

JOINT CITY/COUNTY RESOLUTION 14-2018

JOINT RESOLUTION RELATING TO A PROPOSED SPECIAL IMPROVEMENT DISTRICT WHICH IS INTENDED TO INCLUDE BENEFITED PARCELS IN THE TOWN OF DENTON AND ELEVEN BENEFITED PARCELS IN FERGUS COUNTY ABUTTING THE TOWN OF DENTON, FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS TO TOWN OF DENTON'S WATER SYSTEM, AND FOR THE FINANCING OF SUCH IMPROVEMENTS AND THE COSTS INCIDENTAL THERETO THROUGH THE ISSUANCE OF A SPECIAL IMPROVEMENT DISTRICT BOND FOR THE BENEFIT OF LOTS OR PARCELS IN AND NEAR THE TOWN.

BE IT RESOLVED by the Town Council (the "Council") of the Town of Denton, Montana, (the "Town") and the Board of County Commissioners of Fergus County, Montana (the "County") as follows:

Section 1. Proposed Improvements: Intention To Create District. The Town proposes to undertake certain water system improvements (the "Improvements") to benefit certain property located in the Town. The Improvements consist of installation of a water storage tank, new filtration system, and new water transmission mains, and more particularly described in Section 5. The total estimated costs of the Improvements are \$2,536,000. The improvements are to be paid from the special improvement district bond hereinafter described, a \$625,000 grant from the Treasure State Endowment Program, a \$977,000 grant from the U.S. Department of Agriculture Rural Development Program, a \$406,000 Town revenue bond, and a \$28,000 payment from other Town funds. The Council intends to create and establish in the Town under Montana Code Annotated, Title 7, Chapter 12, Part 41 and 42, as amended, a special improvement district (the "District") for the purpose of financing a portion of the costs of the construction of the Improvements and the costs of the sale and the security of the special improvement district bond drawn on the District (the "Bond"), the creation and administration of the District. The Series 2018B Bond is to be payable from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements in an amount estimated to be \$500,000.

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. ___ of the Town of Denton, Montana.

Section 3. Boundaries of District. The limits and boundaries of the District are described as the boundaries of the properties identified and listed on Exhibit A hereto (which is hereby incorporated herein and made a part hereof), which boundaries are designated and confirmed as the boundaries of the District. Exhibit A will be an exhibit to the resolution of intention to create the District intended to be passed by the Town.

Section 4. Benefitted Property. The District and territory included within the limits and boundaries described in Section 3 and as shown on Exhibit A are intended to be the special improvement district and the territory which will benefit and be benefited by the Improvements and will be assessed for the costs of the Improvements. The property included within said limits and boundaries is intended to be the property benefited by the Improvements.

Section 5. General Character of the Improvements. The general character of the Improvements is the construction of a new water storage tank, a cartridge filtration system to treat spring water, a 12-inch main from the water source to the tank, and a 12-inch transmission main from the new tank to the existing distribution system in the town of Denton, Montana and include incidental financing expenses (as defined in Section 7-12-2101(7), MCA).

Section 6. Engineer and Estimated Cost. Great West Engineering, Inc. shall be the engineer for the District. The Engineer has estimated that the cost of the Improvements, including all incidental costs, is \$2,536,000 of which \$500,000 is to be paid from the District's Series 2018B Bond proceeds, \$406,000 from the Town's Series 2018A Revenue Bond, \$625,000 from a grant from the Treasure State Endowment Program, \$977,000 from a U.S. Department of Agriculture Rural Development Program grant, and a \$28,000 payment from available Town water funds.

Section 7. Assessment Methods. Each parcel of land in the District will be assessed an equal amount based upon the total cost of the Improvements as authorized in Section 7-12-4162(3)(a) Montana Code Annotated.

The estimated annual assessment for each parcel of land for the Improvements is \$165.64, which includes estimated average interest on the Bonds plus ½ of 1%, as required by Section 7-12-4189(1)(a), Montana Code Annotated.

As provided in Section 7-12-4162(3)(b), MCA, if an increase occurs in the number of benefitted lots or parcels within the boundaries of the District during the term of bonded indebtedness that is payable from the assessments, the town council shall recalculate the amount assessable to each lot or parcel. The town council shall base the recalculation on the amount of the District's outstanding bonded indebtedness for the current fiscal year and shall spread the assessments across the district based on the number of benefitted lots or parcels within the boundaries of the District as of July 1 following the action that resulted in the increase in the number of benefitted lots or parcels.

Section 8. Payment of Assessments. The special assessments for the portion of costs of the Improvements paid from the Series 2018B Bond shall be payable over a term of 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. The District intends to issue the Series 2018B Bond in an estimated aggregate principal amount of \$500,000 in order to finance a portion of the costs of the

Improvements. Principal of and interest on the Series 2018B Bond will be paid from special assessments levied against the property in the District.

Section 10. Maintenance of Improvements. Maintenance and operation of the Improvements will be provided by the Town of Denton.

Section 11. Proposed Improvements Are a Public Benefit. The Town Council and the Board of County Commissioners agree that the proposed Improvements and the financing of them through the Proposed District as described above are a public benefit and will improve all of the properties in the Proposed District.

Section 12. Opportunity of Property Owner to Protest Creation of Proposed District. Pursuant to Section 7-12-4110, MCA and Sections 7-12-4102(4), MCA, all owners of parcels in the District will be given the opportunity to file written protests against the creation of the District. Properties within the proposed district boundaries outside the Town may not be included in the special improvement district if, under the assessment methodology provided in the resolution of intention, the owners of lots, tracts, or parcels outside the Town representing not less than 40% of the total projected assessments against properties outside the Town protest the creation of the special improvement district. If such parcel owners outside the Town limits representing less than 40% of the total projected assessments inside the Town file protests, then the parcels outside the Town limits may be included in the Proposed District. Protests can be made at any time within fifteen (15) days from and after the date of the first publication of the notice of the passage and approval of the Town's resolution of intention to create Town of Denton Special Improvement District No. __, any owner of real property within the District subject to assessment and taxation for the cost and expense of making the Improvements may make and file with the Town Clerk until 5:00 p.m., M.T., on the expiration date of said 15-day period written protest against the proposed Improvements or against the creation of the District or both. Pursuant to Section 7-12-4102(4), MCA, owners of property outside of the Town limits and included in the District as defined in Section 3 above are treated in a similar manner as to improvements, notices, and assessments as the property inside the Town limits. The published notice must also be sent to each property owner in the Proposed District (based on the last completed assessment roll) on the same date the notice is published. The protest must be in writing, identify each parcel owned and be signed by every owner of the parcel, except for owners of condominiums who must follow Section 7-12-2141, MCA.

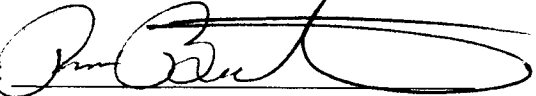
Section 13. Agreement to Terms of Proposed Special Improvement District. Pursuant to Section 7-12-4102(4), MCA, due to the inclusion in the Proposed District of parcels from outside the Town limits in the District, the Town Council and the Board of County Commissioners must both pass a resolution agreeing to the terms of the District prior to passage of the resolution of intention to create the district or the resolution creating the district. The joint passage of this Resolution is indicative of that agreement.

PASSED AND ADOPTED by the Town Council of Denton, Montana, this _____ day of _____, 2018.

City Clerk

Mayor

PASSED AND ADOPTED by the Board of County Commissioners of Fergus County, Montana, this 11 day of June, 2018.

By: 
Chairman

Attest:

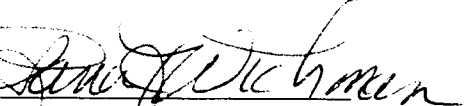
By: 
County Clerk and Recorder

EXHIBIT A
LEGAL DESCRIPTION OF DISTRICT