

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO UP TO \$22,710,000 SOLID WASTE SYSTEM REVENUE BONDS, SERIES 2019; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE 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 Council of the City at a regular meeting on January 14, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Cromley, Yakawich, Neese, Ewalt, Joy, Friedel, Gibbs, Ronning, Clark, Brown; voted against the same: N/A; abstained from voting thereon: N/A; or were absent: N/A.

WITNESS my hand and seal officially this 14th day of January, 2019.

(SEAL)



Denise R. Bohlman, City Clerk



RESOLUTION NO. 19-10776

RESOLUTION RELATING TO UP TO \$22,710,000 SOLID WASTE SYSTEM REVENUE BONDS, SERIES 2019; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF

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

Section 1. Recitals, Authorization.

1.1 Recitals. Under the provisions of Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the "Act"), the City is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the acquisition, purchase, construction, reconstruction, improvement, betterment and extension of a solid waste management system and 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 such system to the City. The City has established a Solid Waste System (the "System"). The City proposes to undertake certain improvements to the System, consisting of the design, construction and installation of a transfer station at the City-owned landfill that will compact trash, a new landfill maintenance building, and a new scale plaza (collectively, the "Project"). The City has determined that it is necessary and desirable and in the best interests of the City to issue its Solid Waste System revenue bonds for the purpose of providing funds to pay costs of the Project.

1.2 Authorization. Pursuant to the Act, this Council hereby authorizes the City to proceed with the issuance and sale of its Solid Waste System Revenue Bonds, Series 2019 (the "Series 2019 Bonds"), for the purpose of providing funds to pay costs of the Project and to pay costs of issuance of the Series 2019 Bonds, subject to the terms and conditions described herein and in Exhibit A hereto.

Section 2. Terms of the Series 2019 Bonds. Pursuant to the authority described in Section 1, this Council hereby authorizes the issuance and sale of its Series 2019 Bonds in the aggregate principal amount of \$22,710,000, subject to adjustment as described below. The Series 2019 Bonds shall be dated, as originally issued, as of February 20, 2019, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2019, at a rate or rates designated by the successful bidder at public sale and approved by this Council. Each interest rate must be expressed in an integral multiple of 1/100 or 1/8 of 1%. The purchase price as stated in the bid proposal for each maturity must be 98.0% or greater. The Series 2019 Bonds shall be offered and sold in accordance with the Terms and

Conditions of Sale substantially in the form set forth on Exhibit A hereto, which is incorporated by reference and made a part hereof.

The Series 2019 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2020	\$ 775,000	2030	\$ 1,145,000
2021	805,000	2031	1,180,000
2022	835,000	2032	1,220,000
2023	870,000	2033	1,265,000
2024	905,000	2034	1,310,000
2025	940,000	2035	1,355,000
2026	980,000	2036	1,405,000
2027	1,015,000	2037	1,460,000
2028	1,055,000	2038	1,515,000
2029	1,100,000	2039	1,575,000

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce net proceeds to the City of approximately \$23,000,000 and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2019 Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Series 2019 Bonds and the prices at which the bid indicates the Series 2019 Bonds are initially offered to the investing public.

Bidders will have the option of combining the Series 2019 Bonds into one or more term bonds. If any Series 2019 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than 2039, at a redemption price equal to the principal amount of such Series 2019 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Series 2019 Bonds would have matured if they were not included in a term bond.

The Series 2019 Bonds with stated maturities on or after July 1, 2028 will be subject to redemption on July 1, 2027, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2019 Bonds are to be redeemed, the Series 2019 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the

City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair).

The Series 2019 Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2019 Bonds will be issued as fully registered bonds only and shall be executed by the manual or facsimile signatures of the Mayor, the City Clerk, and the City Finance Director. The Series 2019 Bonds will be issued in book-entry only form.

Section 3. Public Sale. The Series 2019 Bonds shall be offered and sold at a public competitive sale, bids for the purchase of the Series 2019 Bonds shall be received by the City by electronic transmission through PARITY® or by sealed bid to Springsted pursuant to the instructions set forth in the Terms and Conditions of Sale, in each case until 10:00 a.m., M.T., on Monday, January 28, 2019, at which time bids will be opened and tabulated. The tabulation of bids will be presented to the Council at its regular meeting at 5:30 p.m. on Monday, January 28, 2019. This Council will consider the bids and, if a responsive and acceptable bid is received, award the sale of the Series 2019 Bonds. Award of sale will be made to the bidder with the lowest true interest cost. The City Clerk is authorized and directed to cause notice of the sale of the Series 2019 Bonds to be published, as required by Montana Code Annotated, Sections 7-7-4434 and 17-5-106, in the *Yellowstone County News* once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published substantially in the form set forth on Exhibit B to this Resolution.

Section 4. Official Statement. The City Administrator and the City Finance Director, in consultation with Springsted, are hereby authorized and directed to prepare on behalf of the City an Official Statement with respect to the Series 2019 Bonds to be distributed to potential bidders. Such Official Statement shall contain the Terms and Conditions of Sale and such other information as shall be advisable and necessary to describe accurately the City, the System, the terms and conditions of the Series 2019 Bonds and the security therefor. The City Finance Director is authorized on behalf of the City to deem the Preliminary Official Statement near "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Continuing Disclosure. In order to permit bidders for the Series 2019 Bonds and other participating underwriters in the primary offering of the Series 2019 Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree in the Bond Resolution for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2019 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. The City is the only "obligated person" in respect of the Series 2019 Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking will be set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar

to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Series 2019 Bonds.

Section 6. Proceedings. The City Clerk is hereby authorized and directed to furnish a certified copy of all proceedings taken by the City with respect to the issuance of the Series 2019 Bonds to Dorsey & Whitney LLP, bond counsel to the City.

Section 7. Effective Date. This Resolution shall become effective upon passage.

PASSED by the City Council of City of Billings, Montana, this 14th day of January, 2019.



CITY OF BILLINGS

By: William A. Cole
William A. Cole, Mayor

ATTEST:

By: Denise R. Bohlman
Denise R. Bohlman, City Clerk

(SEAL)

EXHIBIT A

TERMS AND CONDITIONS OF SALE

\$22,710,000

Solid Waste System Revenue Bonds, Series 2019
City of Billings, Montana

The City Council (the "Council") of the City of Billings, Montana (the "City"), will receive bids for the purchase of Solid Waste System Revenue Bonds in the aggregate principal amount of \$22,710,000, subject to adjustment as described below (the "Series 2019 Bonds"), by electronic transmission through PARITY® or by sealed bid to Springsted, Incorporated, the City's municipal advisor ("Springsted"), pursuant to the instructions set forth herein, in each case until 10:00 a.m., M.T., on Monday, January 28, 2019, at which time bids will be opened and tabulated. The tabulation of bids will be presented to the Council at its regular meeting at 5:30 p.m. on Monday, January 28, 2019, in the City Council meeting room, at which time the Council will consider the bids received, and if a responsive and acceptable bid is received, award sale of the Series 2019 Bonds to the successful bidder whose bid reflects the lowest true interest cost (calculated from the dated date).

SUBMISSION OF BIDS

All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2019 Bonds regardless of the manner in which the proposal is submitted.

Sealed Bidding. Bids may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed bids, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final bid price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted bid. Neither the City nor Springsted will assume any liability for the inability of a bidder to reach Springsted prior to the time of sale specified above.

Electronic Bidding. Notice is hereby given that electronic bids will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of these Terms and Conditions of Sale.* None of the City, Springsted or PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and none of the City, Springsted or PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2019 Bonds, and PARITY® is not an agent of the City. To the extent any instructions or directions set forth in PARITY® conflict with these Terms and Conditions of Sale, these Terms and Conditions of Sale

shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®
1359 Broadway, 2nd Floor
New York, New York 10018
Customer Support: (212) 849-5000

THE SERIES 2019 BONDS

The Series 2019 Bonds shall be dated, as originally issued, as of February 20, 2019, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2019, to the registered owners of the Series 2019 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Council. Each interest rate must be expressed in an integral multiple of 1/100 or 1/8 of 1%. The initial price to the public as stated in the bid proposal for each maturity must be 98.0% or greater. All Series 2019 Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2019 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2020	\$ 775,000	2030	\$ 1,145,000
2021	805,000	2031	1,180,000
2022	835,000	2032	1,220,000
2023	870,000	2033	1,265,000
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2025	940,000	2035	1,355,000
2026	980,000	2036	1,405,000
2027	1,015,000	2037	1,460,000
2028	1,055,000	2038	1,515,000
2029	1,100,000	2039	1,575,000

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce net proceeds to the City of approximately \$23,000,000 and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2019 Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Series 2019 Bonds and the prices at which the bid indicates the Series 2019 Bonds are initially offered to the investing public.

Bidders will have the option of combining the Series 2019 Bonds into one or more term bonds. If any Series 2019 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than 2039, at a redemption price equal to the principal amount of such Series 2019 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Series 2019 Bonds would have matured if they were not included in a term bond.

The Series 2019 Bonds with stated maturities on or after July 1, 2028 will be subject to redemption on July 1, 2027, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2019 Bonds are to be redeemed, the Series 2019 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair).

The Series 2019 Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2019 Bonds will be issued as fully registered bonds only and shall be executed by the manual or facsimile signatures of the Mayor, the City Clerk and the City Finance Director. The Series 2019 Bonds will be issued in book-entry only form.

BOOK ENTRY

The Series 2019 Bonds will be issued by means of a book entry system with no physical distribution of Series 2019 Bonds made to the public. The Series 2019 Bonds will be issued in fully registered form and one Series 2019 Bond, representing the aggregate principal amount of the Series 2019 Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Series 2019 Bonds. Individual purchases of the Series 2019 Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity, through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2019 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners.

PURPOSE AND SECURITY

The City has determined that it is necessary and desirable to undertake certain improvements to its Solid Waste System (the “System”), consisting of the design, construction and installation of a transfer station at the City-owned landfill that will compact trash, a new landfill maintenance building, and a new scale plaza (collectively, the “Project”). The City

proposes to issue the Series 2019 Bonds for the purpose of providing funds to pay costs of the Project and to pay costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are special, limited obligations of the City, payable solely from and secured by, equally and ratably with any Additional Bonds issued on a parity therewith, the Net Revenues of the System and amounts on deposit in the Solid Waste System Fund, as provided in the Bond Resolution (all, as defined in the Preliminary Official Statement). The Series 2019 Bonds are not general obligations of the City, and the City's full faith and credit and taxing power are not pledged to the payment of the principal and interest thereon. No money raised from taxation by the City, other than to the extent the City pays for services of the System for City properties receiving services from the System, will be available to pay principal of or interest on the Series 2019 Bonds. The Series 2019 Bonds do not constitute an indebtedness of the City or the State of Montana within the meaning of any constitutional or statutory provision. Bidders should consult a copy of the Preliminary Official Statement for a discussion of the security for the Series 2019 Bonds and the form of opinion of bond counsel relating to the Series 2019 Bonds.

CONTINUING DISCLOSURE

In order to permit bidders for the Series 2019 Bonds and other participating underwriters in the primary offering of the Series 2019 Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree in the Bond Resolution for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2019 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. The City is the only "obligated person" in respect of the Series 2019 Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking will be set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Series 2019 Bonds.

BIDDING AND SALE PROCEDURES

Submission of Bids. The City will receive bids for the purchase of the Series 2019 Bonds by electronic transmission through PARITY® or by sealed bid to Springsted, pursuant to the instructions set forth herein. To the extent any instructions or directions set forth in PARITY® conflict with these Terms and Conditions of Sale, these Terms and Conditions of Sale shall control.

Basis of Award. Bids shall be for not less than \$23,096,070 (101.7% of par), plus accrued interest, if any, on the total principal amount of the Series 2019 Bonds. All bidders shall state the lowest rate or rates of interest at which they will purchase the Series 2019 Bonds at the purchase price specified for the Series 2019 Bonds. Bids will be awarded on the basis of true interest cost (calculated from the dated date). The true interest cost will be the rate necessary, when using a 360-day year and semiannual compounding, to discount the debt service payments from the payment dates to the date of the Series 2019 Bonds and to the price bid. In the event that two or more bids state the lowest true interest cost, the sale of the Series 2019 Bonds will be

awarded by lot. The Council reserves the right to reject any and all bids and to sell the Series 2019 Bonds at private sale and to waive any informality and irregularity in any and all bids. Each bid must be unconditional (or conditioned on only those items specified in these Terms and Conditions of Sale). No bid may be altered or withdrawn after the time specified above for opening bids unless the meeting of the City scheduled for award of the Series 2019 Bonds is adjourned, recessed or continued to another date without award of the Series 2019 Bonds having been made. Series 2019 Bonds of the same maturity shall bear a single rate from the date of the Series 2019 Bonds to the date of maturity. No conditional bids will be accepted.

Good Faith Deposit. To have its bid considered for award, the successful bidder is required to submit a good faith deposit to the City in the amount of \$454,200 (the "Deposit") no later than 1:00 p.m., M.T., on Monday, January 28, 2019. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the City or (ii) a wire transfer. The successful bidder shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the City nor Springsted shall have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the City if it is made payable to the City and delivered to Springsted, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Springsted following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the successful bidder will be retained by the City and no interest will accrue to the successful bidder. The amount of the Deposit will be deducted at settlement from the purchase price for the Series 2019 Bonds. In the event the successful bidder fails to comply with the accepted proposal, said amount will be retained by the City.

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The City will select a bank, financial institution or trust company to act as bond registrar, transfer agent and paying agent (the "Registrar") in connection with the Series 2019 Bonds. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Series 2019 Bonds will be paid by the Registrar. The City will pay the charges of the Registrar for such services. The City reserves the right to remove the Registrar and to appoint a successor.

LEGAL OPINION

An opinion as to the validity of the Series 2019 Bonds and the exclusion from gross income for federal and Montana income tax purposes of the interest thereon will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as Bond Counsel. The legal opinion will be delivered at the time of closing. The legal opinion will state that the Series 2019 Bonds are valid and binding special, limited obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights.

DELIVERY

On or about February 20, 2019, the City will deliver to the Registrar the printed Series 2019 Bonds ready for completion, authentication and delivery to The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. The successful bidder will not receive physical certificates representing its interest in the Series 2019 Bonds. Payment for the Series 2019 Bonds must be received by the City in immediately available funds at its designated depository on the day of closing.

ESTABLISHMENT OF ISSUE PRICE AT TIME OF AWARD

In order to establish the issue price of the Series 2019 Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter for the Series 2019 Bonds, the bidder confirms that (i) the underwriters for the Series 2019 Bonds have offered or reasonably expect to offer the Series 2019 Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Series 2019 Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Series 2019 Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Series 2019 Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Series 2019 Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Series 2019 Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2019 Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter of the Series 2019 Bonds, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the “hold-the-offering price” rule applies.

If the City advises the successful bidder that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the successful bidder will be required to deliver to the City at or prior to closing a certification, substantially in the form of Annex A attached hereto, as to the reasonably expected initial offering price as of the award date.

If the City advises the successful bidder that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the successful bidder shall (1) upon the request of the City confirm that the underwriters of the Series 2019 Bonds did not offer or sell any maturity of the Series 2019 Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters of the Series 2019 Bonds have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form of Annex B attached hereto, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Springsted.

Bidders should prepare their bids on the assumption that the Series 2019 Bonds will be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Series 2019 Bonds, and bids submitted will not be subject to cancellation or withdrawal.

OFFICIAL STATEMENT

The City will prepare an Official Statement relating to the Series 2019 Bonds which the City will deem to be final as of its date. The City will deliver, at closing, a certificate executed by the Mayor, the City Clerk and the City Finance Director to the effect that, to the best of their knowledge, as of the date of closing, the information contained in the Official Statement, including any supplement thereto, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading; provided that no comment will be made with respect to any information provided by the successful bidder for inclusion in any supplement to the Official Statement.

By submitting a bid for the Series 2019 Bonds, the successful bidder agrees: (1) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplements prepared by the City, (2) to file promptly a copy of the Official Statement, including any supplement prepared by the City, with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) website, and (3) to take any and all other actions necessary to comply with applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Series 2019 Bonds to successful bidder.

Within seven business days after the sale the City will furnish to the successful bidder without charge up to 25 copies of the final Official Statement relating to the Series 2019 Bonds. The successful bidder must notify the City Finance Director in writing within two business days after the award of sale of the Series 2019 Bonds if it requires additional copies of the Official Statement. The cost of additional copies shall be paid by the successful bidder.

BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2019 Bonds. If the Series 2019 Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's bid. The City specifically reserves the right to reject any proposal specifying municipal bond insurance, even though such proposal may result in the lowest true interest cost to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2019 Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2019 Bonds.

COSTS; CUSIP NUMBERS

The City will pay the fees and charges of its municipal advisor, bond counsel, and Registrar, along with costs of printing the Official Statement. If the Series 2019 Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Series 2019 Bonds, but neither the failure to print such numbers on any Series 2019 Bond nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2019 Bonds. Springsted will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

RATING

The City has applied for a rating from Moody's Investors Service on the Series 2019 Bonds. If the City obtains such an underlying rating, rating agency fees for obtaining the underlying rating from Moody's Investors Service will be the responsibility of the City.

Dated: January 14, 2019.

BY ORDER OF THE CITY COUNCIL

City Clerk
City of Billings, Montana

ANNEX A

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

\$[]
Solid Waste System Revenue Bonds, Series 2019
City of Billings, Montana

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the obligations named above (the "Series 2019 Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2019 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Series 2019 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2019 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2019 Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2019 Bonds.

2. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) ***Issuer*** means City of Billings, Montana.

(b) ***Maturity*** means Series 2019 Bonds with the same credit and payment terms. Any Series 2019 Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) ***Member of the Distribution Group*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2019 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2019 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2019 Bonds to the Public).

(d) ***Public*** means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital

interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was January 28, 2019.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2019 Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2019 Bonds.

[UNDERWRITER]

By: _____
Name: _____

Dated: February 20, 2019

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

ANNEX B

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS - HTOP

\$[]

Solid Waste System Revenue Bonds, Series 2019
City of Billings, Montana

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (“[SHORT NAME OF UNDERWRITER]”)[the “Representative”])[, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Series 2019 Bonds”).

1. *Initial Offering Price of the Series 2019 Bonds.* [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2019 Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Series 2019 Bonds is attached to this certificate as Schedule B.

2. *First Price at which Sold to the Public.* On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. *Hold the Offering Price Rule.* [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Series 2019 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or retail distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. *Defined Terms.* For purposes of this Issue Price Certificate:

(a) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (January 28, 2019), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means City of Billings, Montana.

(c) *Maturity* means Series 2019 Bonds with the same credit and payment terms. Any Series 2019 Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2019 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2019 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2019 Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was January 28, 2019.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERTHWRITER FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2019 Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2019 Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____
Name: _____

Dated: February 20, 2019

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE
(Attached)

SCHEDULE C
SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE
(Attached)

EXHIBIT B

NOTICE OF BOND SALE

\$22,710,000

Solid Waste System Revenue Bonds, Series 2019
City of Billings, Montana

NOTICE IS HEREBY GIVEN by the City Council (the "Council") of the City of Billings, Montana (the "City"), that the City will receive bids for the purchase of Solid Waste System Revenue Bonds in the aggregate principal amount of \$22,710,000 (the "Series 2019 Bonds") by electronic transmission through PARITY® or by sealed bid to Springsted Incorporated, the City's municipal advisor ("Springsted"), pursuant to the instructions set forth in the Terms and Conditions of Sale, in each case until 10:00 a.m., M.T., on Monday, January 28, 2019, at which time bids will be opened and tabulated. The tabulation of bids will be presented to the Council at its regular meeting at 5:30 p.m. on Monday, January 28, 2019, in the City Council meeting room, at which time the Council will consider the bids received, and if a responsive and acceptable bid is received, award sale of the Series 2019 Bonds to the successful bidder whose bid reflects the lowest true interest cost (calculated from the dated date).

The City has determined that it is necessary and desirable to undertake certain improvements to its Solid Waste System, consisting of the design, construction and installation of a transfer station at the City-owned landfill that will compact trash, a new landfill maintenance building, and a new scale plaza (collectively, the "Project"). The City proposes to issue the Series 2019 Bonds for the purpose of providing funds to pay costs of the Project and to pay costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds shall be dated, as originally issued, as of February 20, 2019, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2019, to the registered owners of the Series 2019 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Council. Each interest rate must be expressed in an integral multiple of 1/100 or 1/8 of 1%. The initial price to the public as stated in the bid proposal for each maturity must be 98.0% or greater. All Series 2019 Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2019 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described herein:

<u>Year</u>	Principal <u>Amount</u>	<u>Year</u>	Principal <u>Amount</u>
2020	\$ 775,000	2030	\$ 1,145,000
2021	805,000	2031	1,180,000
2022	835,000	2032	1,220,000

2023	870,000	2033	1,265,000
2024	905,000	2034	1,310,000
2025	940,000	2035	1,355,000
2026	980,000	2036	1,405,000
2027	1,015,000	2037	1,460,000
2028	1,055,000	2038	1,515,000
2029	1,100,000	2039	1,575,000

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce net proceeds to the City of approximately \$23,000,000 and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2019 Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Series 2019 Bonds and the prices at which the bid indicates the Series 2019 Bonds are initially offered to the investing public.

Bidders will have the option of combining the Series 2019 Bonds into one or more term bonds. If any Series 2019 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than 2039, at a redemption price equal to the principal amount of such Series 2019 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Series 2019 Bonds would have matured if they were not included in a term bond.

The Series 2019 Bonds with stated maturities on or after July 1, 2028 will be subject to redemption on July 1, 2027, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2019 Bonds are to be redeemed, the Series 2019 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair).

The Series 2019 Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2019 Bonds will be issued as fully registered bonds only. The Series 2019 Bonds will be issued in book-entry only form.

The Council reserves the right to reject any and all bids and to sell the Series 2019 Bonds at private sale.

To have its bid considered for award, the successful bidder is required to submit a good faith deposit to the City in the amount of \$454,200 (the "Deposit") no later than 1:00 p.m., M.T., on Monday, January 28, 2019. The Deposit may be delivered as described in the instructions set forth in the Terms and Conditions of Sale, in the form of either (i) a certified or cashier's check payable to the City or (ii) a wire transfer. The successful bidder shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer.

Copies of the Terms and Conditions of Sale, the Preliminary Official Statement, Official Bid forms and additional information may be obtained through Springsted, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 at facsimile number (651) 223-3046 (phone (651) 223-3000 (Bond Services)). Prospective bidders should consult the Terms and Conditions of Sale and the Preliminary Official Statement for a detailed description of the Series 2019 Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana and Minneapolis, Minnesota, as bond counsel.

Dated: January 14, 2019.

BY ORDER OF THE CITY COUNCIL

City Clerk
City of Billings, Montana

Publish: January 17, 2019
January 24, 2019