




CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and appointed City Clerk of the City of Bozeman, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "A RESOLUTION OF THE CITY COMMISSION SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BOZEMAN, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN THE AMOUNT OF UP TO FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) FOR THE PURPOSE OF ON OPEN SPACE LANDS DESIGNING, CONSTRUCTING OR EQUIPPING TRAILS, PARKS AND NATURAL AREAS OR MULTI-USE RECREATIONAL FIELDS AND FACILITIES, OR FOR USE IN THE PRESERVATION OR ENHANCEMENT OF WATER QUALITY, AND PAYING THE COSTS OF ACQUIRING RIGHTS TO OR INTERESTS IN OR IMPROVING OPEN-SPACE LANDS IN OR NEAR THE CITY (SUCH AS LANDS FOR TRAILS IN AND AROUND THE BRIDGER MOUNTAIN FOOTHILLS), TO INCLUDE NECESSARY OR APPROPRIATE INFRASTRUCTURE FOR THE USE, ENJOYMENT, OR FUNCTIONING OF SUCH LANDS OR FACILITIES AND THE OPERATION, MAINTENANCE, REPAIR, MANAGEMENT, OR PLANNING OF SUCH LANDS OR FACILITIES; AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF SUCH 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 Commission at a regular meeting on July 16, 2012, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commission Members voted in favor thereof: Mayor Becker, Commissioner Mehl, Commissioner Andrus, and Commissioner Taylor; those Commissioners who voted against the same: Deputy Mayor Krauss.

WITNESS my hand and seal officially this 16<sup>th</sup> day of July, 2012.



  
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Stacy Ulmen, CMC  
Bozeman City Clerk



RESOLUTION NO. 4386

A RESOLUTION OF THE CITY COMMISSION SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BOZEMAN, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN THE AMOUNT OF UP TO FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) FOR THE PURPOSE OF ON OPEN SPACE LANDS DESIGNING, CONSTRUCTING OR EQUIPPING TRAILS, PARKS AND NATURAL AREAS OR MULTI-USE RECREATIONAL FIELDS AND FACILITIES, OR FOR USE IN THE PRESERVATION OR ENHANCEMENT OF WATER QUALITY, AND PAYING THE COSTS OF ACQUIRING RIGHTS TO OR INTERESTS IN OR IMPROVING OPEN-SPACE LANDS IN OR NEAR THE CITY (SUCH AS LANDS FOR TRAILS IN AND AROUND THE BRIDGER MOUNTAIN FOOTHILLS), TO INCLUDE NECESSARY OR APPROPRIATE INFRASTRUCTURE FOR THE USE, ENJOYMENT, OR FUNCTIONING OF SUCH LANDS OR FACILITIES AND THE OPERATION, MAINTENANCE, REPAIR, MANAGEMENT, OR PLANNING OF SUCH LANDS OR FACILITIES; AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF SUCH BONDS.

BE IT RESOLVED By the City Commission (the "Commission") of the City of Bozeman, Montana (the "City") as follows:

Section 1. Recitals.

1.01. Authorization.

a) A city as a public body is authorized pursuant to Section 76-6-109, MCA, to sell and issue general obligation bonds in the manner and within the limitations prescribed by applicable laws of Montana for the purpose of acquiring and improving open-space land and other property consistent with the provisions of Title 76, Chapter 6, Part 1, MCA (the "Act"). Section 76-6-104 of the Act defines open-space land as any land that is provided or preserved for: park and recreational purposes; conservation of land or other natural resources; historic or scenic purposes; or assisting in the shaping of the character, direction, and timing of community development. Moreover, Section 76-6-109(e) of the Act provides that a city may, in connection with real property acquired or designated for the purposes of the Act, provide or arrange for construction, maintenance, operation, or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities or structures that may be necessary to the provision, preservation, maintenance, and management of the property as open-space land.

b) A city is authorized pursuant to Section 7-7-4221, Montana Code Annotated, to issue general obligation bonds pledging the general credit of the city for any purpose authorized by law, upon approval of the electorate of the city, provided that such indebtedness will not cause the total indebtedness of the city to exceed 2.5% of the total assessed value of taxable property of the city,

determined as provided in Section 15-8-111, MCA, ascertained by the last assessment for State and county taxes. A city is authorized pursuant to Section 7-7-4223, MCA, to call a bond election by adopting a resolution to that effect.

1.02. Commission Findings. In adopting this Resolution, the Commission finds that:

- a) The City's 2007 Parks, Recreation, Open Space, & Trails (PROST) Plan, was unanimously adopted by the Commission and created with considerable public input. PROST identifies parks, trails, and open spaces as the top recreation priority for City residents, and called for the City to consider a bond for the purchase of trails and parkland.
- b) The PROST plan, and City residents and staff also have identified a number of places needing improved trails or connections, parks, recreation fields, and water quality protection.
- c) The Commission at the beginning of 2012 made a bond for parks, trails, and recreation one of its top priorities.
- d) The City does not have a dedicated fund for acquisition and improvements of public parks, trails, and recreation fields.
- e) Investments in the City's parks, trails, recreation fields, and in preserving water quality along creek and stream corridors will enhance the City's public health, create safe, accessible opportunities for outdoor recreation and transportation, help attract and retain businesses, improve the sense of community by creating outdoor gathering spaces, and increase property values.
- f) The City is hampered in its ability to host large outdoor sports tournaments due to the lack of recreation fields and adequate facilities and the Bozeman Tourism Business Improvement District identified "limited sport/event fields and facilities" as one of the missed opportunities in the City.
- g) The City's Economic Development Plan repeatedly notes the importance of maintaining and building upon the City's high quality of life as both an economic attractant and as a way to help existing businesses grow and prosper.
- h) During the City's Economic Summit held in March, 2012, local business leaders highlighted "quality of life" – which includes recreational opportunities, cultural and natural amenities – as well as education and a diversified economy as one of the best economic attributes of the region.
- i) Business and academic literature increasingly cite the importance of quality of life for attracting businesses in fields such as computers, entertainment, optics, and Biotechnology – sectors the City has identified as candidates for future economic growth.
- j) Numerous studies have shown that parks and open space increase the value of neighboring residential property.

- k) Now is an advantageous time to pursue a parks and trails bond because of relatively low land prices in combination with low borrowing costs; both factors which mean that taxpayer bond dollars will provide a higher return on investment.
- l) Should the electors approve the sale of bonds, the Commission shall, by resolution, establish guidelines for the evaluation of projects for which funds are proposed to be expended and may designate an advisory board or committee to assist in the establishment of such guidelines and to review and make recommendations to the Commission on proposals for use of funds.
- m) The expenditure of funds on lands and facilities within the City or immediately adjacent to and annexable to the City will be the highest priority for funding and that the expenditure of funds on lands and facilities not immediately adjacent to but near the City provides direct health and economic benefits to the citizens of the City and as such funds may be expended on projects outside and near the City which are not annexable (such as connecting trails from the City to National Forest or State lands and adjacent communities, and for preserving lands outside the City that protect water quality within the City) as long as the projects benefit the citizens of Bozeman.
- n) It to be appropriate that the funds pay for an approved project's transactions costs including costs associated with appraisals, realtors, attorneys, documents, filing, and other similar costs.

1.03. Proposed Project. The Commission determines there should be submitted to the electors of the City qualified to vote at bond elections the question of whether the Commission shall be authorized to sell and issue bonds of the City in one or more series to obtain funds for the purpose of on open space lands designing, constructing or equipping trails, parks and natural areas or multi-use recreational fields and facilities, or for use in the preservation or enhancement of water quality, and paying the costs of acquiring rights to or interests in or improving open-space lands in or near the City (such as lands for trails in and around the Bridger Mountain foothills), to include necessary or related, infrastructure for the use, enjoyment, or functioning of such lands or facilities and the operation, maintenance, repair, management, or planning of such lands or facilities; and paying costs associated with the sale and issuance of such bonds, which bonds shall bear interest at rates to be determined by the Commission at the time of sale, payable semiannually during a term not to exceed twenty (20) years for each series of bonds.

1.04. Estimated Cost. The estimated costs of acquiring rights to or interest in or improving open-space lands in or near the City and all associated costs described in the ballot question below, and costs associated with the sale and issuance of the bonds, are Fifteen Million and No/100 Dollars (\$15,000,000.00). It is proposed that the City issue up to Fifteen Million and No/100 Dollars (\$15,000,000.00) of its general obligation bonds for such purpose.

1.05. Debt Limitation. The Commission has determined that the issuance of general obligation bonds up to the total aggregate amount of Fifteen Million And No/100 Dollars (\$15,000,000.00) will not cause the City to exceed its general obligation indebtedness limitation, which is currently calculated to be \$74,875,000.00.

1.06. Election. The Commission has determined there should be submitted to the electors of the City qualified to vote at bond elections the question of whether the Commission shall be authorized to issue and sell general obligation bonds of the City to obtain funds for the purpose described in the ballot question.

1.07. Bonds. It is the judgment of the Commission that the aggregate sum of up to Fifteen Million and No/100 Dollars (\$15,000,000.00) in general obligation bonds will be necessary to carry out the purpose set forth above. It is also the judgment and determination of the Commission that such general obligation bonds may be issued in multiple series, each series payable during a term not to exceed twenty (20) years.

Section 2. Calling of the Election. The City Commission hereby calls and directs a special City election be held in conjunction with the general election on November 6, 2012, for the purpose of voting on the following question:

Shall the City Commission (the "Commission") of the City of Bozeman, Montana (the "City") be authorized to sell and issue general obligation bonds of the City in one or more series in an aggregate principal amount not to exceed Fifteen Million and No/100 Dollars (\$15,000,000.00) for the purpose of paying the costs of designing, constructing or equipping on open-space lands trails, parks and natural areas or multi-use recreational fields and facilities, or employing such lands in the preservation or enhancement of water quality, and acquiring rights to or interests in or improving open-space lands in or near the City (such as lands for trails in and around the Bridger Mountain foothills), to include necessary or related infrastructure for the use, enjoyment, or functioning of such lands or facilities and the operation, maintenance, repair, management, or planning of such lands or facilities; and paying costs associated with the sale and issuance of such bonds, which bonds shall bear interest at rates to be determined by the Commission at the time of sale, payable semiannually during a term not to exceed twenty (20) years for each series of bonds?

Section 3. Conduct of Election. All qualified electors of the City shall be entitled to vote at the bond election. The City Clerk is hereby authorized and directed to give notice of the call and details of this election to the Gallatin County Election Administrator as soon as practicable and in any event on or the before the date required by the Gallatin County Election Administrator. The Gallatin County Election Administrator is requested to give notice of the close of registration and thereafter prepare printed lists of the qualified 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.

Section 4. 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 *Bozeman Daily Chronicle*, a newspaper of general circulation in Gallatin County. The notice of election as published shall read substantially as shown on Exhibit A hereto (which is incorporated by reference and made a part hereof).

Section 5. Form of Ballot. The ballot shall be printed in substantially the following form:

OFFICIAL BALLOT  
CITY OF BOZEMAN, MONTANA  
GENERAL OBLIGATION BOND ELECTION  
NOVEMBER 6, 2012

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".

Shall the City Commission (the "Commission") of the City of Bozeman, Montana (the "City") be authorized to sell and issue general obligation bonds of the City in one or more series in an aggregate principal amount not to exceed Fifteen Million and No/100 Dollars (\$15,000,000.00) for the purpose of paying the costs of designing, constructing or equipping on open-space lands trails, parks and natural areas or multi-use recreational fields and facilities, or employing such lands in the preservation or enhancement of water quality, and acquiring rights to or interests in or improving open-space lands in or near the City (such as lands for trails in and around the Bridger Mountain foothills), to include necessary or related infrastructure for the use, enjoyment, or functioning of such lands or facilities and the operation, maintenance, repair, management, or planning of such lands or facilities; and paying costs associated with the sale and issuance of such bonds, which bonds shall bear interest at rates to be determined by the Commission at the time of sale, payable semiannually during a term not to exceed twenty (20) years for each series of bonds?

BONDS — YES  
 BONDS — NO

Section 6. Notice to County Election Administrator. A copy of this Resolution will be provided to the Gallatin County Election Administrator as soon as possible after its adoption and approval in order to inform the Election Administrator of the details of the special election and the pertinent requests and authorizations as to the conduct of the special 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 a project within the scope of this resolution have been paid by the City before the date 60 days before the date of adoption of this resolution.

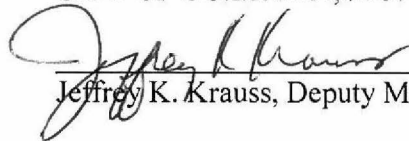
(c) The City reasonably expects to reimburse the expenditures made for costs of such a project out of the proceeds of bonds in an estimated maximum aggregate principal amount of up to Fifteen Million and No/100 Dollars (\$15,000,000.00) after the date of payment of all or a portion of the costs of such a 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 such a 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.

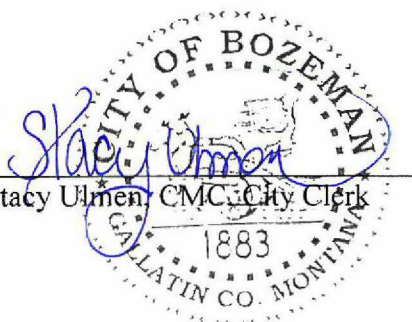
PASSED by the City Commission of Bozeman, Montana, this 16th day of July, 2012.

CITY OF BOZEMAN, MONTANA

  
Jeffrey K. Krauss, Deputy Mayor

Attest:

  
Stacy Ulmen, CMC, City Clerk



Approved as to form:

  
Greg Sullivan, City Attorney

EXHIBIT A

NOTICE OF GENERAL OBLIGATION BOND ELECTION  
City of Bozeman, Montana  
November 6, 2012

NOTICE IS HEREBY GIVEN by the City Commission (the "Commission") of the City of Bozeman, Montana (the "City"), that pursuant to a certain resolution duly adopted at a regular meeting of the Commission on July 16, 2012, a special city election of the registered voters of the City will be held in conjunction with the general election on November 6, 2012, for the purpose of voting on the following question:

Shall the City Commission (the "Commission") of the City of Bozeman, Montana (the "City") be authorized to sell and issue general obligation bonds of the City in one or more series in an aggregate principal amount not to exceed Fifteen Million and No/100 Dollars (\$15,000,000.00) for the purpose of paying the costs of designing, constructing or equipping on open-space lands trails, parks and natural areas or multi-use recreational fields and facilities, or employing such lands in the preservation or enhancement of water quality, and acquiring rights to or interests in or improving open-space lands in or near the City (such as lands for trails in and around the Bridger Mountain foothills), to include necessary or related infrastructure for the use, enjoyment, or functioning of such lands or facilities and the operation, maintenance, repair, management, or planning of such lands or facilities; and paying costs associated with the sale and issuance of such bonds, which bonds shall bear interest at rates to be determined by the Commission at the time of sale, payable semiannually during a term not to exceed twenty (20) years for each series of 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. Beginning October 9, 2012, absentee ballots may be obtained at the office of the Gallatin County Election Administrator at Gallatin County Courthouse, 311 West Main, Gallatin, Montana, until 12:00 noon, November 5, 2012.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2012.

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Gallatin County Election Administrator

Publish: [October 16, 2012  
October 23, 2012  
October 30, 2012]