

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Laurel, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. R19-14, entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 119; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND; AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on May 7, 2019, and that the meeting was duly held by the City Council 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Council Members voted in favor thereof: Council Member Eaton, Council Member McGee, Council Member Stokes, Council Member Wilke, Council Member Herr, and Council Member Sparks; voted against the same: _____ ; abstained from voting thereon: _____ ; or were absent: Council Member Klose, and Council Member Mountsier.

WITNESS my hand officially this 7th day of May, 2019.



Bethany Langve, City Clerk-Treasurer

RESOLUTION NO. R19-14

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 119; DECLARING IT TO BE THE INTENTION OF THE CITY COUNCIL TO CREATE THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND; AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council of the City of Laurel (the "City"), Montana, as follows:

Section 1. Proposed Improvements; Intention To Create District. The City proposes to undertake certain local sidewalk improvements, including construction and installation of sidewalks, ADA-compliant ramps, drive and alley approaches and related improvements (collectively, the "Improvements") to benefit certain property located on East 6th Street in the City and included within the proposed District (as hereinafter defined). The City proposes to undertake the Improvements and create the District in conjunction with certain street improvements being constructed in the same area within the City, which street improvements are expected to cost approximately \$1,500,000. The total estimated costs of the Improvements and all associated costs are \$102,500 a portion of which is to be paid from funds contributed by the City and a portion of which is to be paid from the special improvement district bonds hereinafter described. It is the intention of this Council to create and establish in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended, a special improvement district (the "District") for the purpose of financing a portion of the costs of the Improvements and paying costs incidental thereto, including costs associated with the security of special improvement district bonds drawn on the District (the "Bonds"), the creation and administration of the District and the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The Bonds are to be issued in the maximum principal amount of \$69,000 and will be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements in an amount not less than \$69,000.

Section 2. Number of District. The District, if the same shall be created and established, shall be known and designated as Special Improvement District No. 119 of the City of Laurel, Montana.

Section 3. Boundaries of District. The limits and boundaries of the District are depicted on the maps attached as Exhibit A-1 hereto (which is hereby incorporated herein and made a part hereof), which boundaries are designated and confirmed as the boundaries of the District. A listing of each of the properties in the District that are subject to assessment is shown on Exhibit B hereto (which is hereby incorporated herein and made a part hereof).

Section 4. Benefited Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibit A-1 and described on Exhibit B are hereby declared to be the special improvement district and the territory which will benefit and be benefited by the Improvements. The Improvements to be constructed with respect to each property in the District are depicted on Exhibit A-2. The properties to be assessed for the costs of the Improvements are listed on Exhibit B. Such properties included within said limits and boundaries are hereby declared to be the property benefited by the Improvements.

Section 5. General Character of the Improvements. The general character of the Improvements consists of design, engineering and construction of sidewalk improvements, including construction and installation of sidewalks, ADA-compliant ramps, drive and alley approaches and related improvements.

Section 6. Engineer and Estimated Cost. KLJ Engineering, of Billings, Montana, shall be the engineer for the Improvements (the "Engineer"). The Engineer has estimated that the cost of the Improvements, including all incidental costs, is \$102,500. Such estimates are subject to revision or to amendment. The City will contribute funds in the approximate amount of \$33,500, which will be used to pay for the portions of the Improvements consisting of alley approaches and ADA-compliant ramps and to pay costs of issuance of the Bonds. The Engineer has estimated that the remaining costs of the Improvements and incidental costs are approximately \$69,000, as set forth in Exhibit C, all of which are to be paid from proceeds of the Bonds.

Section 7. Assessment Methods.

7.1. Method of Assessment; Property To Be Assessed. Each lot, tract, or parcel of land in the District to receive new sidewalks and/or drive approaches as part of the Improvements will be assessed for their proportionate share of the costs of the Improvements and associated incidental costs thereof based on the frontage method of assessment provided in Section 7-12-4163, M.C.A. Each property shall be assessed for the square footage costs of concrete sidewalks and concrete drive approaches being installed with respect to such property, and its proportionate share of associated incidental costs thereof. The estimated amount of square footage of concrete sidewalks and concrete drive approaches to be installed for each lot, tract, or parcel and the maximum principal amount of the assessment for each lot, tract or parcel of land for the Improvements is shown for each lot, tract or parcel on Exhibit B hereto. The principal amount of the special assessment shall be payable over time and bear interest at a prescribed rate of interest.

7.2. Assessment Methodology Equitable and Consistent with Benefit. This Council hereby determines that the method of assessment and the assessment of costs of the specific Improvements against the properties benefited thereby as prescribed in Section 7.1 are equitable and in proportion to and not exceeding the special benefits derived from the respective Improvements by the lots, tracts and parcels to be assessed therefor within the District.

Section 8. Payment of Assessments. The special assessments for the costs of the Improvements shall be payable over a term not exceeding 20 years, each in equal semiannual installments of principal, plus interest, or equal semiannual payments of principal and interest, as

this Council shall prescribe in the resolution authorizing the issuance of the Bonds. Property owners have the right to prepay assessments as provided by law.

Section 9. Method of Financing; Pledge of Revolving Fund; Findings and Determinations. The City will issue the Bonds in an aggregate principal amount not to exceed \$69,000 to finance the costs of the Improvements and incidental costs. Principal of and interest on the Bonds will be paid from special assessments levied against the benefited properties in the District. This Council further finds it is in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and hereby authorizes the City to enter into the undertakings and agreements authorized in Section 7-12-4225, M.C.A., in respect of the Bonds.

In determining to authorize such undertakings and agreements, this Council has taken into consideration the following factors:

(a) Estimated Market Value of Parcels. Of the 14 lots, tracts or parcels in the District to be assessed for the Improvements, all are developed. The estimated market value of the lots, tracts or parcels in the District as of the date of adoption of this resolution, as estimated by the County Assessor for property tax purposes, is set forth in Exhibit B hereto. The special assessments to be levied under Section 7 against each lot, tract or parcel in the District is expected to be less than the increase in estimated market value of the lot, tract or parcel as a result of the construction of the Improvements.

(b) Diversity of Property Ownership. There are a total of 14 lots, tracts or parcels in the proposed District, owned by a total of 14 individual property owners.

(c) Comparison of Special Assessments and Property Taxes and Market Value. The assessed value of each applicable lot, tract or parcel in the District is greater than the amount of the assessment to be levied against it.

(d) Delinquencies. There are no outstanding special assessments levied against property in the District. The historical rate of tax delinquencies in the District is not greater than the City as a whole. None of the 14 lots, tracts or parcels in the District to be assessed for the Improvements have tax delinquencies as of April 2019.

(e) The Public Benefit of the Improvements. The Improvements will result in safer and more usable streets and sidewalks and are of special benefit to the public and to the properties in the District.

Section 10. Public Hearing; Protests. At any time within eighteen (18) days from and after the date of the first publication of the notice of the passage and approval of this resolution, any owner of real property within the District subject to assessment and only those subject to assessment for the cost and expense of making the Improvements may make and file with the City Clerk-Treasurer's office until 5:00 p.m., M.T., on the expiration date of the 18-day period (June 3, 2019), written protest against the proposed Improvements, or against the creation of the District or both. Such protest must be in writing, identify the property in the District owned by

the protestor and be signed by all owners of the property. The protest must be delivered to the City Clerk-Treasurer's office, who shall endorse thereon the date of its receipt by the City Clerk-Treasurer or the Deputy Clerk. This Council will at its next regular meeting after the expiration of the eighteen (18) days in which such protests in writing can be made and filed, proceed to hear all such protests so made and filed; which regular meeting will be held on June 4, 2019, at 6:30 p.m., in the Council Chambers, at 115 West First Street, in Laurel, Montana.

Section 11. Notice of Passage of Resolution of Intention. The City Clerk-Treasurer or the Deputy Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the *Laurel Outlook*, a newspaper of general circulation in the City on May 16 and May 23, 2019, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to every person, firm, corporation, or the agent of such person, firm, or corporation having real property within the District listed in his or her name upon the last completed assessment roll for state, City, and school district taxes, at his last-known address, on or before the same day such notice is first published.

Section 12. Reimbursement Expenditures.

12.1. Regulations. The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

12.2 Prior Expenditures. Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Improvements have been paid by the City before the date 60 days before the date of adoption of this resolution.

12.3. Declaration of Intent. The City reasonably expects to reimburse the expenditures made for costs of the Improvements out of the proceeds of Bonds in an estimated maximum aggregate principal amount of \$69,000 after the date of payment of all or a portion of the costs of the Improvements. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

12.4. Budgetary Matters. As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Improvements, other than pursuant to the issuance of the Bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

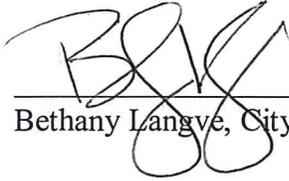
12.5. Reimbursement Allocations. The City Clerk-Treasurer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the Improvements. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Improvements and shall specifically identify the actual original expenditure being reimbursed.

PASSED AND ADOPTED by the City Council of the City of Laurel, Montana, this 7th day of May, 2019.



Thomas C. Nelson, Mayor

Attest:



Bethany Langve, City Clerk-Treasurer

EXHIBIT A-2

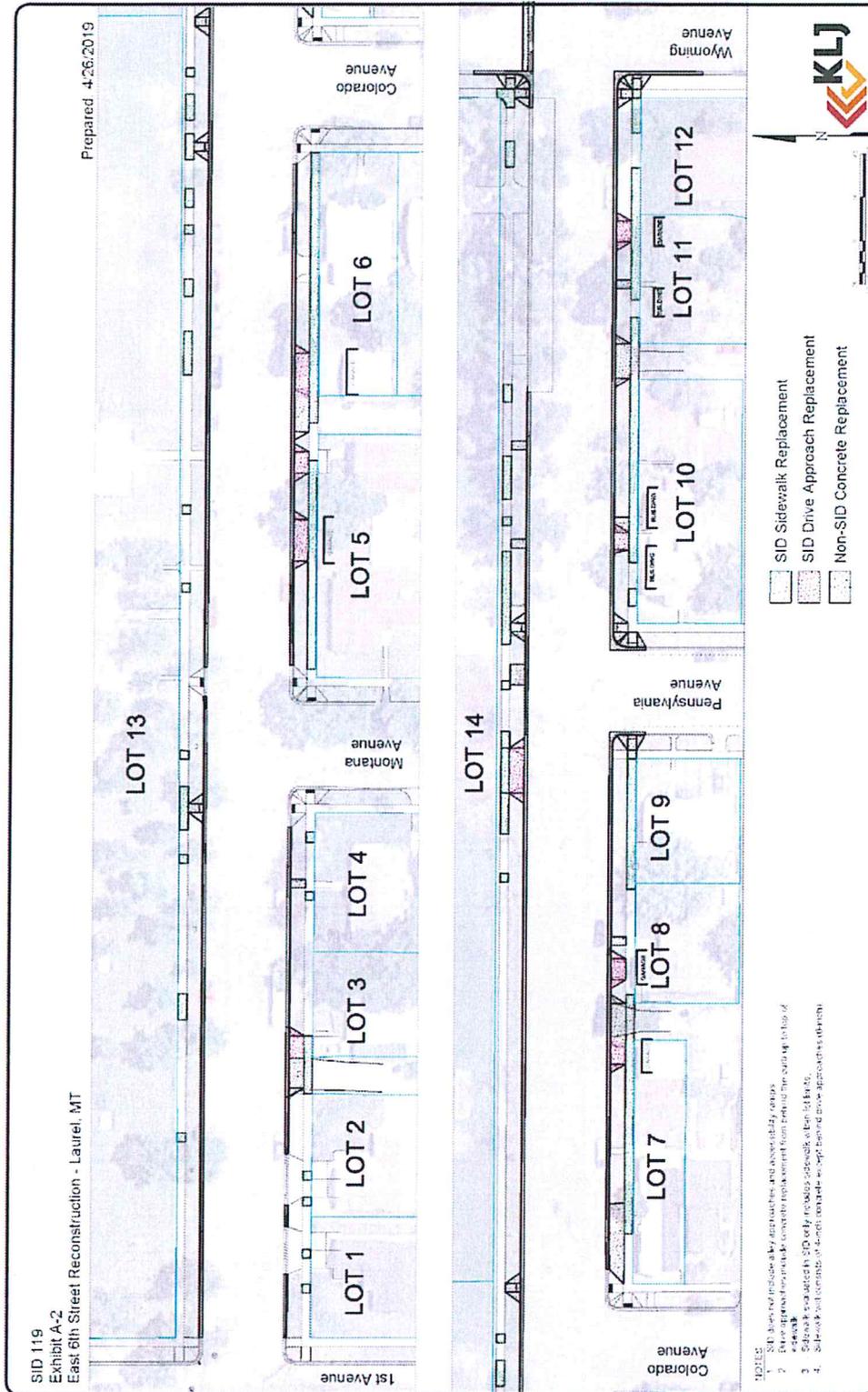


EXHIBIT B

Information Regarding Lots, Tracts and Parcels

Exhibit B
 5th/6th Street Reconstruction - SID 119

Date Prepared: 4/26/2019

LOT NUMBER	TAX ID	OWNER	ADDRESS	LEGAL	LOT SIZE	SIDEWALK (SF)	DRIVEWAY APPROACH (SF)	Direct Construction Costs	Indirect and Incidental Costs	TOTAL PRINCIPAL ASSESSMENT	Market Value
1	RD11010	GRUBER, ROBERT M	102 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	6,300 SF	48	-	\$ 377.03	\$ 74.38	\$ 451.41	
2	RD1102A	Lind, James L & Cynthia J	106 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	6,300 SF	48	-	\$ 375.33	\$ 74.80	\$ 450.13	
3	RD11030	LUCKER, THOMAS	112 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	6,300 SF	61	338	\$ 1,802.38	\$ 373.77	\$ 2,176.15	
4	RD11090	BRACKY, WILLIAM E & JANE L	118 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	7,500 SF	54	-	\$ 459.04	\$ 86.89	\$ 545.93	
5	RD11120	Marich, Thomas & Kimm I	120 Montrose Ave	LOT 3, 11, 12, 13, RND 1, 2, 3, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	9,100 SF	587	393	\$ 8,654.82	\$ 1,786.30	\$ 10,441.12	
6	RD11130	LUCK, MELLISSA	120 Colorado Ave	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	6,300 SF	695	328	\$ 7,738.77	\$ 1,608.80	\$ 9,347.57	
7	RD11140	Bechtel, William L E, MARYLO	102 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	4,200 SF	530	240	\$ 3,538.00	\$ 1,352.67	\$ 4,890.67	
8	RD11150	Philhower, Conrad	112 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 22, LOT 15A, ANGLE 133	4,200 SF	42	-	\$ 1,837.00	\$ 376.02	\$ 2,213.02	
9	RD11200	SECKENDORF, DAVID D & KAREN ANN	120 Pennsylvania Ave	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 23, LOT 15A, ANGLE 133	4,200 SF	378	343	\$ 2,933.28	\$ 608.21	\$ 3,541.49	
10	RD1136A	Bailey, Richard W & Julie K	120 Pennsylvania Ave	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 24, LOT 15A, ANGLE 133	8,400 SF	563	116	\$ 5,962.00	\$ 1,233.30	\$ 7,195.30	
11	RD11370	Stoneman, Heidi L	142 E 6th Street	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 24, LOT 15A, ANGLE 133	6,000 SF	315	246	\$ 3,952.38	\$ 833.38	\$ 4,785.76	
12	RD11380	Franklin, George R, WENDOLYN	120 Wyoming Ave	Laurel Realty Second Subd, 509, T02 3, R24 E, Block 24, LOT 15A, ANGLE 133	6,000 SF	295	-	\$ 3,086.50	\$ 433.82	\$ 3,520.32	
13	RD11420	CHRYSLER	8 6th Street	5,932 ACRES (CHRYSLER) (Formerly 24)	5,932 ACRES (CHRYSLER) (Formerly 24)	739	-	\$ 5,734.64	\$ 1,189.09	\$ 6,923.73	
14	RD11410	SCHMIDT, CHRISTOPHER	417 E 6th Street	3,209 ACRES (SCHMIDT) (Formerly 24)	3,209 ACRES (SCHMIDT) (Formerly 24)	957	374	\$ 10,248.61	\$ 2,124.61	\$ 12,373.22	
				Total		5,275	3,970	\$ 37,248.83	\$ 11,820.17	\$ 49,069.00	

