount of \$12,509.31. OF 1425.6

17. Award construction contract in the amount of \$629,312.50 to United Materials of Great Falls for the Phase I – 7th and 8th Avenues South Water Main Replacement. OF 1515
18. Award contract for Asphaltic Concrete Material to United Materials of Great Falls in the amount of \$570,750.

With the exception of Item 12, Commissioner Jolley moved, seconded by Commissioner Beecher, to approve the Consent Agenda.

Motion carried 5-0.

Commissioner Jolley inquired why Marathon Oil Company was suing the City and how long the suit has been pending. City Attorney David Gliko answered that the neighborhood around Carriage Trade Cleaners were experiencing ground water contamination. It was identified as a petroleum product leakage from a gas station owned by Marathon Oil. Marathon Oil interpleaded the City of Great Falls as a party defendant on the theory that the City's sewer lines were in part responsible for the transmission of the petroleum leakage saturating the neighborhood ground's soil. The expert finally determined that the sewer lines were under pressure and the petroleum leakage from the gas station could not possibly penetrate the sewer lines and, therefore, be in any way responsible for the transmission of the petroleum contamination. In a recent settlement conference the City was finally recognized as not being at fault in any way for the contamination and the parties agreed to dismiss the City from the lawsuit without any damages to be paid. However, there were legal fees attached to the City's defense.

Commissioner Jolley asked what investigative funds for Pat Brinkman under Police Special Revenue were for. Police Chief Grove responded that sum of money was for drug investigations.

Commissioner Jolley asked about the amount listed for Veolia Water, Co-Generation System, and whether it was a monthly charge. Public Works Director Jim Rearden responded that was a one time charge related to the co-generation system for 35 different invoices that Veolia incurred to put the co-generation system in place that were outside of the construction contract.

Commissioner Jolley referred to the Electric Fund payment to SME and stated that there is not an ordinance to buy power without being concerned what it costs the City.

Commissioner Jolley stated that she is all right with the other items after the explanations, with the exception of the SME payment.

Commissioner Rosenbaum moved, seconded by Commissioner Beecher, to approve the adoption of Item 12 on the Consent Agenda.

Motion carried 4-1. (Commissioner Jolley dissenting.)

BOARDS & COMMISSIONS**19. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.****CITY MANAGER****20. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Gregory T. Doyon expressed kudos to Doug Wicks and Nancy Johnson who won an award at the Intermountain Jazz Conference in Missoula for their poster of River's Edge Trail. Planning staff in the mapping department had input and help with that. Mr. Doyon updated the City Commission that he met with Congressman Rehberg this past week and talked about initiatives that he is starting to learn about from the Commission. Mr. Doyon plans on compiling a list for the congressional delegation members that will be comprised from City staff, the Airport Authority and the GFDA, to have something ready to pass along if the City was in the midst of an initiative that could use federal assistance.

PETITIONS AND COMMUNICATIONS**21. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Mayor Stebbins opened the meeting to Petitions and Communications.

United Materials, SME.

21A. Pamela Morris, 2201 8th Avenue North, requested that the City call upon United Materials to clean up after themselves around the neighborhood adjacent to them so that the City is not further encumbered. Ms. Morris also asked that rather than have the consent agenda include the total expenditures as in Item 12, that electric payments be a separate item for individual discussion.

Great Falls Portage Route.

21B. Aart Dolman, 3016 Central Avenue, commented that he was concerned about the National Historic Landmark, the Great Falls Portage Route, being placed on the 10 most endangered list. Great Falls was on record so differently a few years ago with the 10th Street Bridge. Tourism in this town is a major industry. Mr. Dolman requested that, in future planning, City staff take those factors and the impact into consideration, because having placed Great Falls Portage Route as one of the 10 most endangered historic sites in this country cannot do this community any good.

Transit System, Cost of Power, SME.

21C. Richard Liebert, 289 Boston Coulee Road, commended the Commission for its deliberation on the Animal Shelter resolution. He thanked Mayor Stebbins for the PSA on Habitat for Humanity. Mr. Liebert urged the community and City and County leadership to promote the Great Falls transit system. Mr. Liebert commented that he wanted to correct a misconception that SME quoted in the newspaper that wind energy costs \$70 megawatts for generation. He stated the cost is \$49 for Montana/Dakota Utility, and opined

the Highwood plant may cost \$70/\$80. As the senate is debating cap and trade right now it could even be higher. Even if that bill doesn't get passed this year it is setting the stage for future action. Mr. Liebert discussed the affidavits of SME's minutes. He understands trade secrets and proprietary information, but believes redacted minutes or an abstract report from City staff should be provided to see what discussions City staff is engaged in.

**Pay increase, Inflation,
EPA Investigation.**

21C. John Hubbard, 615 7th Avenue South, thanked Mary Jolley for working for the people. Mr. Hubbard commented that he was shocked that the County officials voted themselves a 3% pay increase. Mr. Hubbard discussed the inflated costs of fuel, food and medicine and the politicians not doing anything about it. Mr. Hubbard discussed the lack of response from the EPA regarding the investigation of his former employer's property.

CITY COMMISSION

22. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Commissioner Rosenbaum followed up that the payment to SME was for power consumed and sold.

Mayor Stebbins thanked Mayor Pro Tempore Bronson for standing in for her at the last meeting.

ADJOURNMENT

Adjourn.

There being no further business to come before the Commission, **Commissioner Bronson moved, seconded by Commissioners Rosenbaum and Jolley, that the regular meeting of June 3, 2008, be adjourned at 8:10 p.m.**

Motion carried 5-0.

Mayor Stebbins

City Clerk

Minutes Approved: June 17, 2008



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

PRESENTED BY: Fiscal Services Director

ACTION REQUESTED: Approval with Consent Agenda

ITEMIZED LISTING OF ALL TRANSACTIONS GREATER THAN \$5000:

MASTER ACCOUNT CHECK RUN FOR JUNE 4, 2008	505,737.01
MASTER ACCOUNT CHECK RUN FOR JUNE 11, 2008	422,960.43
MUNICIPAL COURT ACCOUNT CHECK RUN FOR MAY 26 TO JUNE 9, 2008	65,068.00
WIRE TRANSFERS FROM MAY 22 TO MAY 28, 2008	34,070.21
WIRE TRANSFERS FROM MAY 29 TO JUNE 4, 2008	109,921.25
WIRE TRANSFERS FROM JUNE 5 TO JUNE 11, 2008	<u>74,006.46</u>
TOTAL: \$	<u>1,211,763.36</u>

GENERAL FUND

LEGAL

BROWNING KALECZYC BERRY & HOVEN, P.C.	LEGAL FEES MARATHON OIL COMPANY v. GREAT FALLS	10,477.12
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POLICE

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	645.42
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FIRE

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	709.36
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PARK & RECREATION

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	523.86
MONTANA WASTE SYSTEMS	MAY CHARGES (SPLIT AMONG FUNDS)	167.40

SPECIAL REVENUE FUND

PLANNING

GREAT FALLS TRANSIT DISTRICT	2ND QUARTER REIMBURSEMENT TRANSIT PROGRAM	13,795.97
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LIGHTING DISTRICT

NORTHWESTERN ENERGY	MAY CHARGES (SPLIT AMONG FUNDS)	70,356.33
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SPECIAL REVENUE FUND (CONTINUED)

911 SPECIAL REVENUE

HEWLETT PACKARD	SERVER/ULTRIUM TAPE DRIVE MOBILE	5,949.00
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STREET DISTRICT

SHERWIN WILLIAMS	PAVEMENT MARKING SUPPLIES	11,470.25
FLINT TRADING INC	PREMARK TURN ARROWS & LINES	9,934.67
NORTHWESTERN ENERGY	MAY CHARGES (SPLIT AMONG FUNDS)	63.88

LIBRARY

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	816.63
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NATURAL RESOURCES

MONTANA WASTE SYSTEMS	MAY CHARGES (SPLIT AMONG FUNDS)	40.95
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FEDERAL BLOCK GRANTS

DAVID W KUGLIN	PMT #3 FOR CDBG SIDEWALK REPLACEMENT	12,471.97
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CAPITAL PROJECTS

GENERAL CAPITAL

JAMES TALCOTT CONSTRUCTION	PMT #10 NEIGHBORHOOD POOLS & SPLASHDECKS	161,377.57
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ENTERPRISE FUNDS

WATER

THATCHER CO	LIQUID ALUMINUM SULFATE	21,531.39
PHILLIPS CONSTRUCTION	REMOVE SLUDGE FROM WTP TO CITY SITE	7,000.00
NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	9,685.58
PIPELINE INSPECTION SERVICES	WTP FLUME LINING PROJECT PMT #1	18,764.86

SEWER

PLANNED & ENGINEERED CONST	SANITARY SEWER TRENCHLESS REHAB PH 11 FINAL PAYMENT	12,384.22
PHILLIPS CONSTRUCTION	WASTEWATER PLANT ACCESS ROAD	11,111.26
PIPELINE INSPECTION SERVICES	SANITARY SEWER MANHOLE LINING PMT #1	40,794.19
INSITUFORM TECHNOLOGIES INC	SANITARY SEWER TRENCHLESS REHAB PH 12 PMT #1	65,400.49

SANITATION

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	167.72
MONTANA WASTE SYSTEMS	MAY CHARGES (SPLIT AMONG FUNDS)	90,398.05

ELECTRIC

SME	PMT OF ENERGY SUPPLY EXPENSE MARCH 08	33,181.62
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SAFETY SERVICES

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	161.36
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ENTERPRISE FUNDS (CONTINUED)

PARKING

DUNCAN PARKING TECHNOLOGIES	185 DUNCAN ELECTRONIC EAGLE CK MECHANISMS	28,000.25
NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	531.20

SWIM POOLS

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	401.04
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RECREATION

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	477.25
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CIVIC CENTER EVENTS

GF COMMUNITY CONCERT ASSOC.	SEASON TICKET SALE PROCEEDS THROUGH JUNE 5, 2008	48,345.00
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INTERNAL SERVICES FUND

HEALTH & BENEFITS

BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS MAY 22 TO MAY 26, 2008	34,070.21
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS MAY 27 TO MAY 31, 2008	109,921.25
BLUE CROSS/BLUE SHIELD	ADMIN & REINS FEES JUNE 2008	40,824.84

CENTRAL GARAGE

MOUNTAIN VIEW CO-OP	FUEL	60,554.70
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PUBLIC WORKS ADMINISTRATION

NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	749.48
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CC FACILITY SERVICES

A-1 CONTRACTORS LLC	EMERGENCY ROOF REPAIRS OVER THEATRE	34,440.00
NORTHWESTERN ENERGY	APRIL CHARGES (SPLIT AMONG FUNDS)	1,482.77

TRUST AND AGENCY

COURT TRUST MUNICIPAL COURT

CASCADE COUNTY TREASURER	FINES & FORFEITURES COLLECTIONS	10,619.00
CITY OF GREAT FALLS	FINES & FORFEITURES COLLECTIONS	45,866.00

CLAIMS OVER \$5000 TOTAL:

\$ 1,025,664.11

COMMUNICATION TO THE CITY COMMISSION

DATE: June 17, 2008
AGENDA:

ITEM: **AMENDED** CONTRACT 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: Lisa Kunz, City Clerk

ACTION REQUESTED: Ratification of Contracts through the Consent Agenda

MAYOR’S SIGNATURE: _____

CONTRACT LIST

	DEPARTMENT	OTHER PARTY (PERSON OR ENTITY)	PERIOD	FUND	AMOUNT	PURPOSE
A	Park and Recreation/ Insurance & Safety	BMI Music	04/01/2008 – 03/31/2009	Insurance & Safety	\$587	Music License Agreement
B	Public Works Engineering	Montana Department of Transportation	04/2004 – 12/2009	Water Utility	\$606,721.21 Previously approved via Utilities Agreement approved 07/17/07 and Construction Agreement approved 01/22/08	BNRR - River Drive, Escrow agreement for funding the water main replacement for Overlook Drive from water plant to Oddfellows Park OF 1307
C	Public Works Engineering	Montana Department of Transportation	06/2003 – 09/2009	N/A	None	Bike/Pedestrian facility improvements lighting agreement for lighting under the Sun River Bridge on 6 th Street SW OF 1402

D	Public Works Engineering	M & D Construction	06/2008 – 09/2008	General Capital	\$27,981	Replace windows over the gym of the Police Department building OF 1529
E	Great Falls Public Library	American Association of University Women (AAUW)	06/01/2008 – 10/31/2008	Library	\$5,000	Lease Agreement (Area in the west annex of approx. 7,000 sq. feet on the third floor)
F	Great Falls Public Library	SIRSI	07/01/2008 – 06/30/2009	251-6111-561-3516	\$24,000	One year annual software maintenance agreement
F _____ G	Great Falls Police Department	Montana Highway Patrol	07/01/2008 – 10/01/2009	100-2191-522-3599 Project # 210803	\$800/month	EUDL Grant partner for enforcing underage drinking laws – extra patrols
H	Great Falls Police Department	Great Falls Housing Authority	07/01/2008 – 12/31/2008	Police Fund	\$5,593.06/month	Addendum to Community Based Policing Agreement at the Great Falls Housing Authority projects.



Item: Res. # 9754, Cost Recovery, S90' of W40' & N60' of W4' of E14' of Lot 12, Block 251, Great Falls Original Addition, 209 2nd Ave. N.

From: Jay Parrott, Building Inspector

Initiated By: Community Development Department

Presented By: Mike Rattray, Community Development Department Director

Action Requested: Set Public Hearing for July 1, 2008, for recovering costs incurred in razing and clean-up of the structure located at 209 2nd Avenue North

Suggested Motion:

1. Commissioner moves:

“I move the City Commission set the public hearing for July 1, 2008, for the adoption of Resolution # 9754.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission set the public hearing for July 1, 2008, for the adoption of Resolution # 9754.

Background: The City condemned the property on August 8, 2006 and secured the structure at the request of the U.S. Bankruptcy Court. The owner of the property, Associates First Capital Corporation, obtained a demolition price from Shumaker Trucking and Excavating at the end of March to raze the structure. Shumaker Trucking was issued a razing permit on April 18, 2008, however, Shumaker Trucking was not given approval to raze the structure by the property owner. On May 16, 2008, the City took over the demolition process due to non-action by the property owner. On May 14, 2008, a razing permit was issued to MRTE for the structure. Razing was completed on May 21, 2008.

Concurrences: N/A

Fiscal Impact: Adoption of Resolution # 9754 will allow the City to reimburse the demolition fund \$ 28,700.00.

Alternatives: The City Commission may or may not adopt Resolution # 9754.

Attachments/Exhibits: Resolution # 9754
Actions taken by staff
Notice of Public Hearing
Itemized account for recovery of razing costs

RESOLUTION 9754

A RESOLUTION ASSESSING THE COSTS INCURRED IN RAZING AND CLEANING OF THE PROPERTY LOCATED ON THE S90' OF W40' & N60' OF W4' OF E14' OF LOT 12, BLOCK 251, GREAT FALLS ORIGINAL ADDITION, GREAT FALLS, CASCADE COUNTY, MONTANA, ADDRESSED AS 209 2nd AVENUE NORTH, AGAINST SAID PROPERTY.

WHEREAS, Associates First Capital Corporation, owner of the property located on the S90' of W40' & N60' of W4' of E14' of Lot 12, Block 251, Great Falls Original Addition, Great Falls, Montana, 209 2nd Avenue North was issued a notice to raze the structure.

WHEREAS, after due notice the property owner did not raze the structure.

WHEREAS, staff hired a contractor to raze the structure and clean the property.

WHEREAS, the contractor completed razing and clean-up of the structure.

WHEREAS, the City Commission set July 1, 2008, at 7:00 p.m. for this hearing, to show cause why the property owner should not be held liable for the costs incurred in razing and cleaning of said property.

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

The amount of \$ 28,700.00 for razing and cleanup costs incurred in the abatement of the nuisance located on the S90' of W40' & N60' of W4' of E14' of Lot 12, Block 251, Great Falls Original Addition, Great Falls, Montana, described as 209 2nd Avenue North, be assessed against the property itself, with interest and penalties on the unpaid balance.

PASSED by the Commission of the City of Great Falls, Montana, on this 1st day of July, 2008.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade: ss.City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify the foregoing Resolution # 9754 was placed on its final passage and adoption, and was passed and adopted by the City Commission of said City at a Regular Meeting thereof held on the 1st day of July, 2008, and approved by the Mayor of said City, on the 1st day of July, 2008.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City, this 1st day of July, 2008.

Lisa Kunz, City Clerk

ACTION TAKEN BY CITY STAFF

<u>Action</u>	<u>Date</u>
Initial complaint taken by staff	07-02-03
Housing complaint	12-03-03
“Request for Entry” requested	12-26-03
Initial inspection of property with Fire Marshall	12-18-03
Inspection by building department	01-26-04
Re-inspection of structure	04-01-04
6 citations issued to owner	04-15-04
Ordered to vacate basement	01-23-06
2 nd order to vacate basement	04-14-04
Property condemned & building secured by order of bankruptcy court	08-08-06
Trash removed by City Sanitation Department	09-18-06
Re-secured building	07-26-07
Re-secured building	08-21-07
Re-secured building	12-10-07
Razing permit issued to Shumaker Trucking & Excavating	04-18-08
Razing permit issued to <i>Missouri River Trucking & Excavation</i>	05-14-08
Razing permit issued to Shumaker Trucking & Excavating revoked	05-15-08
Asbestos abatement by <i>Scott Fitzpatrick</i>	05-17-08
Razing completed	05-21-08

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Commission will hold a public hearing on July 1, 2008, at 7:00 p.m., in the Commission Chamber of the Civic Center for assessing razing and cleanup costs on the following property in the amount set forth:

209 2nd Avenue North \$ 28,700.00

Any person interested or affected by the proposed charge may file written protests or objections, containing the description of the property and the grounds for such protest or objections, with the Clerk's office prior to the time set for the hearing.

BY ORDER OF THE CITY COMMISSION

Lisa Kunz, City Clerk

OFFICE USE ONLY

Publication Date: June 21, 2008

cc: Account # 451-7121-572-3599
Lisa Kunz, City Clerk
Itemized Account
Owner: Associates First Capital Corporation
1111 Northpoint, Suite 100, Building 4
Coppell, Texas 75019
Post on Property
Property File

ITEMIZED ACCOUNT FOR RECOVERY OF ABATEMENT COSTS

The following expenses were incurred during the razing and cleanup of the property located on the S90' of W40' & N90' of W4' of E14' of Lot 12, Block 251, Great Falls Original Addition, Great Falls, Montana, more commonly known as 209 2nd Avenue North.

Administrative Fee	\$ 260.00
Ownership and Encumbrance Report by <i>Stewart Title</i>	\$ 110.00
Recording Fee	\$ 35.00
Publishing Legal Ad (Tribune)	\$ 35.00
Asbestos Inspection & Design	\$ 260.00
Asbestos Abatement	\$ 2,000.00
Abandon Water Service by <i>MRTE</i>	\$ 600.00
Razing by <i>MRTE</i>	<u>\$ 25,400.00</u>
TOTAL EXPENSES INCURRED	<u>\$ 28,700.00</u>



Agenda # 12
Commission Meeting Date: *June 17, 2008*
CITY OF GREAT FALLS
COMMISSION AGENDA REPORT

Item: Sale of City Property, Lot 3F of Amended Plat of Lot 3, Medical Tech Park

From: Mike Rattray, Community Development Director

Initiated By: Community Development Department

Presented By: Mike Rattray, Community Development Director

Action Requested: Set Public Hearing Date for July 1, 2008

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission set July 1, 2008, as the date for a public hearing to consider the sale of Lot 3F of the Amended Plat of Lot 3, Medical Tech Park...”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission set the public hearing date for July 1, 2008.

Background: In 2004, in conjunction with development of the Centene project, the City of Great Falls purchased an additional ten acres for the purpose of creating a subdivision that would provide office development sites that would be in harmony with the institutional type of development currently taking place in this part of the community. On July 18, 2006, the City Commission approved the final plat of the ten acre site, which created eight lots of approximately 1.1 acre in size. Staff obtained an appraisal that established the fair market value of the land at a minimum of \$4.00 per square foot with a range up to \$4.50 per square foot. The City sold the first lot on September 5, 2006, for \$4.00 per square foot for the purpose of constructing a new Social Security building.

Staff was recently contacted by a firm that was involved in a competition for a new office for a Homeland Security project they wanted to construct on a lot at the Medical Tech Park. The firm, SBC Archway IV, LLC, requested that staff offer Lot 3F for sale. A public notice of a bid opening was placed in the newspaper on May 25, 2008, for a bid opening to be conducted on June 4, 2008. The minimum bid price was established at \$4.25 per square foot. On June 4, 2008, the City received one bid on Lot 3F for \$242,615 from SBC Archway IV, LL.

Concurrences: N/A

Fiscal Impact: Sale of the lot will provide the City with \$242,615 of revenue that can be used to pay debt created when the Medical Tech Park land was purchased, subdivided and provided with public improvements.

Alternatives: N/A

Attachments/Exhibits: Public Notice To All Bidders

NOTICE TO ALL BIDDERS

SALE OF CITY-OWNED PROPERTY

NOTICE IS HEREBY GIVEN that the City of Great Falls, Montana, will receive sealed bids at the City Clerk's Office, Room 202, Civic Center Building, #2 Park Drive, Great Falls, Montana, until 3:00 p.m., June 4, 2008, at which place and time they will be publicly opened, read and considered, together with all bidding for the sale and development of the City-owned land more particularly described as follows:

Lot 3F, Amended Plat of Lot 3, Medical Tech Park Subdivision, Great Falls, MT

Each and every bid shall be accompanied by a cashier's check, drawn on a responsible bank, payable to the City of Great Falls, for an amount which will be not less than ten percent (10%) of the aggregate of the enclosed bid. Minimum bid for the land shall not be less than the appraised value as indicated below:

The minimum bid price shall be \$4.25 per square foot (\$242,520) and shall include as an addition thereto a draft plan for a development project that would constitute a minimum of 5,000 square feet of building construction.

The bids shall be marked on the outside: "Bid on City-owned land to be opened June 4, 2008.

Map exhibits of the land to be sold are on file in the Community Development Department of the City of Great Falls. Potential bidders are encouraged to contact Mike Rattray, Community Development Director, for additional information prior to submitting a bid.

The City Commission of the City of Great Falls reserves the right to reject any or all bids and accept any bid should it be deemed in the public interest to do so.

BY ORDER OF THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA.

Lisa Kunz, City Clerk

PUBLICATION DATE: May 25, 2008

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the City Commission of the City of Great Falls, Montana, will conduct a public hearing in the Commission Chambers, Civic Center Building, at 7:00 p.m. on July 1, 2008, for the purpose of considering the sale of a parcel of City-owned land described below.

Lot 3F of Amended Plat of Lot 3, Medical Tech Park, Great Falls, MT

Map exhibits delineating the parcel for sale are available for review in the Community Development Department at the Civic Center. Any person who wants to provide comment may do so at the public hearing or may provide written comment by mailing said comments to: City Clerk, City of Great Falls, P.O. Box 5021, Great Falls, MT 59403.

Lisa Kunz
City Clerk

PUBLICATION DATE: June 15, 2008



Item: Repayment of 2001 Central Garage Loan to construct South Parking Ramp; and Annual Release of Urban Renewal Tax Increment District Surplus Funds

From: Coleen Balzarini, Fiscal Services Director

Initiated By: Analysis of Urban Renewal Tax Increment District Revenue Collections and Bond Covenant Reserve Requirements

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Authorize the Use of Available Tax Increment Funds to Repay the Outstanding Balance on an Interfund Loan used to finance the 2001 South Parking Ramp Project; and, Release of Surplus Tax Increment Funds to State, City, County, and School District

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (authorize/deny) the use of available tax increment funds to payoff the \$1,600,000 outstanding balance remaining on the 2001 Central Garage Fund loans issued to assist in the construction of the tax increment eligible 2001 South Parking Ramp Project; and, (authorize/deny) the release and distribution of \$1,000,000 of surplus tax increments from the Tax Increment Debt Service Fund”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Background:

There are two principle payments remaining on the Urban Renewal Tax Increment Bonds. The payment dates are August 15 of 2008 and 2009. The Urban Renewal Tax Increment District will cease to exist when the debt is satisfied. Reductions in the amount of required reserves are attributable to the minimal amount of debt service payments remaining on the Tax Increment Bonds. Funds no longer required to be held in reserve are available for other purposes including payment of construction costs of eligible projects and release of funds back to the County, School District, State, and City of Great Falls.

Use of Tax Increment Funds to Repay Central Garage Loans issued to finance the 2001 South Parking Ramp Project:

Additional tax increment funds are now available due to reductions in required cash reserves in the Tax Increment Debt Service Fund. It is Staff's recommendation that \$1,600,000 of available funds be used to repay the outstanding balance of the 2001 Central Garage Loans approved to construct the South Parking Ramp. Annual revenues of the Parking Fund are not adequate to pay operational expenses and make principle and interest loan payments. This situation results in the use of Parking Fund reserve balances to pay all or a portion of the annual loan obligation.

On November 8, 2000, the Commission adopted Resolution 9127, Modifying the Great Falls Central Place Revitalization Plan to approve the construction of an additional downtown parking structure as an Urban Renewal Project. Adoption of this resolution made it possible to use existing tax increment funds in the construction of the parking ramp.

Additional Commission actions occurring on November 8, 2000 designated \$2,312,345 of eligible City funds to the Project, leaving a balance of \$2,020,000 to be financed and repaid over time. It was determined loans from the Central Garage Fund would be the most efficient source of long-term financing for this project. External financing was not recommended because requirements, connected with guaranteeing payment from operating revenues of the Parking Fund, would necessitate an immediate increase in fees in excess of what the market would bear. The Commission took separate action to approve the Central Garage Loan on November 8, 2000. The current loan balance is \$1,600,000.

The use of pooled reserves, held in the Central Garage Fund, as a source of cash available for Interfund loans is consistent with reserve policies provided:

- a. principle is to be repaid;
- b. interest, equivalent to the investment potential, is paid; and
- c. loan totals are consistent with equipment schedule, cash flow needs.

Annual Analysis and Release of Surplus Tax Increment Funds:

The annual analysis of the Urban Renewal Tax Increment Debt Service Fund indicates there is \$1,000,000 in surplus tax increment revenue available for release to the various taxing jurisdictions. The existence of this surplus is proof positive that the use of tax increment financing works to increase the taxable value of areas such as downtown Great Falls. The community benefits from the development activities in the form of infrastructure upgrades and improved aesthetics in a previously blighted area of the community. The willingness of the taxing jurisdictions to forego receipt of incremental tax revenues during the period in which the district exists indicates a commitment to invest in development today in order to increase tax revenues in the future.

When a tax increment district is created, two basic conditions are met:

1. the determination that "but for" tax increment financing, desired development would not occur in the area; and,
2. agreement that local taxing entities will receive the same "base year" level of taxes, but dedicate any incremental tax increases to financing the development of the area.

The FY 2007/2008 surplus release allocation is based upon 2007 mill levies.

	<u>% Share</u>	<u>Surplus Share</u>
City	24.00 %	\$ 239,970
Library	2.01 %	20,050
County	20.06 %	200,550
School	30.30 %	302,970
State (for schools)	<u>23.65 %</u>	<u>236,460</u>
Total	100.00 %	<u>\$ 1,000,000</u>

Concurrences: A tax increment surplus release cannot occur unless all reserve requirements contained within the bond resolution are met. An analysis of existing funds, anticipated funds, and the amount of required reserves confirms compliance with the requirements.

Fiscal Impact:

Retirement of the Interfund Loan will relieve the Parking Fund of principle and interest payment obligations and thereby make funds available for payment of operation and maintenance expenses within the Parking Fund.

The taxing jurisdictions, including the City, will apply the released surplus funds to needs specific to that governmental entity. For example, in recent years the City has used the surplus release to fund operational expenses of the General Fund.

Alternatives:

If repayment of the Interfund Loan is not authorized, the Parking Fund will continue to experience a reduction in fund balance. Annual Parking Fund revenues are not adequate to continue to pay debt service expenses in addition to operating expenses.

The Commission may opt to delay release of surplus funds back to the taxing jurisdictions.

Attachments/Exhibits:

1. Tax Increment Surplus – Potential Surplus Analysis
2. Tax Increment Surplus – History of Distributions
3. The Urban Renewal Tax Increment District, Related Debt Financings, and Release of Tax Increment Surplus Funds
4. 2001 South Parking Ramp Financing Structure

CITY OF GREAT FALLS
TAX INCREMENT SURPLUS

A Sources

1	Cash Balance	01-Jun-2008		\$	3,132,277
	Add: Estimated Tax Collections thru	15-Aug-2008			1,200,000
	Add: Estimated Interest thru	15-Aug-2008			33,000
	Total Estimated Sources @	15-Aug-2008			4,365,277

B Uses

1	Debt Service Payment @	15-Aug-2008	15-Feb-2009	15-Aug-2009	Total
a	Principal	1,065,000	0	0	1,065,000
b	Interest	37,755	0	0	37,755
c	Fees	750	0	0	750
	Debt Payment Subtotal				1,103,505

2	Reserve Requirements @	15-Aug-2008			
a	Reserve Account - L-T Debt Service Reserve				771,000
	Bond Account - Current Debt Service Reserve (Resets to \$ 0 at August 15th)				
b	Principal	0 X 50%			0
c	Interest (see payment above)				0
d.	Development Account -- "Release Reserve"				561,277
e.	Restricted for Broadwater Landscaping (52,000), Misc Development (458,919-20,000 -218,000), Parking Ramp Debt Obligations pd in 2 fiscal yrs (800,000+800,000)				852,000
	Reserves Required Subtotal				2,184,277

Debt Payment and Reserve Requirements 15-Aug-2008 3,287,782

C Potential Surplus

\$ 1,077,495

D Amount of Surplus to be Released

\$ 1,000,000

E Distribution

	Total	City of Great Falls	Great Falls Library	Cascade County	Great Falls School District	State of Montana	Transit District
2007 Mill Levy	608.44	146.01	12.20	122.02	184.34	143.87	Note 1
Percentage Share	100.00%	24.00%	2.01%	20.06%	30.30%	23.65%	na
Surplus Distributio	1,000,000	239,970	20,050	200,550	302,970	236,460	na

Note 1 Contrary to statute, tax increments related to the Great Falls Transit District were not remitted to the tax increment fund prior to FY 99. T. I. surplus totalling \$152,221 was distributed to the Transit District from FY 92 through FY 97 before the increment error was discovered. Starting in FY 98 Transit District increments will be received and fully retained to recover the increment deficiencies of prior years.

**CITY OF GREAT FALLS
TAX INCREMENT SURPLUS
HISTORY OF DISTRIBUTIONS BY THE CITY**

Fiscal Year	Levy Year	\$ AMOUNT DISTRIBUTED TO TAXING ENTITIES						
		Totals Distributed	City of Great Falls	Great Falls Library	Cascade County	Great Falls School Distr.	State of Montana	G.F. Transit District
							Exclude Univ. Mills	
FY 1990 / 91	1990	180,786.00	59,659.38	5,423.58	43,388.64	72,314.40	0.00	0.00
FY 1991 / 92	1991	113,012.00	21,942.27	1,807.86	16,397.30	31,281.17	38,670.16	2,913.24
FY 1992 / 93	1992	628,220.01	115,537.21	9,519.31	87,523.25	194,289.10	206,011.45	15,339.69
FY 1993 / 94	1993	675,000.00	121,500.00	13,500.00	108,000.00	195,750.00	216,000.00	20,250.00
FY 1994 / 95	1994	1,111,000.00	209,000.00	22,000.00	176,000.00	308,000.00	363,000.00	33,000.00
FY 1995 / 96	1995	1,970,197.00	376,664.00	32,308.00	322,292.00	527,369.00	659,556.00	52,008.00
FY 1996 / 97	1996	1,100,000.00	198,770.00	17,050.00	189,090.00	323,400.00	342,980.00	28,710.00
FY 1997 / 98	1997	706,588.00	143,976.00	4,952.00	134,863.00	257,016.00	165,781.00	0.00
FY 1998 / 99	1998	549,945.00	94,655.00	8,085.00	81,015.00	196,790.00	169,400.00	0.00
FY 1999/00	1999	1,000,000.00	180,600.00	15,500.00	157,000.00	357,500.00	289,400.00	0.00
FY 2000/01	2000	850,000.00	163,795.00	15,895.00	145,350.00	273,870.00	251,090.00	0.00
FY 2001/02	2001	1,051,000.00	199,690.00	21,020.00	189,180.00	357,340.00	283,770.00	0.00
FY 2002/03	2002	1,640,000.00	314,880.00	36,080.00	298,480.00	574,000.00	416,560.00	0.00
FY 2003/04	2003	1,500,000.00	288,000.00	31,500.00	286,500.00	535,500.00	358,500.00	0.00
FY 2004/05	2004	960,000.00	193,601.00	19,775.00	174,572.00	339,597.00	232,455.00	0.00
FY 2005/06	2005	1,000,000.00	214,500.00	20,760.00	183,690.00	339,390.00	241,660.00	0.00
FY 2006/07	2006	1,000,000.00	217,140.00	20,580.00	205,010.00	317,470.00	239,800.00	0.00
FY 2007/08	2007	1,000,000.00	239,970.00	20,050.00	200,550.00	302,970.00	236,460.00	0.00
		\$ 17,035,748.01	\$ 3,353,879.86	\$ 315,805.75	\$ 2,998,901.19	\$ 5,503,846.67	\$ 4,711,093.61	\$ 152,220.93

THE URBAN RENEWAL TAX INCREMENT DISTRICT, RELATED DEBT FINANCINGS, AND RELEASE OF TAX INCREMENT SURPLUS FUNDS

What is Tax Increment?

This *Urban Renewal Tax Increment District* is most of the area in the oldest part of Great Falls

It was *Established in 1979* and will *End in FY 2010*

The *Tax Increment* is the increase in property taxes since the District was created.

What is Tax Increment Used For?

The City has *Issued Bonds for Public Improvements* in the District.

The *Tax Increment Is Used to Pay Back the Bonds or to directly finance eligible activities*

The City, County and School are investing taxes to *Restore the City Center*

What is Tax Increment Surplus?

Tax Increment now generates *More tax revenue than Needed to Pay Bonds -- A Surplus*

The Surplus is returned to tax entities in proportion to their mill levies

Surplus has been released annually since 1987.

Tax Increment District History

The city center Tax Increment District was created in 1979. In FY 86/87 the City initiated annual releases of a portion of the Tax Increments determined to be unnecessary for urban renewal plans. The released levies totaled:

\$ 96,591 for FY 86/87;

\$ 114,845 for FY 87/88; and,

\$ 123,989 for FY 88/89.

All of these releases were made by annual resolutions instructing the County to release any tax increments in excess of \$2,029 per mill.

In 1989 the City issued its major Tax Increment Bond, and in 1993 most of the 1989 Tax Increment Bond was refunded. Bond covenants contain Debt Service Reserve requirements, and include a requirement that the City **directly receive** 100% of all tax increments. The purpose was to assure bond holders that first priority for all tax increments would be bond payments and required reserves. Accordingly, the tax levy for FY 89/90 and subsequent years could not provide for any release of Tax Increments through the County. The covenants also stipulate additional reserves before any release of tax increment surplus.

Due to new bond covenants, no Tax Increment release was provided for FY89/90. Since FY 90/91, analysis has shown that the City is able to:

- a. meet Debt Service Reserve requirements;
- b. issue additional bonds for construction of the Health Department Building;
- c. make current bond payments; and,
- d. annually release surplus tax increment.

Bond covenants authorize the City to use the surplus for further urban renewal, debt retirement, and/or distribution to the taxing bodies. When the Tax Increment District was created, the understanding among local government taxing bodies was that any surplus tax collections would be distributed.

A new City/County/School agreement provided for additional tax increment bonds to be issued in FY 97/98 for a City-County Health Building. The surplus distributions for FY 98/99 and thereafter are reduced due to the increased debt service obligations.

Additional debt service savings occurred in November 2002 when the 1993 T/I bonds were refunded.

Reserves were built up to required balances through past levies or directly through debt financing. The "surplus" is derived from the most current tax levies. Accordingly, the proposed surplus distribution is based upon the current annual mill levies of the taxing jurisdictions.

Release Of Tax Increments - Relevant Bond Covenants Review

Section 8 of Resolution No. 8245 was amended with the adoption of Resolution No. 9268. This section prescribes the details related to required reserves, which are bond covenants, for the 1989 Tax Increment Bond issue.

Page 51 of the resolution sets the requirements which must be met before release of tax increments to taxing bodies. Financing of three reserves is required before any release:

1. RESERVE ACCOUNT - Section 8.04 (Long-term Debt Service Reserve)
This reserve is set at \$771,000, and relates to an amount equal to the lesser of (1) the maximum Principal and Interest Requirements on outstanding bonds for the then current or any future calendar year or (2) ten percent (10%) of the aggregate original principal amount of all series of bonds then outstanding.
2. BOND ACCOUNT - Section 8.03 (Current Debt Service Reserve)
This reserve varies relative to both the principal & interest paid per year as well as the point in time during the year when the balance is reviewed. The reserve amount is the interest due at the next interest payment date plus either:
 - a. 100% of the interest due within the next six (6) months; or,
 - b. 50% of the principal due within the next twelve (12) months.

3. DEVELOPMENT ACCOUNT - Section 8.05(e) (Release Reserve)

In addition to other permitted uses, including the payment of eligible project expenditures, provision is made in the Development Account section for release of surplus increments. However, before any release can be made another reserve requirement is added. This additional release reserve is set at 50% of the principal and interest due in the next succeeding fiscal year.

On page 49 of Resolution No. 8245, Section 8.03 makes specific reference to "all tax increment estimated to be received ... prior to the next succeeding Interest Payment Date" as a factor in measuring conformance with the Bond Account reserve requirement. Accordingly, both cash and estimated revenues should be used to analyze the potential to release tax increments to the taxing bodies. This was also verified through Bond Counsel.

Parking Structure Financing Package Recap:

a) Parking Fund Reserves	560,000
b) Community Block Grant Funds	300,000
c) Contributed Capital into the Parking Fund	
i) General Fund	
(1) Existing Fund Balance	500,000
(2) Special Improvement District Revolving Fund Surplus	300,000
(3) Special Lighting District Surplus	152,345
ii) Economic Development Fund	395,750
iii) Available Tax Increment Funds Designated for Construction	104,250
d) Central Garage - Equipment Revolving Fund Loans	
i) Parking Fund Payback	1,000,000
(1) Two-tiered Loan with a 25-year payback	
(2) Source of Repayment – Parking Revenues	
ii) Parking Fund Payback – (Orig. General Fund)	<u>1,020,000</u>
(1) 15-year payback	
(2) Source of Repayment – Parking Fund Balance	
 Total	 <u>\$4,332,345</u>



Item: Preliminary Plat of Water Tower Park Addition

From: Charles Sheets, Planner I

Initiated By: TD Land Development, Property Owner and Developer

Presented By: Benjamin Rangel, Planning Director

Action Requested: City Commission approve Preliminary Plat of Water Tower Park Addition.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission approve the Preliminary Plat of Water Tower Park Addition, and the accompanying Findings of Fact, subject to fulfillment of stipulated conditions.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Planning Board Recommendation: At the conclusion of a public hearing held May 27, 2008, the Planning Board passed a motion recommending the City Commission approve the Preliminary Plat of Water Tower Park Addition, and the accompanying Findings of Fact, subject to fulfillment of stipulated conditions.

Background: Tim Spencer and Dana Hennen, doing business as TD Land Development, have submitted applications regarding the following:

- 1) Preliminary Plat of Water Tower Park Addition, located in Section 36, Township 21 North, Range 3 East, Cascade County, Montana.
- 2) Annexation of Water Tower Park Addition, consisting of 6.369 acres to the City of Great Falls.
- 3) Zoning the area requested to be annexed from the current County “R-2” Low Density Residential District to the City R-2 Single-family medium density district.

Water Tower Park Addition is located along 14th Street Northeast in the vicinity of 35th Avenue Northeast and consists of 16 single-family lots ranging in size from 9,960 sq. ft. to 14,850 sq. ft.

For additional information, please refer to the attached Vicinity/Zoning Map and Preliminary Plat of Water Tower Park Addition

Access to the subdivision would be via 35th Avenue Northeast through Skyline Heights Addition. An additional future access would involve the northerly extension of 14th Street Northeast to connect with 36th Avenue Northeast. The developer will escrow the estimated costs for the roadway and water main extension. The developer will also install standard City paving, curb and gutter for the roadways within the subdivision, with a cul-de-sac at the south end and a stub at the north end of 14th Street Northeast for future connection to 36th Avenue Northeast.

City water mains and sanitary sewer mains are proposed to be installed in the public roadways. Easements will be provided around the boundary of the subdivision for private utilities such as electric, gas, telephone and cable TV.

Surface drainage from the subdivision flows north and west in the existing roadways and eventually discharges into the detention facility in Skyline Heights Park. Potential problems exist in the vicinity of 11th Street NE and 34th Avenue NE. A storm drainage plan is required and the developer's engineer will work with City staff to develop the plan.

To fulfill the subdivision's park obligation, the developer proposes to pay a fee in lieu of dedicating land, which is acceptable to the Park and Recreation Department.

It is worth noting that 36th Avenue NE will continue to receive the bulk of traffic that new subdivisions in the area are generating, including this one. The various new subdivisions, supplements and phases in the area will cumulatively have an impact over time on the area's roads. Long-range plans to create another east-west collector to the north will eventually divert some traffic from this Avenue. Also, recent westward extension of 36th Avenue NE to 2nd Street NE has given area residents a more direct western route to Skyline Drive and 6th Street NW. 36th Avenue NE/NW is eventually expected to reach 6th Street NW directly, which will give residents even better access. Finally, subdivisions to the north will connect to Bootlegger Trail in a few years, which will also alleviate some of the traffic at the 9th Street NE/36th Avenue NE intersection.

Although current traffic volumes on area collectors are still relatively low and there is sufficient capacity on those roads and nearby intersections for the traffic that would be generated by the 16 new lots this subdivision proposes, the streets in the area should be monitored as this project and others become more fully developed and as traffic patterns become better established. Adjustments to existing signing and/or the installation of new signing at intersections may be a future consideration, when warranted.

For a complete review of the traffic analysis, see the attached report, titled, "Traffic Analysis for Water Tower Park Addition", dated May 2008.

The Planning Board conducted a public hearing on the preliminary plat on May 27, 2008. The development has generated no public comment. At the conclusion of the public hearing, the Planning Board unanimously passed a motion recommending the City Commission approve the Preliminary Plat of Water Tower Park Addition and the accompanying Findings of Fact, subject to the following conditions being fulfilled by the applicant:

- 1) The final plat of Water Tower Park Addition shall incorporate correction of any errors or omissions noted by staff including: 1) provision of a notification clause to lot purchasers regarding soil conditions; 2) provision of easements as recommended by the City Engineer; and 3) reducing the right-of-way width for 14th Street NE to 60 feet.

- 2) The final engineering drawings and specifications for the required public improvements to serve Water Tower Park Addition shall be submitted to the City Public Works Department for review and approval prior to consideration of the final plat.
- 3) An annexation agreement shall be prepared containing terms and conditions for annexation of Water Tower Park Addition, including agreement by applicant:
 - a) to install, within two years of the date of annexation of the subdivision, the public improvements referenced in Condition 2) above;
 - b) to pay proportionate share of the costs for the regional storm water retention facility and offsite storm piping system;
 - c) to indemnify and hold City harmless for any damages that may be sustained as a result of adverse soil and/or groundwater conditions;
 - d) to escrow the estimated costs for the roadway and water main extensions of 14th Street Northeast to connect with 36th Avenue Northeast; and,
 - e) to notify lot purchasers and home builders that individual home booster pumps may be desirable to enhance water pressure.
- 4) All applicable fees owed as a condition of plat or annexation approval shall be paid upon final platting and annexation, including:

a) Annexation Agreement Fee	\$ 200.00
b) Resolution of Annexation Fee	\$ 100.00
c) Final Plat Fee	\$ 200.00
d) Storm Sewer Fee (\$250/acre x 6.369 gross acres)	\$1592.25
e) Park Fee in Lieu of Land Dedication (\$9000/acre x 5.0125 net acres x 11%)	\$4962.38
f) Recording fees for Agreement and Resolution (\$11 per page x pages)	to be determined

The zoning for the subdivision will be addressed in conjunction with the final plat and annexation of the development.

Concurrences: Representatives from the City’s Public Works, Community Development, Park and Recreation, and Fire Departments have been involved throughout the review and approval process for this project.

Fiscal Impact: Providing services to the single-family lots in the subdivision is expected to be a negligible cost to the City. Any increased costs likely will be covered by increased tax revenues from improved properties.

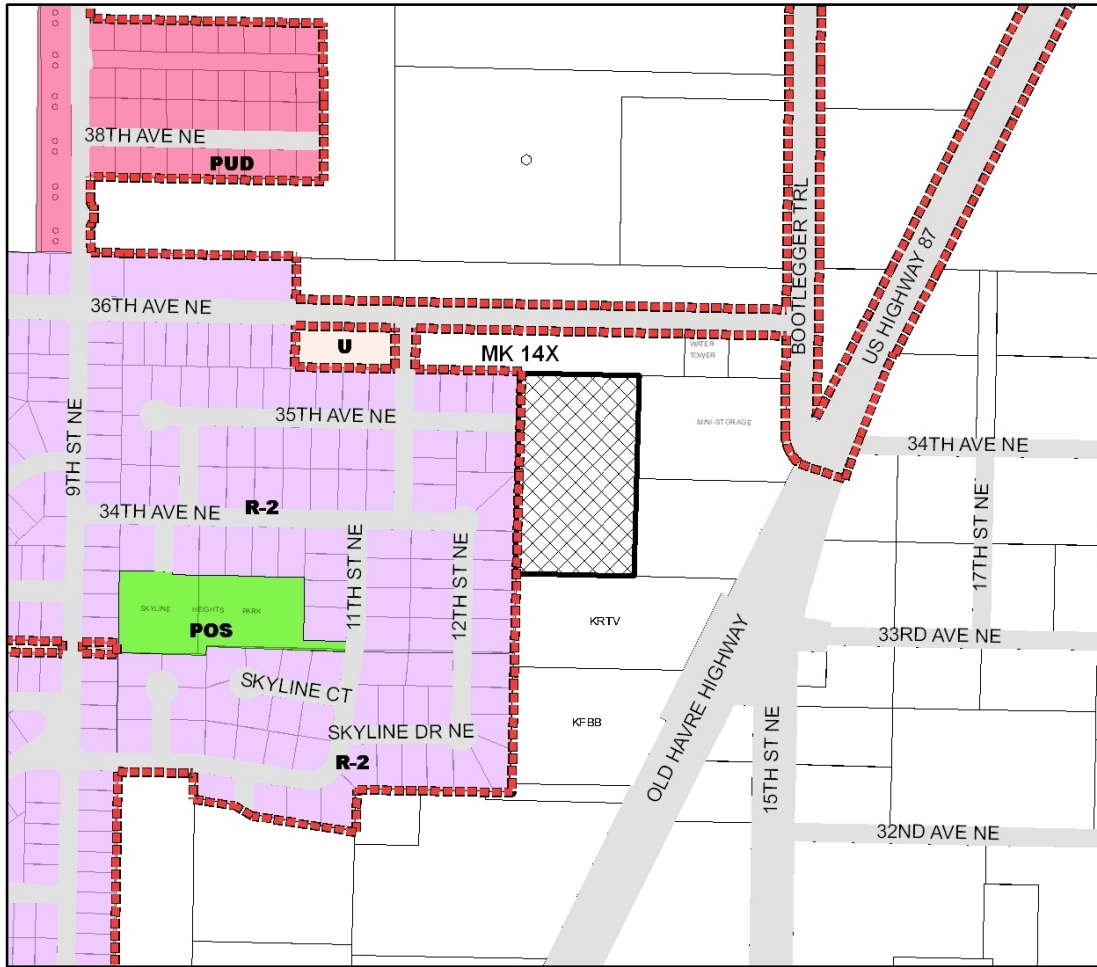
Alternates: The City Commission could either deny the preliminary plat; approve the preliminary plat without conditions; or approve the preliminary plat with modified or additional conditions to the extent allowed in City Code and State Statute.


Attachments/Exhibits:







1. Vicinity/Zoning Map
2. Preliminary Plat
3. Findings of Fact
4. Memorandum from City Engineer, dated May 20, 2008
5. Traffic Analysis, dated May 2008.

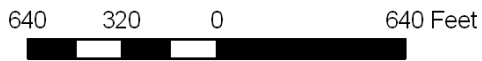
Cc: TD Land Development, 618 Central Ave, Great Falls, MT, 59401
 HKM Engineering, P O Box 49, Great Falls, MT, 59403

VICINITY/ZONING MAP



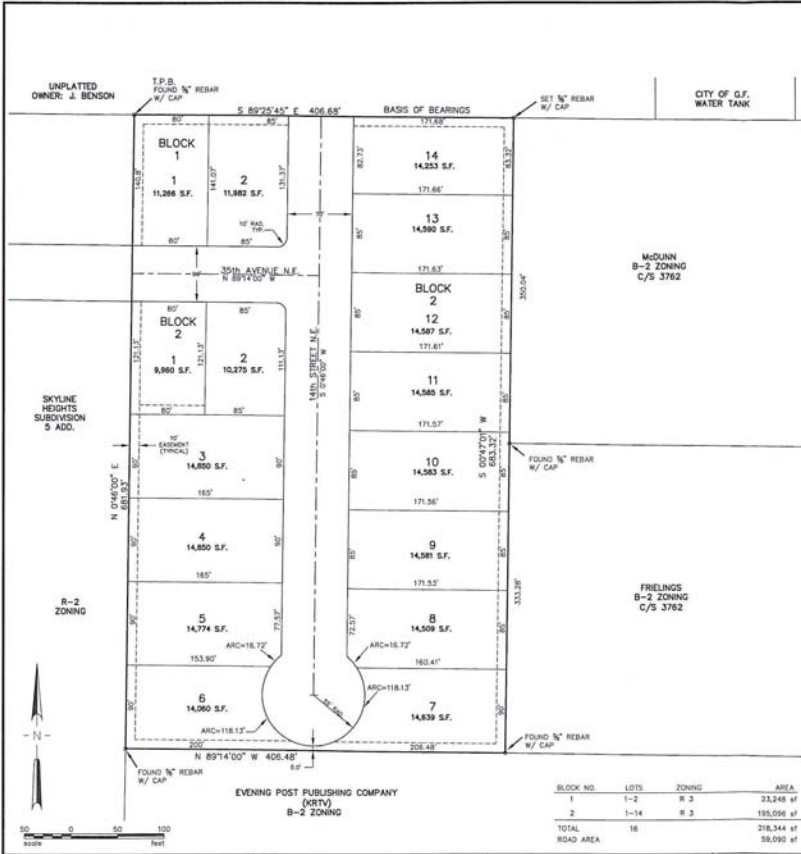
 FINAL PLAT OF WATER TOWER PARK ADDITION TO BE ANNEXED TO THE CITY AND ASSIGNED A CITY ZONING CLASSIFICATION OF "R-2" SINGLE-FAMILY MEDIUM DENSITY DISTRICT

-  City Limits
-  PUD Planned unit development
-  U Unincorporated enclave
-  R-2 Single-family medium density
-  POS Parks and Open Space
-  Tracts of land outside City



PRELIMINARY SUBDIVISION PLAT OF
WATERTOWER PARK ADDITION
TO THE CITY OF GREAT FALLS

NE¼ NE¼, SEC. 36, T 21 N, R 3 E, P.M.M.
CASCADE COUNTY, MONTANA



UNPLATTED
OWNER: J. BENSON

CITY OF G.F.
WATER TANK

MDUUN
B-2 ZONING
C/S 3762

FRELINGS
B-2 ZONING
C/S 3762

EVENING POST PUBLISHING COMPANY
B-2 ZONING

BLOCK NO.	LOTS	ZONING	AREA
1	1-2	R 3	23,248 sf
2	1-14	R 3	155,056 sf
TOTAL	16		218,344 sf
ROAD AREA			59,090 sf

LEGEND
 □ FOUND SECTION CORNER
 ○ PIN / CAP
 ● EXISTING MONUMENT

County Treasurer's Certification
 I hereby certify that no real property taxes assessed and levied on the land being divided are delinquent.
 Cascade County Treasurer

Cascade County Clerk and Recorder

BASIS OF BEARING
 Basis of bearing is the north boundary of C/S 3762, Section 36, Township 21 North, Range 3 East of the P.M.M.
 Date Drawn: April, 2008 Drawn by: JMG Checked by: Project No: 02038.001

HCM ENGINEERING
 2701 165th Avenue NE
 PO Box 40
 Great Falls, MT 59403
 Phone: (406) 453-4288
 Fax: (406) 453-4288

COUNTY OF CASCADE
SUBDIVISION PLAT No.
 Prepared for: TD Development
 618 Central Avenue
 Great Falls, MT 59405
 Page 1 of 1

CERTIFICATE OF DEDICATION
 We, the undersigned property owner(s), do hereby certify that we have caused to be surveyed, for the purpose of dedicating streets and the subdivision of Lots and Blocks the following described land in Great Falls, Cascade County, Montana, to wit:

CERTIFICATE OF PUBLIC SERVICE DIRECTOR
 I, Jim Reardon, Public Service Director for the City of Great Falls, Montana, do hereby certify that I have examined the accompanying Plat of Watertower Park Addition and the survey it represents, and that I find the same conform to regulations governing the platting of lands, and to presently platted adjacent land, as near as circumstances will permit and I do hereby approve the same. Dated this _____ day of _____, 2008.

CERTIFICATE OF CITY COMMISSION
 I, Gregory T. Doyon, City Manager of Great Falls, Montana, do hereby certify that the accompanying plat was duly examined and approved by the City Commission of the City of Great Falls at its regular meeting held on the _____ day of _____, 2008.

CERTIFICATE OF AVAILABILITY OF MUNICIPAL SERVICES
 I, Gregory T. Doyon, City Manager of the City of Great Falls, Montana, do hereby certify that the City Commission of the City of Great Falls, Montana, at its regular meeting held on the _____ day of _____, 2008, found that adequate municipal facilities for the supply of water and disposal of sewage and solid waste are available to the above described property, namely the solid facilities of the City of Great Falls, Montana, and this certificate is made pursuant to section 76-4-124 M.C.A., permitting the Clerk and Recorder of Cascade County, Montana, to record the accompanying plat.

CERTIFICATE OF GREAT FALLS PLANNING BOARD
 We, the undersigned, Jim Harding, President of said Great Falls City Planning Board, Great Falls, Cascade County, Montana, and Benjamin M. Rangel, Secretary of said Great Falls City Planning Board, do hereby certify that the accompanying Subdivision Plat of Watertower Park Addition to Great Falls, Cascade County, Montana has been submitted to the said Great Falls City Planning Board of Great Falls, Cascade County, Montana, for examination by them and was approved at a meeting held on the _____ day of _____, 2008.

CERTIFICATE OF DEDICATION
 We, the undersigned property owner(s), do hereby certify that we have caused to be surveyed, for the purpose of dedicating streets and the subdivision of Lots and Blocks the following described land in Great Falls, Cascade County, Montana, to wit:
 The land being described lies in the NE¼ NE¼, Section 36, T. 21 N., R. 3 E., P.M.M., Cascade County, Montana.
 Watertower Park Addition
 Beginning at the NE corner of Certificate of Survey #3762, and the True Point of Beginning, Thence S 89°25'45" E, 406.68'; Thence S 0°46'00" E, 683.32 ft.; Thence N 89°14'00" W, 406.48 ft.; Thence N 0°46'00" E, 683.93' to the True Point of Beginning.
 Herein described Subdivision contains 6.369 acres.
 The above described tract of land is to be known and designated as the subdivision plat of Watertower Park Addition to the City of Great Falls, Cascade County, Montana, and the land included in all streets and avenues shown on said plat are hereby granted and devoted to the use of the public forever.
 On this _____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared _____ known to me to be the persons who executed the foregoing Certificate of Dedication, and they acknowledged to me that they executed the same.
 Signature of Notary
 Printed Name of Notary
 Notary Public for the State of Montana
 Residing at Great Falls, Montana
 My commission expires _____
CERTIFICATE OF SURVEYOR
 State of Montana
 County of Cascade
 Dwight L. Axelson, a Registered Land Surveyor, do hereby certify that I have performed the survey on the attached Plat of Watertower Park Addition, that such survey was made on the 21st day of April, 2008, that said survey is true and complete as shown. Dated this _____ day of _____, 2008.
 Dwight L. Axelson Registration No. 8641 LS



Section 36
 T. 21 N., R. 3 E.

NE 1/4	SE 1/4	SW 1/4	NW 1/4

**FINDINGS OF FACT
FOR
PRELIMINARY PLAT OF
WATER TOWER PARK ADDITION
IN THE NE1/4NE1/4 OF SECTION 36, T21N, R3E
CASCADE COUNTY, MONTANA
(PREPARED IN RESPONSE TO 76-3-608(3) MCA)**

I. PRIMARY REVIEW CRITERIA

Effect on Agricultural

The subdivision site is not currently being utilized for agricultural purposes. The subdivision will not interfere with any irrigation system or present any interference with agricultural operations in the vicinity.

Effect on Local Services

The subdivision will connect to City water and sewer systems. The cost of extending the utility systems will be paid by the subdivider. The City should not experience an appreciable increase in maintenance and operating costs. The occupants of eventual residential units within the subdivision will pay regular water and sewer charges.

The subdivision will receive law enforcement and fire protection services from the City of Great Falls. The nearest fire station is three miles from the subdivision site. Providing these services to development in the subdivision is expected to be a negligible cost to the City. Any increased costs likely will be covered by increased tax revenues from improved properties.

Public streets will be extended into the subdivision to serve the proposed residential lots, but the subdivision will have a negligible impact on cost of road maintenance. The subdivider will have responsibility to install curb, gutter and paving in the roadways within the subdivision.

The tract of land in which the proposed subdivision is located pays less than \$500 annually in local property taxes. After full improvement of the subdivision including 16 single family residential lots, the development is expected to pay in excess of \$56,000 annually in local property taxes to the County, City, State, School District and other taxing entities at current mill levies.

Effect on the Natural Environment

The subdivision, which consists of 16 single family residential lots ranging in area from 9,960 to 14,850 sq ft, is not expected to adversely affect soils or the water quality or quantity of surface or ground waters. The bulk of the surface runoff generated by the subdivision will be directed to the north to an existing detention facility.

Effect on Wildlife and Wildlife Habitat

The subdivision is surrounded by urban development. The subdivision is not in an area of significant wildlife habitat and will not result in closure of public access to hunting or fishing areas, nor to public lands.

Effect on Public Health and Safety

Based on available information, the subdivision is not subject to abnormal potential natural hazards such as flooding, snow or rockslides, wildfire, nor potential man-made hazards such as high voltage power lines, nearby industrial or mining activity, or high traffic volumes.

II. REQUIREMENTS OF MONTANA SUBDIVISION AND PLATTING ACT, UNIFORM STANDARDS FOR MONUMENTATION, AND LOCAL SUBDIVISION REGULATIONS

The subdivision meets the requirements of the Montana Subdivision and Platting Act and the surveying requirements specified in the Uniform Standards for Monumentation, and conforms to the design standards specified in the local subdivision regulations. The subdivider and the local government have complied with the subdivision review and approval procedures set forth in the local subdivision regulations.

III. EASEMENT FOR UTILITIES

No permanent easements will be necessary to extend utilities to the subdivision. Within the subdivision, the subdividers will provide the necessary utility easements as a part of the subdivision plat.

IV. LEGAL AND PHYSICAL ACCESS

The sole source of access to the subdivision, at least for the foreseeable future, will be 35th Avenue NE, a dedicated roadway. Other eventual roadway connections include 14th Street NE to 36th Avenue NE. Within the subdivision, dedicated public roadways improved to municipal standards and maintained by the City, will provide legal and physical access to each proposed lot.

**City of Great Falls
Public Works/Engineering**

INTER-OFFICE MEMORANDUM

May 20, 2008

TO: Charlie Sheets, Planner I

FROM: Dave Dobbs, City Engineer

SUBJECT: Public Works Department Comments – Watertower Park Addition,
O.F. 1551

Public Works has reviewed the proposal and offers the following comments:

1. A storm drainage plan is required and will be carefully reviewed to minimize downstream impacts in Skyline Heights. The developers engineer will have to work carefully with city staff on this item.
2. Sanitary sewer and water mains will be extended to the north end of 14th Street NE to facilitate future extension of the mains to serve future development along 36th Avenue NE.
3. The developer should coordinate development with adjoining property owners located to the east and south of the subdivision to verify any future utility and/or access needs. A 60 foot wide easement from the south end of the cul d'sac to the south subdivision line needs to be included on the plat.
4. The 70 foot wide right-of-way in 14th Street is probably excessive. Unless we are missing something or the developer has a particular desire, a 60 foot right-of-way should be adequate.
5. Water pressure in the area is technically adequate but is lower than some people might desire. Since system pressure improvements are well into the future, the developer should notify the builders that individual home booster pumps might be desirable.

Please feel free to contact me if there are any questions.

File: 1551plngA

WATER TOWER PARK ADDITION

SUBDIVISION DESCRIPTION:

The proposed subdivision encompasses 6.4 acres, and is located north of KFBB Television and east of Skyline Heights Phases 2, 4 and 5. Additionally, the subdivision derives its name in that it is located near and generally southwest of the City water tower, near the intersection of 36th Avenue NE and Bootlegger Trail.

TRIP GENERATION:

- Proposed land use: 16 Single Family Residential Lots
- Trip rate: 9.57 trips per dwelling unit (ITE Trip Generation Rates, 7th edition, 2003)
- Trip generation: 16 units x 9.57 trips per unit = 154 trips per day

TRIP DISTRIBUTION: (Assumption)

The proposed lots would be served by a short easterly extension of 35th Avenue NE and a new street (14th Street NE) that would terminate on the south in a cul-de-sac. The northern end would terminate at a vacant parcel that borders 36th Avenue NE. The northern end of the new street would be left as a stub to allow for future extension through to 36th Avenue NE when development of that vacant parcel occurs.

Until 14th Street NE is extended to 36th Avenue NE, 100% of the trips would enter and exit the subdivision using 35th Avenue NE. It is assumed that trip distributions would likely be somewhat evenly split between the two major routes beyond 35th Avenue NE. The first route would use 11th Street NE to access 36th Avenue NE, with the majority then heading east to access US Highway 87, Old Havre Highway, or 15th Street NE. The other main route would be to follow 10th or 11th Street NE to 35th Avenue NE, then west to 9th Street NE and south to eventually access Smelter Avenue, Sacajawea School, and other destinations. However, the most direct ingress/egress route would be via 11th Street NE and 36th Avenue NE.

A lesser number of projected trips would be expected to use the intersection of 9th Street NE and 36th Avenue NE.

TRAFFIC COUNTS:

Count ID Number	Count Location Description	Daily Traffic	Year
268	36 th Ave NE, just west of Bootlegger Trail	2,981	2004
248	8 th St NE, between 27 th & 28 th Avenues NE	4,075	2006

FUNCTIONAL CLASSIFICATION AND TRAFFIC CONTROL:

The functional classification of roadways that would serve the proposed development are:

- 10th & 11th Streets NE Local
- 35th Avenue NE Local

- 9th/8th Streets NE Collector
- 36th Avenue NE Collector

The various intersections on these roadways are controlled by a stop sign, yield sign or are uncontrolled, depending upon traffic conditions and related circumstances. No traffic signals exist in the immediate area.

CUMULATIVE EFFECTS AND CONCLUSIONS:

It is worth noting that 36th Avenue NE will continue to receive the bulk of traffic that new subdivisions in the area are generating, including this one. The various new subdivisions, supplements and phases in the area will cumulatively have an impact over time on the area's roads. Long-range plans to create another east-west collector to the north will eventually divert some traffic from this Avenue. Also, recent westward extension of 36th Avenue NE to 2nd Street NE has given area residents a more direct western route to Skyline Drive and 6th Street NW. 36th Avenue NE/NW is eventually expected to reach 6th Street NW directly, which will give residents even better access. Finally, subdivisions to the north will connect to Bootlegger Trail in a few years, which will also alleviate some of the traffic at the 9th Street NE/36th Avenue NE intersection.

Although current traffic volumes on area collectors are still relatively low and there is sufficient capacity on those roads and nearby intersections for the traffic that would be generated by the 16 new lots this subdivision proposes, the streets in the area should be monitored as this project and others become more fully developed and as traffic patterns become better established. Adjustments to existing signing and/or the installation of new signing at intersections may be a future consideration, when warranted.