

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of City of Billings, Yellowstone County, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "A RESOLUTION OF THE CITY COUNCIL SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BILLINGS, MONTANA, THE QUESTIONS OF ISSUING GENERAL OBLIGATION BONDS IN AN AMOUNT OF FOUR MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$4,550,000) FOR THE PURPOSE OF DESIGNING, CONSTRUCTING AND EQUIPPING IN BILLINGS HEIGHTS A COMMUNITY RECREATION CENTER, INCLUDING GYMNASIUM, OTHER RECREATION, MEETING, AND SUPPORT SPACES AND AN INDOOR/OUTDOOR RECREATION AND AQUATIC CENTER, AND ONE MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,700,000) FOR THE PURPOSE OF REFURBISHING AND REHABILITATING PLAYGROUNDS, BASKETBALL COURTS AND TENNIS COURTS AS REQUIRED IN EXISTING PARKS AND RELATED IMPROVEMENTS INCLUDING REPAIRING AND RECONSTRUCTION OF PARKING LOTS AS NEEDED, PROVIDING MATCHING FUNDS FOR CONSTRUCTING BIKE-NET TRAILS, AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS AND AUTHORIZING THE LEVY OF ADDITIONAL MILLS OVER THE EXISTING AND APPROVED CHARTER LEVY LIMITATION TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS" (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 at a regular meeting on July 26, 1999, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Unanimous _____; voted against the same: none _____; abstained from voting thereon: Larson _____; or were absent: Iverson _____.

WITNESS my hand and seal officially this 26 day of July, 1999.

(SEAL)



Marita Neroed
City Clerk

RESOLUTION NO. 99-17484

A RESOLUTION OF THE CITY COUNCIL SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BILLINGS, MONTANA, THE QUESTIONS OF ISSUING GENERAL OBLIGATION BONDS IN AN AMOUNT OF FOUR MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$4,550,000) FOR THE PURPOSE OF DESIGNING, CONSTRUCTING AND EQUIPPING IN BILLINGS HEIGHTS A COMMUNITY RECREATION CENTER, INCLUDING GYMNASIUM, OTHER RECREATION, MEETING, AND SUPPORT SPACES AND AN INDOOR/OUTDOOR RECREATION AND AQUATIC CENTER, AND ONE MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,700,000) FOR THE PURPOSE OF REFURBISHING AND REHABILITATING PLAYGROUNDS, BASKETBALL COURTS AND TENNIS COURTS AS REQUIRED IN EXISTING PARKS AND RELATED IMPROVEMENTS INCLUDING REPAIRING AND RECONSTRUCTION OF PARKING LOTS AS NEEDED, PROVIDING MATCHING FUNDS FOR CONSTRUCTING BIKE-NET TRAILS, AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS AND AUTHORIZING THE LEVY OF ADDITIONAL MILLS OVER THE EXISTING AND APPROVED CHARTER LEVY LIMITATION TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS

RECITALS

WHEREAS, a city or town is authorized pursuant to Section 7-7-4221, M.C.A., to issue general obligation bonds pledging the general credit of the City for that purpose upon approval of the electorate of the city or town, provided that such indebtedness will not cause the total indebtedness of the city to exceed 28% of the taxable valuation of the city ascertained by the last assessment for state and county taxes, plus an additional 33% of the taxable value of class eight property within the city for tax year 1995, multiplied by 28%; and

WHEREAS, a city or town is authorized pursuant to Section 7-16-4104, M.C.A., to incur indebtedness upon the credit of the city or town for the purpose of procuring by purchase, construction or otherwise for various cultural, social and recreational purposes upon approval of the electorate of the city or town, provided that the amount of indebtedness contracted for that purpose does not exceed 16.5% of the taxable value of the taxable property subject to taxation by the City as ascertained by the last completed assessment for state and county taxes previous to this date, plus 33% of the taxable value of class eight property within the City for tax year 1995, multiplied by 16.5%; and

WHEREAS, a city council is authorized pursuant to Section 7-7-4223, M.C.A., to call a bond election by adopting a resolution to that effect; and

WHEREAS, based upon the recommendation of the City Park, Recreation, and Cemetery Advisory Board, the City Council has determined that the need exists for constructing in Billings Heights a new community recreation center including gymnasium, other recreation, meeting, and support spaces, and an indoor/outdoor recreation and aquatic center (the "Heights Indoor/Outdoor Recreation and Aquatic Center") in an estimated amount of \$4,555,000; and

WHEREAS, based upon the recommendation of the City Park, Recreation, and Cemetery Advisory Board, the City Council has determined the need for a city-wide park improvement program which will consist of refurbishing and rehabilitating existing playgrounds, basketball courts and tennis courts as required in existing City parks and making related improvements including repairing and reconstruction of parking lots as needed, and providing matching funds for constructing bikenet trails (the "City-Wide Park Improvements Program"); and

WHEREAS, the costs for constructing the Heights Indoor/Outdoor Recreation and Aquatic Center are estimated to be \$4,550,000; and

WHEREAS, the City-Wide Park Improvements Program is estimated to cost \$1,700,000 and shall consist of the various categories of improvements shown on Exhibit A hereto; and

WHEREAS, the Council has determined that the issuance of general obligation bonds in the respective amounts of \$4,550,000 and \$1,700,000 will not cause the City to exceed its general statutory indebtedness limitation, which as currently calculated is \$35,812,292; and

WHEREAS, the Council has determined that the issuance of general obligation bonds in the respective amounts of \$4,550,000 and \$1,700,000 will not cause the City to exceed its indebtedness for the recreational facilities, which as currently calculated is \$21,255,962; and

WHEREAS, the Council has determined there should be submitted to the electors of the City qualified to vote at bond elections the questions of whether or not the Council shall be authorized to issue and sell general obligation bonds of the City in order to obtain funds for the purpose of designing, constructing and equipping in Billings Heights a community recreation center, including gymnasium, other recreation, meeting, and support spaces and an indoor/outdoor recreation and aquatic center and refurbishing and rehabilitating playgrounds, basketball courts and tennis courts as required in existing parks and related improvements including repairing and reconstruction of parking lots as needed, providing matching funds for constructing bikenet trails, paying costs associated with the sale and issuance of the bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds; and

WHEREAS, it is the judgement of the Council that the sum of Four Million Five Hundred Fifty Thousand and No/100 Dollars (\$4,550,000) and One Million Seven Hundred Thousand and No/100 Dollars (\$1,700,000), respectively, will be necessary to carry out the purposes set forth above; and

WHEREAS, it is the judgment and determination of the Council that such bonds will be payable during a term not to exceed twenty (20) years and shall be redeemable on any interest payment date after one-half of the term for which they are issued; and

NOW, THEREFORE, BE IT RESOLVED By the Council of the City as follows:

1. Calling of the Election. The Council of the City hereby calls and directs a special city election to be held on November 2, 1999, in conjunction with the general election, for the purpose of voting on the following two questions:

Question 1. Shall the Council be authorized to issue and sell general obligation bonds of the City in the amount of Four Million Five Hundred Fifty Thousand and No/100 Dollars (\$4,550,000), bearing interest at a rate to be determined by the Council, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of designing, constructing and equipping in Billings Heights a community recreation center, including gymnasium, other recreation, meeting, and support spaces and an indoor/outdoor recreation and aquatic center and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds?

Question 2. Shall the Council be authorized to issue and sell general obligation bonds of the City in the amount of One Million Seven Hundred Thousand and No/100 Dollars (\$1,700,000), bearing interest at a rate to be determined by the Council, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of refurbishing and rehabilitating playgrounds, basketball courts and tennis courts as required in existing parks and related improvements including repairing and reconstruction of parking lots as needed, providing matching funds for constructing bikenet trails and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds?

2. Conduct of Election. All qualified electors of the City shall be entitled to vote at the bond election. The Yellowstone County Election Administrator is hereby requested to close registration, give notice thereof and upon close of registration to prepare printed lists of the electors in the City entitled to vote in the election in the City and to conduct the election in the form and manner prescribed by law.

3. Notice of Election. The City Clerk is hereby authorized and requested to cause notice of the call and holding of the election to be given by publishing notice at least once a week

for the three consecutive weeks before the election in the *Billings Times*, a newspaper of general circulation in Yellowstone County. The notice of election as published shall read substantially as follows:

NOTICE OF GENERAL OBLIGATION BOND ELECTION
City of Billings, Montana
November 2, 1999

NOTICE IS HEREBY GIVEN by the City Council (the "Council") of the City of Billings, Montana (the "City"), that pursuant to a certain resolution duly adopted at a regular meeting of the Council on July 26, 1999, a special city election of the registered voters of the City will be held on November 2, 1999, in conjunction with the general election, for the purpose of voting on the following two questions:

Question 1. Shall the Council be authorized to issue and sell general obligation bonds of the City in the amount of Four Million Five Hundred Fifty Thousand and No/100 Dollars (\$4,550,000), bearing interest at a rate to be determined by the Council, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of designing, constructing and equipping in Billings Heights a community recreation center, including gymnasium, other recreation, meeting, and support spaces and an indoor/outdoor recreation and aquatic center and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds?

Question 2. Shall the Council be authorized to issue and sell general obligation bonds of the City in the amount of One Million Seven Hundred Thousand and No/100 Dollars (\$1,700,000), bearing interest at a rate to be determined by the Council, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of refurbishing and rehabilitating playgrounds, basketball courts and tennis courts as required in existing parks and related improvements including repairing and reconstruction of parking lots as needed, providing matching funds for constructing bikenet trails and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds?

The polls shall be open between the hours of 7:00 a.m. and 8:00 p.m., and the polling places for the election shall be the normal polling places for City residents during a general election. Absentee ballots may be obtained at the office of the Yellowstone County Election Administrator at the Yellowstone County Courthouse, 217 North 27th, Billings Montana until _____ .m., November 1, 1999.

DATED this _____ day of _____, 1999.

Publish:

City Clerk

4. Ballots. The Election Administrator is hereby requested to prepare suitable ballots for use at the election at the polling places, together with the precinct lists.
5. Form of Ballot. The ballot shall be printed in substantially the following form:

OFFICIAL BALLOT
CITY OF BILLINGS, MONTANA
GENERAL OBLIGATION BOND ELECTION
November 2, 1999

INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "BONDS--YES" if you wish to vote for the bond issue; if you are opposed to the bond issue make an X or similar mark in the square before the words "BONDS--NO".
BE SURE TO VOTE ON BOTH QUESTION 1 AND QUESTION 2.

COMMUNITY RECREATION CENTER BONDS

Shall the Council be authorized to issue and sell general obligation bonds of the City in the amount of Four Million Five Hundred Fifty Thousand and No/100 Dollars (\$4,550,000), bearing interest at a rate to be determined by the Council, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of designing, constructing and equipping in Billings Heights a community recreation center, including gymnasium, other recreation, meeting, and support spaces and an indoor/outdoor recreation and aquatic center and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds?

RECREATION CENTER BONDS -- YES

RECREATION CENTER BONDS -- NO

PARKS IMPROVEMENT BONDS

Shall the Council be authorized to issue and sell general obligation bonds of the City in the amount of One Million Seven Hundred Thousand and No/100 Dollars (\$1,700,000), bearing interest at a rate to be determined by the Council, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term for the purpose of refurbishing and rehabilitating playgrounds, basketball courts and tennis courts as required in existing parks and related improvements including repairing and reconstruction of parking lots as needed, providing matching funds for constructing bikenet trails and paying costs associated with the sale and issuance of general obligation bonds and authorizing the levy of additional mills over the existing and approved charter levy limitation to pay principal of and interest on the bonds?

PARKS IMPROVEMENT BONDS -- YES

PARKS IMPROVEMENT BONDS -- NO

6. Notice to County Election Administrator. That a copy of this resolution will be provided to the Yellowstone County Election Administrator as soon as possible after its adoption and approval in order to inform her of the details of the election and the pertinent requests and authorizations as to the conduct of the election.

7. Reimbursement Expenditures.

(a) 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.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the bonds, (ii) expenditures permitted to be reimbursed under the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the project have been paid by the City before the date 60 days before the date of adoption of this resolution.

(c) The City reasonably expects to reimburse the expenditures made for costs of the project out of the proceeds of bonds in an estimated maximum aggregate principal amount of \$6,250,000 after the date of payment of all or a portion of the costs of the project. 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.

(d) 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 project, 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.

(e) The City's financial officer 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 project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the bonds or the project and shall specifically identify the actual original expenditure being reimbursed.

PASSED by the City Council of Billings, Montana, this 26th day of July, 1999.



(SEAL)

Charles J. Taalay
Mayor

Attest: Marita Herold
City Clerk

EXHIBIT A
CITY-WIDE PARK IMPROVEMENTS PROGRAM

Park improvements in the estimated amount of \$891,000 for the following improvements in order of priority as set by the City Park, Recreation, and Cemetery Advisory Board and approved by the City Council:

- (1) rehabilitate and refurbish the vault toilets at Riverfront Park;
- (2) rehabilitate and refurbish the playground in Stewart Park;
- (3) rehabilitate and refurbish the playground and basketball courts in Lillis Park;
- (4) rehabilitate and refurbish the playground and basketball courts in Sacajawea Park;
- (5) rehabilitate and refurbish the playground and basketball courts in Gorham Park;
- (6) rehabilitate and refurbish the playground and basketball courts in Burg Park;
- (7) rehabilitate and refurbish the playground and basketball courts in Westwood Park;
- (8) rehabilitate and refurbish the playground and basketball courts in Eaton Park;
- (9) rehabilitate and refurbish the playground and basketball courts in Evergreen Park;
- (10) rehabilitate and refurbish the playground and basketball courts in Streeter Park;
- (11) rehabilitate and refurbish the playground and basketball courts in Veterans Park;
- (12) rehabilitate and refurbish the playground and basketball courts in Edgerton Park;
- (13) rehabilitate and refurbish tennis courts in Rose Park.

(b) provide the amount of \$599,000 in local match funds for CTEP program project funding and for other grants and programs for BikeNet trail improvements to construct trailways as follows:

- (1) BikeNet trail segment in Swords Park and Black Otter Trail, along the railway from Coulson Park to Downtown;
- (2) BikeNet trail segments in Stewart Park, Meadowlark and Descro strip Park, and Lampman strip Park paralleling the BBWA Canal;
- (3) BikeNet segment along Alkali Creek to Main Street.

- (c) parking lot repaving and reconstruction in parks in the estimated amount of \$210,000 as follows:
 - (1) the Grand Avenue alley parking lots on the south end of Rose Park;
 - (2) repave and reconstruct the turn in parking on 13th Street West in Veterans Park;
 - (3) repave and reconstruct the Zimmerman Center parking lot in Pioneer Park;
 - (4) repave and reconstruct two parking lots in Central Park.