

# CITY OF BILLINGS

## CITY OF BILLINGS VISION STATEMENT:

**“THE MAGIC CITY – A VIBRANT, WELCOMING PLACE WHERE  
PEOPLE FLOURISH AND BUSINESS THRIVES.”**

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### AGENDA

**COUNCIL CHAMBERS**

**July 26, 2010**

**6:30 P.M.**

**CALL TO ORDER – Mayor Hanel**

**PLEDGE OF ALLEGIANCE – Mayor Hanel**

**INVOCATION – Mayor Hanel**

**ROLL CALL**

**MINUTES: July 12, 2010**

**COURTESIES**

**PROCLAMATIONS**

**ADMINISTRATOR REPORTS - TINA VOLEK**

**PUBLIC COMMENT on “NON-PUBLIC HEARING” Agenda Items: #1 and #7 ONLY.**

**Speaker sign-in required.** (Please sign up on the clipboard located at the podium. Comment on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item.)

*(NOTE: For Items not on this agenda, public comment will be taken at the end of the agenda. Please sign up on the clipboard located at the back of the room.)*

**1. CONSENT AGENDA -- Separations:**

**A. Bid Awards:**

- 1. W.O. 05-15 Howard Heights Storm Drainage.** (Opened 7/13/2010) Recommend Ahanu Construction, Inc.; \$1,321,594.
- 2. W.O. 10-07 Grand Avenue and 24th Street West eastbound, right turn lane adjacent to CVS Pharmacy** (Opened 7/13/2010) Recommend Knife River-Billings; \$187,687.

- B. W.O. 04-12, Alkali Creek Stabilization, Phase 3**, increasing City Administrator's signing authority for change orders totaling up to \$233,655.80.
- C. Annual Agreements** for Landfill Use with Bighorn County, Carbon County, Musselshell County, Stillwater County, Treasure County, Town of Columbus, Town of Fromberg, Town of Hysham, Town of Bridger, Town of Joliet, City of Laurel, City of Big Timber, and City of Red Lodge (7/1/10 – 6/30/11); and 3-year Landfill Use Agreement with Yellowstone County (7/1/10 – 6/30/13, with annual amendments).
- D. Approval** of annual lease with PASSUR Aerospace, Inc. for space in the Airport Terminal Building to provide real time flight information for airlines (8/1/10 - 7/31/11); first year revenue - \$3,277.51; subsequent annual revenue based on Consumer Price Index for all Urban Consumers.
- E. Amendment #13** with Morrison-Maierle, Inc. for design services for the Airport's Car Rental Quick Turn Around Facility, \$833,698.
- F. Amendment #6, WO 02-10: 6th Avenue North to Bench Boulevard, Phase 1**, Professional Architectural and Engineering Services, Morrison-Maierle, Inc.; \$2,917.
- G. Street Closures:**
- 1. Mexican Fiesta Celebration**, July 31, 2010, 6:00 a.m. - 7:00 p.m., Sixth Avenue South between South 28th and South 29th Streets.
  - 2. Roll and Run 5K Stroller Run for Charity**, August 7, 2010, 8:00 a.m to 9:45 a.m., commencing on 3rd Street West at Pioneer Park, proceeding along Parkhill Drive to 10th Street West, north to Poly Drive, east to Virginia Lane, south to Parkhill Drive ending at Pioneer Park.
- H. Approval** of grant application and acceptance of the 2010 Justice Assistance Grant (JAG) for continuation of LED lightbar replacement project on police vehicles and other Police Department equipment purchases; \$66,520.
- I. Resolution** authorizing the issuance and calling for a negotiated sale of \$725,000 Pooled Sidewalk Bonds 2010A (WO 05-17 Highland; WO 08-30 Poly Drive; WO 08-02 2008 Misc/Developer Related; WO 08-21 Lake Elmo; WO 04-12 Alkali Creek).
- J. Resolution** authorizing the issuance and calling for a negotiated sale of \$300,000 Special Improvement District 1388 bonds.
- K. Resolution** fixing the form and detail of the Series 2010A Airport Re-funding Bonds.
- L. Approval of Quarterly Report for Pledged Collateral** for First Interstate Bank Certificate of Deposit, US Bank Municipal Investor Accounts, US Bank Repurchase Account, and US Bank Certificates of Deposit.

**M. Bills and Payroll:**

1. June 30, 2010

**REGULAR AGENDA:**

2. **PUBLIC HEARING AND RESOLUTION** amending FY2011 Water and Wastewater Rate and Fee Schedule. Staff recommends approval. (Action: approval or disapproval of staff recommendation.)
3. **PUBLIC HEARING AND RESOLUTION CREATING SID 1391, LYNN AVENUE IMPROVEMENTS.** Staff recommends approval. (Action: approval or disapproval of staff recommendation)
4. **PUBLIC HEARING AND SPECIAL REVIEW #882:** a special review for an all-beverage liquor license with gaming within an existing multi-tenant building located at 1313 Grand Avenue, currently zoned Community Commercial, and legally described as Lots 2A, 3-23, 24A and 25-47, Block 1, Evergreen Subdivision. Evergreen Midtown Plaza, LLC, applicant; Bob Pulley and Rob Veltkamp, agents. Zoning Commission recommends denial. (Action: approval or disapproval of Zoning Commission recommendation.)
5. **PUBLIC HEARING AND SPECIAL REVIEW #883:** a special review for expansion of Bethlehem Lutheran Church located in a Residential 6000 zone, legally described as Lots 8-11, Block 1, Dahl Subdivision, and generally located at 40 10th Street West and 1008 St. John's Avenue. Bethlehem Lutheran Church, applicant. Zoning Commission and Planning Department recommend conditional approval. (Action: approval or disapproval of Zoning Commission and Planning Department recommendation.)
6. **PUBLIC HEARING AND FIRST READING ORDINANCE REGULATING USE OF ELECTRONIC COMMUNICATION DEVICES WHILE OPERATING A MOTOR VEHICLE.** Staff recommends approval. (Action: approval or disapproval of staff recommendation.)
7. **RECONSIDERATION** of Pioneer Park Master Plan Update. Staff recommends approval. (Action: approval or disapproval of staff recommendation.)

**PUBLIC COMMENT** on Non-Agenda Items -- Speaker Sign-in required. (*Restricted to ONLY items not on this printed agenda. Please sign up on the clipboard located at the back of the Council Chambers.*)

**COUNCIL INITIATIVES**

**ADJOURN**

*Additional information on any of these items is available in the City Clerk's Office. Reasonable accommodations will be made to enable individuals with disabilities to attend this meeting. Please notify Cari Martin, City Clerk, at 657-8210.*

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** W.O. 05-15 Howard Heights Storm Drainage

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

Bids were received for W.O. 05-15 Howard Heights Storm Drainage on July 13, 2010. The Howard Heights area is generally located west of the BBWA Canal and north of Hilltop Road. Approximately 200 acres of residential development drains down Nutter Boulevard to Shamrock Lane, and as this area of the Heights does not have existing storm drain infrastructure, there is a potential for property damage in large storm events. When a city-wide storm drain priority study was performed, the Howard Heights project ranked number one on the priority list.

The Howard Heights project was bid in four schedules. Schedule 1 is the main backbone of the Howard Heights project and will construct storm drain improvements within Hilltop Road, Shamrock Court, Howard Heights Park and Dickie Park. Schedule 2 will construct storm drain improvements within Nutter Boulevard from Shamrock Court to Aronson Avenue. Schedule 3 includes storm drain improvements within Aronson Avenue from Nutter Boulevard to Stewart Court. Schedule 4 includes storm drain improvements within Nutter Boulevard from Shamrock Court to Erickson Court.

In order to keep this project within budgetary constraints, only Schedules 1 and 2 will be awarded.

**ALTERNATIVES ANALYZED**

The Council may:

- Award Schedules 1 and 2 of the contract for W.O. 05-15 Howard Heights Storm Drainage to Ahanu Construction, Inc. in the amount of \$1,321,594.00; or
- Reject all bids and do not award a contract for W.O. 05-15 Howard Heights Storm Drainage.

**FINANCIAL IMPACT**

The City received three bids for this project as follows:

<b>Ahanu Construction</b>	<b>Bid Amount</b>
Schedule 1	\$1,078,546.10
Schedule 2	\$243,047.90
Schedule 3	\$323,266.40
Schedule 4	\$167,397.30
Total Bid	\$1,812,257.70

<b>Western Municipal</b>	<b>Bid Amount</b>
Schedule 1	\$1,280,892.00
Schedule 2	\$284,395.00
Schedule 3	\$308,409.00
Schedule 4	\$143,985.00
<b>Total Bid</b>	<b>\$2,017,681.00</b>

<b>COP Construction</b>	<b>Bid Amount</b>
Schedule 1	\$1,512,349.00
Schedule 2	\$309,544.00
Schedule 3	\$359,560.00
Schedule 4	\$191,633.00
<b>Total Bid</b>	<b>\$2,373,086.00</b>

Costs associated with the improvements will be paid for through Storm Drain Funds from the Storm Water Master Plan Implementation project. Any remaining funds for this project shall be used for construction administration, staking, change orders, and retention area improvements. A breakdown of the project funds per the CIP and approved W.O. 05-15 is listed below:

<b>W.O. 05-15 Funding</b>	
FY 10 and FY 11 CIP Stormwater Implementation	\$1,730,000.00
Contract Amount (this memo)	\$1,321,594.00
Remaining Funds	\$408,406.00

**RECOMMENDATION**

Staff recommends that Council award Schedules 1 and 2 of the bid for W.O. 05-15 Howard Heights Storm Drainage to Ahanu Construction, Inc. in the amount of \$1,321,594.00.

**APPROVED BY CITY ADMINISTRATOR**

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**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** W.O. 10-07, Grand & 24th Right Turn Lane, Bid Award

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

Construction bids were opened on Work Order 10-07 on July 13, 2010. This project will add an eastbound right turn lane along the south side of Grand Avenue at 24th Street West and adjacent to the new CVS Pharmacy. In addition to the street widening for the turn lane, the project will relocate the traffic signal pole at the southwest corner of the intersection and make minor changes to street lighting and storm drainage necessary to accommodate the turn lane. The work is expected to be completed this fall.

**ALTERNATIVES ANALYZED**

The Council may:

- Award a construction contract to Knife River-Billings for the project; or
- Reject all bids and do not award a contract.

**FINANCIAL IMPACT**

The City received three bids for this project as follows:

Engineer's Estimate \$217,114.50

Contractor	Bid
Knife River--Billings	\$187,687.00
Riverside Sand & Gravel	\$190,318.50
CMG Construction, Inc.	\$206,796.00

Funding for the project is from Gas Tax funds programmed for intersection capacity improvements in the CIP.

**RECOMMENDATION**

Staff recommends that Council award the construction contract for W.O. 10-07 to Knife River-Billings in the amount of \$187,687.00.

**APPROVED BY CITY ADMINISTRATOR**

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**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Increasing the City Administrator's Change Order Signing Authority for W.O. 04-12--Phase 3, Alkali Creek Road Maint. and Slope Reconstruction

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

The scope of the project includes maintenance of Alkali Creek Road, relocation of the Alkali Creek stream channel, corresponding slope work required due to existing slope stability problems, construction of a multi-use path, and all appurtenant work from Black Pine Street to a point between Morningside Lane and Aronson Avenue. After the stream relocation, the creek bed will be revegetated to control erosion, maintain the creek slopes, and return the area to its preconstruction state.

The plan for the project, and as negotiated with Morningside Owners Assoc., was to install the highest feasible level of landscaping. The bids for the landscaping came in low, so there is budget available to increase the size of trees to be replanted, resulting in quicker restoration to the preconstruction state. The change order for this has already been processed. However, this initial change order is nearly 10% of the total contract, which nearly exhausts the City Administrator's approval authority. Due to the short duration of the project, the deadline associated with the ARRA funding and predicted additional change order(s) in the near future, staff requests that Council increase the City Administrator's authority for change orders on this project an additional \$100,000 to a maximum of \$233,655.80.

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the request to increase the City Administrator's signing authority; or
- Do not approve the request to increase the City Administrator's signing authority.

**FINANCIAL IMPACT**

There is no financial impact to increasing the City Administrator's authority to approve change orders by \$100,000. The additional City Administrator signing authority will allow staff to respond quickly to change orders for this fast paced project, instead of processing the change orders through Council, which often has a three (3) week lead time.

**RECOMMENDATION**

Staff recommends that Council approve expanding the City Administrator's authority to approve change orders totaling up to \$233,655.80 for this project.

**APPROVED BY CITY ADMINISTRATOR**

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**Regular City Council Meeting**

**Date:** 07/26/2010

**TITLE:** Fiscal year 2011 Landfill Use Agreements

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

The Billings Regional Landfill currently accepts waste from adjoining counties and the cities and towns within those counties. This is accomplished via 1-year or 3-year agreements (with annual amendments) with those entities. The current agreements expired June 30, 2010. The renewal of these agreements is recommended to continue the current practice.

**ALTERNATIVES ANALYZED**

City Council may:

- Approve the agreements with each entity; or
- Disapprove agreements with each entity

**FINANCIAL IMPACT**

These agreements specify an annual fee of \$465,500 for Yellowstone County and \$16.80 per ton of waste for all other entities. These are the rates that were approved at the June 14, 2010 Council meeting and include the 10% surcharge for Yellowstone County and 20% surcharge for all other entities. These agreements will generate approximately \$1,515,000 in revenue in fiscal year 2011.

**RECOMMENDATION**

Staff recommends that the City Council approve, and the Mayor sign amendment #1 with Yellowstone County and the one-year Landfill Use Agreements with:

Bighorn County  
Town of Fromberg  
Musselshell County  
Town of Bridger  
Town of Hysham  
City of Red Lodge  
Carbon County  
Town of Joliet  
Stillwater County  
Town of Columbus  
City of Laurel  
Treasure County  
City of Big Timber

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Landfill Agreement  
Yellowstone County amendment



**A G R E E M E N T**

THIS AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by and between «ORGANIZATIO» and the CITY OF BILLINGS, MONTANA, a municipal corporation, herein called the CITY,

WITNESSETH:

WHEREAS, «TheOrganization» is desirous of using the landfill facilities of the CITY for the disposal of solid waste generated within «TheOrganization».

WHEREAS, the CITY is willing to allow «TheOrganization» use of its landfill facilities during normal published operating times which currently are seven (7) days a week between the hours of 8:00 A.M. and 5:30 P.M. during the period of March through November and six (6) days a week between the hours of 8:00 A.M. and 5:30 P.M. Monday through Saturday during the period of December through February.

NOW, THEREFORE, in consideration of the mutual covenants and agreements between the parties hereto, it is mutually agreed as follows:

1. That the CITY will permit the disposal of solid waste, except industrial wastes, collected by «TheOrganization» at the landfill facility operated by the CITY at such times as said landfill shall be open for disposal of solid waste pursuant to all rules, regulations, and limitation of Billings Municipal Code, Chapter 21.

2. That «TheOrganization» agrees to pay the CITY for the use of said landfill facilities at the rate of \$16.80 per ton as weighed on the landfill scale. Should the scale be inoperable, the rate will be \$2.16 per cubic yard of non-compacted solid waste and \$5.70 per cubic yard of compacted solid waste as determined by the load capacity of the vehicle used to haul said solid waste regardless of the actual size of the load.

3. The Billings City Council has adopted a policy for separate Landfill charges for the disposal of special waste, dead animals, non-processed tires, and asbestos. Said charges will apply in addition to, or in lieu of, the amount specified in paragraph two above, but it is further understood that the CITY will not hold «TheOrganization» liable for these additional charges but will bill said charges direct to the individual company or entity physically depositing said special waste, dead animals, non processed tires and asbestos at the landfill.

4. Only solid waste generated within the political jurisdiction of «TheOrganization» can be disposed of in the City of Billings landfill.

5. No liquid waste or hazardous waste as defined by the E.P.A. and the State of Montana Solid Waste Bureau will be accepted. By law, any hazardous waste is the responsibility of all parties involved from the time it is generated until its final disposal.

6. It is further understood and agreed that this agreement shall be effective for Twelve (12) Months from and after the 1st day of July 2010, unless terminated by the CITY. The CITY may terminate this agreement at any time, with or without cause, upon thirty (30) days written notice to «TheOrganization».

7. «TheOrganization» waives any and all claims and recourse against the CITY OF BILLINGS, including the right to contribution for loss or damage to persons or property, arising from, growing out of, or in any way connected with or incidental to performance of this agreement.

Further, «TheOrganization» shall indemnify, hold harmless and defend the CITY OF BILLINGS against any and all claims, demands, causes of action, damages, costs, expenses, liability, or judgments against the CITY OF BILLINGS which may arise as a result of the CITY OF BILLINGS entering into this agreement.

Indemnity under this agreement shall commence on the date of execution hereof and shall continue for the entire term this agreement is in effect and for any applicable period of limitations thereafter. The CITY OF BILLINGS agrees to notify «TheOrganization» in writing, within ten (10) days of any claim made against the CITY OF BILLINGS on the obligations indemnified against.

8. It is further understood and agreed that «TheOrganization» may terminate this agreement at any time upon payment in full of any monies owing under this agreement and upon written notice Ninety (90) days in advance to the CITY.

DATED THIS \_\_\_\_ day of \_\_\_\_\_, 20 \_\_.

«ORGANIZATIO»

CITY OF BILLINGS

\_\_\_\_\_

THOMAS HANEL, MAYOR

\_\_\_\_\_

CARI MARTIN, CITY CLERK

\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Billings City Attorney

**AMENDMENT NO.1**

**YELLOWSTONE COUNTY LANDFILL USE AGREEMENT**

The Agreement dated \_\_\_\_\_ between THE CITY OF BILLINGS (City) and YELLOWSTONE COUNTY SOLID WASTE DISPOSAL DISTRICT (District) shall be amended as follows:

For July 1, 2010 to June 30, 2011 the total annual payment shall be Four Hundred Sixty Five Thousand Five Hundred dollars (\$465,500.00).

Both parties hereby agree upon this Amendment. All other provisions of the original Agreement remain in full force and effect and shall be undisturbed by this Amendment.

DATED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2010

**YELLOWSTONE COUNTY**

**SOLID WASTE DISPOSAL DISTRICT**

**CITY OF BILLINGS**

By: \_\_\_\_\_

**Chairman**

By: \_\_\_\_\_

**Thomas Hanel, Mayor**

Attest: \_\_\_\_\_

**Cari Martin, City Clerk**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

**City Attorney**

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Limited Commercial Terminal Building Lease with PASSUR Aerospace, Inc.

**PRESENTED BY:** Tom Binford

**Department:** Aviation & Transit

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**Information**

**PROBLEM/ISSUE STATEMENT**

PASSUR Aerospace, Inc. wishes to lease space in the Terminal Building in which to place equipment for ground-based communication links to provide real time flight information for airlines. The twenty square foot Lease provides a space for the location of the telecommunications equipment on the west side of the second floor of the Terminal Building and a rooftop antenna. Lessee will install and maintain the equipment at no cost to the City. Standard insurance and indemnification language is included in the Lease. The Lease term is for one year commencing August 1, 2010, with automatic annual renewals, and is cancelable upon thirty days written notice by either party. This Lease is similar to two other communication leases previously approved by Council for Terminal space.

**ALTERNATIVES ANALYZED**

The City Council may:

- Approve a Lease with PASSUR Aerospace, Inc.; or
- Not approve a Lease with PASSUR Aerospace, Inc.

**FINANCIAL IMPACT**

The first year of this Lease will generate \$3,277.51 of revenue for the City's Airport. Subsequent years will be adjusted on the anniversary date, using the Consumer Price Index for all Urban Consumers (CPI-U) to keep pace with annual inflation.

**RECOMMENDATION**

Staff recommends that Council approve the one-year Lease with PASSUR Aerospace, Inc. The term will commence August 1, 2010, and will be automatically renewed annually until canceled by either party.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Lease

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LIMITED COMMERCIAL TERMINAL BUILDING LEASE  
FOR A REMOTE TELECOMMUNICATIONS SITE

THIS LEASE, made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by  
and between the following:

CITY OF BILLINGS, MONTANA, hereinafter  
designated "Lessor"

and

PASSUR AEROSPACE, INC.,  
hereinafter designated "Lessee"

W I T N E S S E T H

RECITALS

- 1) Lessor owns and operates BILLINGS LOGAN INTERNATIONAL AIRPORT (hereinafter called the Airport) situated in the City of Billings, Montana, and
- 2) Lessor deems it advantageous to itself and the operation of the Airport to lease to the Lessee Terminal Building space hereinafter described together with certain privileges, rights, uses and interests, and
- 3) Lessee wishes to engage in certain limited commercial activities, and proposes to lease on a net basis from Lessor said Terminal Building space and to avail itself of the same privileges, rights, uses, and interests contemplated herein, and
- 4) Lessee has indicated a willingness and ability to properly keep, maintain, and improve said Terminal Building space in accordance with standards established by Lessor.

NOW THEREFORE, the Parties hereto covenant and agree as follows:

## ARTICLE I

### PREMISES AND PRIVILEGES

A. Description of the Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor that certain Terminal Building space, together with improvements (hereinafter called the premises), for its use and specifically described as:

20 square feet of space located in the northeast corner of the west end storage room on the second floor of the baggage claim addition of the Billings Logan International Airport Terminal Building as designated on Exhibit A, and by reference specifically made a part of this Lease.

B. General Privileges, Uses, and Rights. Lessor hereby grants to Lessee the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions and covenants herein set forth. Said rights shall be subject to such Federal, State, or Local ordinances, rules or regulations as now or may hereafter have application at the Airport.

1) The general unrestricted use of all public Airport facilities and improvements, which are now or may hereafter be connected with or appurtenant to said Airport, except as hereinafter provided, to be used by Lessee for commercial activities as herein defined. For the purpose of this Lease, public Airport facilities shall include all roadways, parking areas, sidewalks, Terminal facilities, or other public facilities appurtenant to said Airport.

2) The right of ingress to and egress from the premises over and across public roadways serving the Airport for Lessee, Lessee's agents, employees, patrons and invitees, suppliers of service and furnishers of material.

C. Specific Privileges, Uses, and Rights. In addition to the general privileges, uses, and rights described above and without limiting the generality thereof, Lessor hereby grants to Lessee the right to engage in limited commercial activities on the premises as defined in subparagraphs 1–3 below, subject to the conditions and covenants hereafter set out:

- 1) The right to engage in the installation, operation, and maintenance of a remote telecommunications ground station with a rooftop antenna on the premises, necessary for the conduct of business.
- 2) Telecommunications equipment installed on said premises shall be contained in a totally enclosed and locked cabinet.
- 3) The equipment will be used exclusively by PASSUR Aerospace, Inc. in their mission to provide real time flight information.

## ARTICLE II

### TERM OF LEASE

A. Term. The term of this Lease shall be for a period of one (1) year, commencing on the 1st day of August 2010, and terminating on the 31st day of July 2011.

B. Renewal. This Lease shall renew automatically each year on the anniversary of the Lease provided that either party may cancel this Lease for any reason on thirty (30) days written notice. If the Lease is cancelled, rental due hereunder shall be payable only to the date of cancellation.

C. National Emergency. In the event the rights and privileges hereunder are suspended by reason of war or other national emergency, the term of this Lease shall be extended by the amount of the period of such suspension.

### ARTICLE III

#### RENTAL AND FEES

A. Rental. For the premises described in Article I, Paragraph A, Lessee shall pay to Lessor an initial annual rental of \$3,277.51 for all space included in this Lease. Said rental shall be payable annually in advance, without billing, on the first day of each new Lease year, in an amount equal to the annual rental.

B. Interest Penalty. Without waiving any other right or action available to the Lessor, in the event of default in the payment of Lease rentals herein, or any other rentals, fees, or charges owed Lessor, the amount due shall accrue interest at the rate of one and one-half percent (1.5%) per month from the date such rentals, fees, or charges were due and payable, until paid in full. Said interest shall not apply with respect to items being contested in good faith by Lessee and which are resolved in Lessee's favor.

C. Annual Readjustment of Rental. During the term of the Lease, the rental rate will be adjusted annually on the anniversary of the Lease using the Consumer Price Index for all Urban Consumers (CPI-U) for the previous twelve (12) month period. In no case shall the rate be less than the previous year.

### ARTICLE IV

#### OBLIGATIONS OF LESSOR

A. Lessor Warranties. Lessor warrants all things have happened and have been done to make its granting of said Lease effective and that Lessee shall have peaceful possession and

quiet enjoyment of the leased premises during the term hereof, upon performance of Lessee's covenants herein.

B. Operation as Public Airport. Lessor shall during the term hereof, operate and maintain the Airport and its public facilities, as defined hereinabove, as a public airport consistent with and pursuant to the sponsor's assurances given by Lessor to the United States Government under the Federal Airport Act.

C. Condition and Maintenance of Premises. Lessor shall assume no responsibility for the condition of the demised premises after delivery of premises to Lessee. Lessor shall maintain all existing roads on the Airport giving access to the leased premises. Lessor will not maintain Lessee's equipment, which shall be the sole responsibility of the Lessee.

D. Right to Inspect. Lessor shall have the right to enter premises to inspect for compliance with the terms and conditions of this Lease.

#### ARTICLE V

#### OBLIGATIONS OF LESSEE

A. Condition of Premises. It shall be the sole responsibility of the Lessee to develop, keep, maintain, and operate the entirety of the premises and all improvements and equipment placed thereon at Lessee's sole cost and expense. This Lease in every sense shall be without cost or expense to the Lessor. Lessee accepts the premises in its present condition and will repair and maintain any installations thereon except as provided in Article IV, Paragraphs B.-C., and will remove or cause to be removed any debris to the extent required for its continuing use thereof. The Lessee

will repair and pay for any City owned property damaged or destroyed through the use, negligence or wrongful conduct of the Lessee and Lessee's representatives, agents, and employees.

B. Improvements. Lessee shall have the right to and shall provide for the construction, alteration, expansion, and maintenance of its own improvements, in any lawful manner, upon or in the premises, for the purpose of carrying out any of the activities provided for herein, but shall first obtain written approval of Lessor for any such construction, alteration, or expansion activities, which approval shall not be unreasonably withheld.

C. Maintenance. Lessee shall, at its sole cost and expense, maintain the premises, improvements and appurtenances thereto in a presentable condition free of refuse and debris consistent with good business practice.

D. Utilities. Lessor shall provide at its sole cost and expense for heating, air conditioning, and all utilities to point of outlet presently existing in the premises. Additional electrical outlets, telephone lines, cable, and other communication, data, or electrical service lines shall be the responsibility of the Lessee at its sole cost and expense.

E. Trash, Garbage, Etc. Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage, and other refuse occurring as a result of Lessee's occupancy of the premises. Any cost associated with the handling and disposal of any trash, garbage and other refuse will be the responsibility of the Lessee. Lessee shall provide and use Lessor approved receptacles for all garbage, trash, and other refuse and shall place them on the premises in a location acceptable to the Lessor for their removal. Piling of boxes, cartons, barrels, or other similar items in an unsightly or unsafe manner on or about the premises is forbidden.

F. Federal, State, and Local Regulations. Lessee acknowledges that the right to use said Airport facilities in common with others authorized to do so shall be exercised subject to and in accordance with the laws of the United States of America, the State of Montana, and the City of Billings. All rules and regulations, and ordinances of Lessor now in force or hereafter prescribed or promulgated by authority or by law shall be closely observed during the full term of this Lease.

G. Hazardous Substances. Lessee assumes full responsibility for the proper and legal use, handling, storage, and disposal of any hazardous substances used or consumed in the conduct of its business. Any connections to the sewer system shall not be used to dispose of any substance other than wastewater. The storm water system shall not be used to dispose of any substance. "Hazardous substance" shall be interpreted broadly to mean any substance or toxic material, hazardous or toxic or radioactive substance, or other similar term by any Federal, State or Local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease. Lessee will hold Lessor harmless from and indemnify Lessor against and from any damage, loss, expenses, or liability resulting from any breach of this representations and warranty including all attorneys' fees and costs incurred as a result thereof. Lessee shall not be responsible for pre-existing environmental conditions.

H. FCC Authorization. Prior to activating any communications equipment, the Lessee must possess a valid Federal Communications Commission (FCC) authorization, and ensure that the operation of the equipment will be conducted in strict compliance with applicable Federal

Aviation Administration (FAA) requirements. A copy of each applicable license must be maintained by the Lessee for each transmitter being operated by Lessee. The Lessee must provide the Lessor, when requested, with a current copy of each license for equipment in or on facilities covered by this Lease. When requested by the Lessor, the Lessee shall provide technical information concerning the equipment operated by Lessee under the terms of this Lease.

I. Interference with Existing Signals. The Lessee must ensure that all equipment is operated in a manner that will not cause interference with the operation of existing communication equipment at the Billings Logan International Airport. If the Lessor determines that the Lessee's equipment is interfering with existing equipment located at the Billings Logan International Airport, the Lessee will have fifteen (15) days to eliminate the interference to the satisfaction of the Lessor. If the interference is not corrected in fifteen (15) days, the Lessee's equipment shall be shut down until the problem can be corrected. NOTE: If the Lessor determines that Lessee's equipment is interfering with critical FAA or City of Billings Public Safety communications or navigation equipment, Lessee shall immediately shut down all communications systems until the interference is corrected.

## ARTICLE VI

### INSURANCE AND INDEMNIFICATION

A. Indemnification. Lessor shall stand indemnified by Lessee as herein provided. It is expressly understood and agreed that Lessee is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that Lessor shall in no way be responsible therefore. It is further agreed that in the use of the Airport, in the construction, alteration, or maintenance of any improvements thereon, and in the exercise or

enjoyment of the privileges herein granted, Lessee shall indemnify and save harmless the Lessor from any and all losses that may result to the Lessor because of any negligence, act or omission on the part of the Lessee, and shall indemnify Lessor against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the premises.

Lessee expressly agrees that Lessor shall not be liable to Lessee, for personal injury, bodily injury, or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil disobedience or commotion, aircraft, smoke, vandalism, malicious mischief, or acts of civil authority, unless caused by the fault or negligence of Lessor, its officers, agents or employees.

B. Insurance. Lessee shall provide and keep in force for the term of the Lease a commercial general liability policy (occurrence form only), providing coverage for personal injury, bodily injury, death, and property damage, in amounts not less than \$750,000 per claim, and \$1,500,000 per occurrence.

The commercial general liability policy shall name the CITY OF BILLINGS as a **PRIMARY ADDITIONAL INSURED**. The City of Billings' general liability policy will be excess and noncontributory. At the time of execution of this Lease, Lessee shall furnish a Certificate of Insurance on a form acceptable to the City and showing that required insurance is in full force. The issuer(s) of the policy or policies shall provide thirty (30) day advance written notification to Lessor of any reductions in the policy coverage, cancellations, or other adverse amendments to the policy or policies impacting the risks covered. Insurance coverage shall be maintained with insurance underwriters authorized to do business in the State of Montana and that are satisfactory to the Lessor.

If, in the Lessor's opinion, the minimum limits of the insurance coverage herein required become inadequate during the term of this Lease, Lessee agrees that it will increase such minimum limits by reasonable amounts on request of the Lessor.

## ARTICLE VII

### TERMINATION, SUSPENSION, AND TRANSFER

A. Termination. Upon the termination of this Lease, as set forth in Article II, Paragraph B, Lessee shall have the right to remove all moveable fixtures, machinery and equipment, and all other personal property installed by it on the premises, and all expenses connected with such removal shall be borne by the Lessee. Said property shall be removed within thirty (30) days after termination of Lease. In the event the Lessee elects not to remove said property upon termination of the Lease, the disposition of the property will be left to the sole discretion of the Lessor. Removal of property by Lessor because of failure of Lessee to do so, shall be at Lessee's expense.

B. Suspension of Lease. During the time of war or declared national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of this instrument which are inconsistent with the provisions of the lease to the Government shall be suspended, provided that the term of the Lease shall be automatically extended by the amount of the period of suspension.

C. Subleasing, Transferring or Assigning. The rights conferred by this Lease or any part thereof, cannot be assigned, transferred, or subleased by the Lessee.

## ARTICLE VIII

### GENERAL PROVISIONS

A. Attorney's Fees. Should either party employ an attorney or attorneys or utilize the services of in-house attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this Lease, the nonprevailing party in any action pursued in a court of competent jurisdiction agrees to pay to the prevailing party all reasonable costs, damages, expenses, and attorney's fees, including fees for in-house attorneys, expended or incurred in connection therewith.

B. Taxes. Lessee shall pay any taxes or assessments which may be lawfully levied against Lessee's occupancy or use of the premises or any improvements placed thereon as a result of Lessee's occupancy, but Lessee as independent contractor reserves the right to contest the levy of any tax or assessment which it feels is unjust.

C. Subordination of Lease.

1) This Lease shall be subordinate to the provisions of any existing or future agreements between Lessor and the United States relative to the administration, operation, or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

2) Any mortgagee or beneficiary shall have the right to cure any default on the part of Lessee in the payment of rent hereunder and, in the event of default, to assume the Lessee's position under this Lease. Lessor in no event shall be liable for

the payment of the sum secured by such mortgage or trust indenture, nor for any expenses in connection with the same. Furthermore, such mortgage or trust indenture shall expressly provide that the mortgagor or beneficiary will seek no monetary judgment against Lessor. The mortgage or trust indenture shall also contain provisions requiring the holder of the indebtedness secured by such mortgage or trust indenture to mail to Lessor by certified mail a copy of each notice of breach of covenant, default or foreclosure given by the holder or the trustee under such mortgage or deed of trust.

D. Nondiscrimination. Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree:

1) That no person, on the grounds of race, color, creed, political ideas, sex, age, or physical or mental disability, shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities, or the exercise of its rights and privileges under this Lease.

2) That, in the construction, alteration, or maintenance of any improvements on behalf of Lessee and the furnishing of services, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, creed, political ideas, sex, age, or physical or mental disability.

3) That Lessee shall use the Airport facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21,

Nondiscrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

E. Modification and Amendments. Changes or modifications to this Lease will be done in the form of a lease amendment to be agreed upon and signed by both Lessee and Lessor.

F. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease or the particular paragraphs.

G. Notices. Notices to Lessor provided for herein shall be sufficient if sent by certified mail, postage prepaid, addressed to:

Director of Aviation and Transit  
Billings Logan International Airport  
1901 Terminal Circle, Room 216  
Billings, Montana 59105

and notices to Lessee, if sent by certified mail, postage prepaid, addressed to:

PASSUR Aerospace, Inc.  
Attn: Jeff Devaney  
35-1 Orville Drive  
Bohemia, NY 11716

or to such other addresses as the parties may designate to each other in writing from time to time.

IN WITNESS WHEREOF, the parties have hereunto set their hands this \_\_\_\_ day of

\_\_\_\_\_ 20\_\_.

ATTEST:

CITY OF BILLINGS

BY \_\_\_\_\_  
CITY CLERK

BY \_\_\_\_\_  
MAYOR

APPROVED AS TO FORM

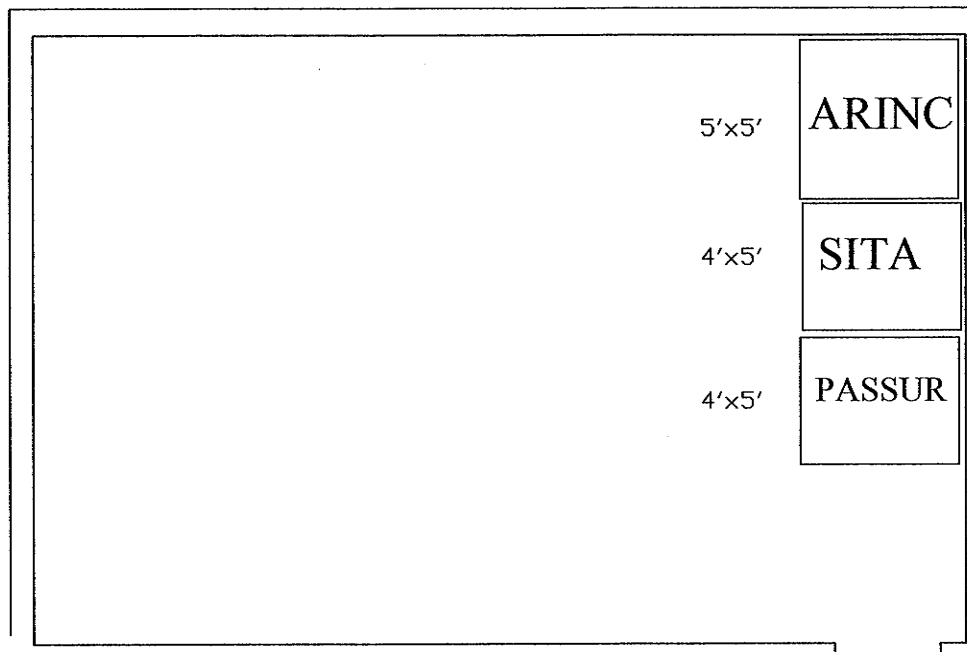
PASSUR AEROSPACE, INC.

BY \_\_\_\_\_  
CITY ATTORNEY

BY \_\_\_\_\_

DRAFT

LEASE AREA  
LOCATED ON THE SECOND FLOOR  
OF THE BAGGAGE CLAIM ADDITION  
ON THE WEST END OF THE  
BILLINGS LOGAN INTERNATIONAL AIRPORT



WEST END STORAGE ROOM  
SECOND FLOOR

PASSUR AEROSPACE, INC.  
TERMINAL LEASE

CITY OF BILLINGS LOGAN INTERNATIONAL AIRPORT  
AVIATION AND TRANSIT DEPARTMENT

EXHIBIT A Page 1



JULY 2010

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Approval of Amendment Thirteen with Morrison-Maierle, Inc. for Design Services on the Airport's Car Rental Quick Turn Around Facility

**PRESENTED BY:** Tom Binford

**Department:** Aviation & Transit

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**Information**

**PROBLEM/ISSUE STATEMENT**

Due to the specialized nature of architectural and engineering services required for airport terminal design and airfield infrastructure design, including knowledge of the Federal Aviation Administration (FAA) design and grant funding requirements, the City of Billings Logan International Airport has historically entered into five-year term contracts to provide both architectural and engineering services at the Airport. The current five-year contract for architectural services is with CTA Architects and Engineers, and the engineering services contract is with Morrison-Maierle, Inc. These contracts provide the Airport with architectural, engineering, design, survey, and contract administration services as required for Airport Capital Projects, including Federal AIP and Passenger Facility Charge (PFC) projects and the general Departmental engineering services as needed.

For the Airport's Car Rental Quick Turn Around (QTA) Facility project, Morrison-Maierle and CTA have come together to design this new facility. Morrison-Maierle will provide the site design and construction oversight, and CTA will do the architectural design of the buildings. Since Morrison-Maierle has the lead oversight for the QTA project, their base contract will be amended (Amendment Thirteen) for \$833,698, and includes CTA's architectural fees for the QTA. The QTA Facility will provide the car rental concessionaires with new fueling stations, prewash, detailing, car wash facilities, and over 450 parking stalls for vehicle storage and staging. Also included in these fees are the engineering services required for the 2,400 lineal foot extension of the main sewer line to the QTA site. This Amendment Thirteen will produce approximately \$6,000,000 in Airport improvements.

**ALTERNATIVES ANALYZED**

The City Council may:

- Approve Amendment Thirteen with Morrison-Maierle, Inc. for the Car Rental QTA Facility project; or
- Decline to approve the Amendment and not complete the project at this time.

**FINANCIAL IMPACT**

The total cost of Amendment Thirteen to the five-year engineering contract with Morrison-Maierle, Inc., is \$833,698. The source of funds for this CIP approved project are included in the Airport's Capital fund. The project costs will be funded initially with Airport funds and once bond financing is in place for the total Car Rental QTA Facility cost, the Airport's funds will be reimbursed from the bond proceeds.

**RECOMMENDATION**

Staff recommends that the City Council approve Amendment Thirteen with Morrison-Maierle, Inc., for the amount of \$833,698, to perform the design services for the Airport's Car Rental QTA Facility.

**APPROVED BY CITY ADMINISTRATOR**

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**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** WO 02-10, 6th Avenue North to Bench Blvd., Contract for Professional Architectural and Engineering Services, Amendment #6

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

On February 10, 2003, Morrison-Maierle, Inc. and the City of Billings entered into a contract to provide engineering services for the 6th Avenue North to Bench Boulevard project. After five contract amendments, the project has progressed to a final design stage. Final plans were submitted for the Montana Department of Transportation's review earlier this month. The most recent contract amendment (approved by the Council on June 8, 2009) included right-of-way appraisal costs based on assumptions on the number of parcels which would require appraisal. Since the design has been completed, it was determined that one of the parcels requiring appraisal needed to be sub-divided into additional parcels per the Uniform Appraisal Standards for Federal Land Acquisitions. In order to progress with right-of-way appraisals on this project, the City Council must authorize the Mayor to amend the original contract to include the additional sub-parcels.

**ALTERNATIVES ANALYZED**

The Council may:

- Authorize the Mayor to sign the contract amendment; or
- Do not authorize the Mayor to sign the contract amendment.

**FINANCIAL IMPACT**

The cost of the services for the additional right-of-way appraisals totals \$2,917.00. This cost will be split between the Montana Department of Transportation, Yellowstone County, and the City of Billings per two agreements approved by City council on May 26, 2009. The first agreement is between the City of Billings and the Montana Department of Transportation and the second agreement is between the City of Billings and Yellowstone County.

**RECOMMENDATION**

Staff recommends that the Council authorize the Mayor to sign the Supplemental Amendment Number 6 to the Contract for Professional Architectural and Engineering Services for the 6th Avenue North to Bench Boulevard project.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Amendment #6

Attachment A to Amendment #6

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**SUPPLEMENTAL AMENDMENT NO. 6**

**TO**

**CONTRACT FOR PROFESSIONAL ARCHITECTURAL AND  
ENGINEERING SERVICES**

**CITY OF BILLINGS WORK ORDER #02-10**

**FOR**

**CM 1099(32), 6<sup>th</sup> Avenue North to Bench Boulevard, CN 4553**

THIS AGREEMENT made and entered into on \_\_\_\_\_, 2010, by  
and between the following:

CITY OF BILLINGS, a Municipal Corporation,  
Billings, Montana 59103  
Hereinafter designated the CITY

and

Morrison-Maierle, Inc.  
315 N. 25<sup>th</sup> Street  
Suite 102  
Billings, MT 59101  
Hereinafter designated the CONSULTANT

**WITNESSETH:**

WHEREAS, the CITY and CONSULTANT have entered into a contract dated February 10, 2003, for CONSULTANT to provide engineering services to CITY for design engineering of certain improvements for the project referenced above; and

WHEREAS, the contract was modified by Supplemental Amendment #1 in May 2003 to account for costs associated with Subsurface Utility Engineering and air quality assessment; and

WHEREAS, the contract was modified by Supplemental Amendment #2 in July 2005 to account for costs related to evaluation of numerous alternatives for the referenced project, including but not limited to various ramp configurations, grade separations, roundabouts, and a number of traffic control alternatives; and

WHEREAS, the contract was modified by Supplemental Amendment #3 in July 2005 to account for costs related to a detailed operational review of roundabout options for the project, evaluation of Main Street / 6<sup>th</sup> Avenue North intersection options,

including but not limited to an at-grade intersection, modified diamond, and single point urban interchange, and consideration of re-alignments of 4<sup>th</sup> Avenue North, west of Main Street; and

WHEREAS, the contract was modified by Supplemental Amendment #4 in May 2006 to develop a new Alignment Review package incorporating changes to certain project features / modifications in an effort to bring the project's scope and impact back in-line with original expectations; and

WHEREAS, the contract was modified by Supplemental Amendment #5 in June 8, 2009 to develop additional engineering services for a detailed design for the 6th Ave. N to Bench Blvd - Billings, Phase 1 project.; and

WHEREAS, the CITY has requested additional appraisal services for the right-of-way acquisition for the 6th Ave. N to Bench Blvd - Billings, Phase 1 project.

WHEREAS, the costs and expenses of these additional engineering services are identified on Attachment A, dated July 8, 2010; and

WHEREAS, the CONSULTANT represents that he is qualified to perform such services, is in compliance with the Montana Statutes relating to the registration of professional engineers, and is willing to furnish such services to the CITY; and

WHEREAS, the CITY has the authority to contract for consulting engineering services.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performance contained herein, or attached and incorporated herein, the Parties hereto agree as follows:

1. This amendment increases the total contract by \$2,917.00. Modify Part I, Section 4B. Compensation, Subpart A.

*From:*

Total payment to the Consultant for the work covered under this Agreement will not exceed **One Million Two Hundred Thirty-Four Thousand One Hundred Eight Dollars and no/100 (\$1,234,108.00).**

*To:*

Total payment to the Consultant for the work covered under this Agreement will not exceed **One Million Two Hundred Thirty-Seven Thousand Twenty-Five Dollars and no/100 (\$1,237,025.00).**

All other terms and conditions of the contract to which this Supplemental Amendment applies shall remain in full effect.

**MORRISON-MAIERLE, INC.**

NAME: Carl J. Anderson, P.E.

BY: \_\_\_\_\_

TITLE: Vice President

DATE: \_\_\_\_\_

**CITY OF BILLINGS, MONTANA**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Attachment A: Scope of Services and Fee Estimate

## **Claunch, Erin**

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**From:** Jim Gappa [jgappa@m-m.net]  
**Sent:** Sunday, June 27, 2010 2:43 PM  
**To:** Claunch, Erin  
**Subject:** 6th Ave. N. to Bench Blvd. - Billings, Appraisal Cost Estimate  
**Attachments:** Engineer Fee Estimate for Additional ROW Services\_01.pdf

Hi, Erin.

Attached is the estimated cost estimate for Chuck Rutherford to appraise each additional area as MDT has directed him to do for appraisal purposes.

MMI additional expenses are estimated at: \$417.00  
Sub-consultant (Rutherford & Associates) additional expenses are estimated at: \$2,500. Original estimate was \$9,200.00.

The total is estimated additional costs is: \$2,917.00

Let me know if you need anything further.

Thanks.

Jim M. Gappa, P.E.  
Senior Transportation Engineer  
[Morrison - Maierle, Inc.](#)  
315 N. 25th Street, Suite 102  
Billings, MT 59101  
Direct: (406) 237 - 1254  
Cell: (406) 850 - 2530  
Fax: (406) 237 - 1201

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This communication is the property of Morrison-Maierle, Inc. and may contain confidential or privileged information. Unauthorized use of this communication is strictly prohibited and may be unlawful. If you have received this communication in error, please immediately notify the sender by reply e-mail and destroy all copies of the communication and any attachments.

# RUTHERFORD & ASSOCIATES APPRAISALS, INC.

REAL ESTATE APPRAISERS • CONSULTANTS  
2320 THIRD AVENUE NORTH • BILLINGS, MONTANA 59101  
PHONE (406) 245-5400 • FAX (406) 656-7845 • E-MAIL crutherford@imt.net

CHARLES R. RUTHERFORD, MAI  
CERTIFIED GENERAL REAL ESTATE APPRAISER



June 16, 2010

Jim M. Gappa, P.E.  
Morrison Maierle, Inc.  
315 N. 25<sup>th</sup> Street, Suite 102  
Billings, MT 59101

RE: Appraisal of: Federal Aid Project No. MT-CM 1099(32)  
6<sup>th</sup> Ave N to Bench Blvd - Blgs  
Yellowstone County, MT

Dear Mr. Gappa:

In accordance with your request, I am happy to submit a proposal for an appraisal of the above referenced real property.

## IDENTIFICATION OF THE PROBLEM

<b>Client:</b>	Morrison Maierle, Inc.
<b>Intended User(s):</b>	Morrison Maierle, Inc. and the property owner.
<b>Intended Use:</b>	Analysis of just compensation in partial acquisition proceedings.
<b>Type of Opinion:</b>	Market value.
<b>Effective Date:</b>	To be determined; last date of inspection.
<b>Relevant Characteristics:</b>	
• Address:	Exposition Drive/Main Street/Airport Road/Bench Boulevard, Billings, MT
• Legal:	Long legal descriptions.
• Interest:	Fee simple estate.
• Improvements:	All improvements disturbed during construction will be replaced.
• Site:	Four parcels ranging from 3.73 acres to 152.47 acres.
• Zoning:	Public and Highway Commercial
• Current Use:	Metra Park/Yellowstone County Fair Grounds.
<b>Assignment Conditions:</b>	The appraisals will be presented in a modified before and after narrative format in a single report.

### SCOPE OF WORK PLAN

- Observe the subject site, structural improvement and site improvements;
- Review the right-of-way maps and construction plans associated with the road project;
- Observe the uses surrounding the subject property and those present within the subject neighborhood;
- Gather information on the supply of and demand for properties similar to the subject;
- Conduct a highest and best use analysis;
- Search for sales of vacant land parcels similar to the subject;
- Research and verify comparable information from Rutherford & Associates data base, the Billings Multiple Listing Service and other sources;
- Analyze the data and apply the Sales Comparison Approach to estimate the market value of the subject property;
- Prepare a narrative report of the assignment results.
- Change orders will require additional time and fees.

The appraisal will be developed and the report prepared in accordance with the Uniform Standards of the Professional Appraisal Practice (USPAP) and the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

I will furnish you with five (5) copies of the appraisal report; additional reports are \$100.00 each. My fee for the appraisals and reports will not exceed:

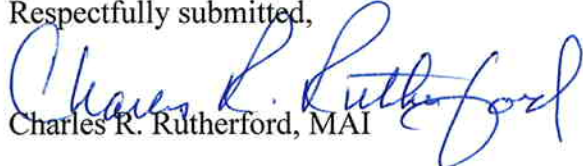
Id	Self Contained Report	Summary Report	Restricted Use Report
Metra Park		\$11,700	

A retainer in the amount of \$0 must be paid to this office before I begin the assignment. A bill for 50% of the fee will be presented and immediate payment will be requested at the time the reports are completed and delivered and the remaining 50% of the fee will be requested at the time the reports are accepted.

Appraisals are scheduled on a first come, first served basis. I will schedule the preparation of the appraisals upon receipt of a signed copy of this engagement letter. If you have any questions about anything contained in this letter, please give me a call at 406-245-5400.

Thank you for the opportunity to be of service.

Respectfully submitted,

  
Charles R. Rutherford, MAI

Acceptance of Engagement Letter

By:  Date: 6/18/10

		Senior Engineer I		Design Engineer I		Total		Tech Charge		Subconsultant		Total Expenses		Total Cost	
		Hours	Cost at	Hours	Cost at	Hours	Cost	Hour	\$	LS					
			\$ 114		\$ 96				5.00		1.00				
<b>10</b>	<b>Project Management</b>														
11	Project Management	1	\$ 114		\$ -	1	\$ 114	1	\$ 5			\$ -	\$ 5	\$ -	\$ 119
12			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
13			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
14			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
15			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
16			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
17			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
18			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
19			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
	<b>Total Project Management</b>	<b>1</b>	<b>\$ 114</b>	<b>0</b>	<b>\$ -</b>	<b>1</b>	<b>\$ 114</b>	<b>1</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 119</b>
<b>39</b>	<b>Geotechnical</b>		\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
<b>40</b>	<b>Design</b>														
41	Calculation of Areas		\$ -	1	\$ 96		\$ 96		\$ -			\$ -	\$ -	\$ -	\$ 96
42	CADD Drawings		\$ -	2	\$ 192	2	\$ 192	2	\$ 10			\$ -	\$ 10	\$ -	\$ 202
43			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
44			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
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48			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
49			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
	<b>Total Design</b>	<b>0</b>	<b>\$ -</b>	<b>3</b>	<b>\$ 288</b>	<b>2</b>	<b>\$ 288</b>	<b>2</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 298</b>
<b>50</b>	<b>Construction Administration</b>														
51			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
52			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
53			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
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55			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
56			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
57			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
58			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
59			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
	<b>Total Construction Administration</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>60</b>	<b>Project Closeout</b>														
61			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
62			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
63			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
64			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
65			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
66			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
67			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
68			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
69			\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
	<b>Total Closeout</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>88</b>	<b>Quality Assurance</b>		\$ -		\$ -	0	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
	<b>TOTAL PROJECT</b>	<b>1</b>	<b>\$ 114</b>	<b>3</b>	<b>\$ 288</b>	<b>3</b>	<b>\$ 402</b>	<b>3</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ 417</b>

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Mexican Fiesta

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

The organizers of the Mexican Fiesta request the closure of 6th Ave South between S. 28th and S. 29th on July 31, 2010. The closure would be from 6:00 a.m. until 7:00 p.m. for a Mexican Fiesta Celebration. The closure would be for the pedestrians walking back and forth from Our Lady of Guadalupe Church and South Park.

Recommended conditions of approval include the members of the Mexican Fiesta to:

1. Notify residences and businesses within a 1 block area
2. Notify all emergency facilities, bus lines and media at least two weeks in advance of the event
3. Provide and install adequate traffic barricades and signs directing motorists around closure
4. Provide certificate of insurance naming City of Billings as additional insured
5. Clean the area to be used after the event
6. Obtain a Park Use permit from the Recreation Division for the use of South Park
7. Maintain a 10' clear lane on 6th Ave. South for emergency purposes

**ALTERNATIVES ANALYZED**

The Council may:

- Approve request to close street for the event; or
- Deny the street closure

**FINANCIAL IMPACT**

There are no costs to the City of Billings other than administrative time to process the permit. Police, traffic control and litter removal are to be paid for by representatives from Our Lady of Guadalupe Church.

**RECOMMENDATION**

Staff recommends that Council approve the closure named above from 6:00 a.m. to 7:00 pm on Saturday July 31 , 2010.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Mexican Fiesta Attach

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City of Billings  
RIGHT-OF-WAY ACTIVITY  
PERMIT

Please check the type of activity you are applying for:

Parade  Run/Walk/Procession  Street/Alley Closure  Block Party

Submit this application with attachments to either the: Public Works office, 2224 Montana Ave., Billings, MT 59101 or Downtown Billings office, 2815 2nd Ave North, Billings, MT 59101. Application packet should be turned in at least 60 days prior to the date of the proposed event for approval.

PERSON MAKING APPLICATION Jake Romero

ORGANIZATION MAKING APPLICATION Mexican Fiesta

PHONE 208-0103

ADDRESS 3223 5<sup>th</sup> ave So. Billings, MT 59101  
CITY STATE ZIP

EMAIL ADDRESS \_\_\_\_\_

APPROXIMATE TIME EVENT WILL:

Assemble July 31-10 6:50 AM Start 10 A M Disband 7 PM

DATE OF EVENT July 31-10

PURPOSE/DESCRIPTION OF EVENT: (Description and detail of the event.)

Annual Mexican Fiesta  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EVENT ROUTE DESIRED (IF APPLICABLE): (Please attach map.)

6 ave South Between 28<sup>th</sup> St & 29<sup>th</sup> Str  
\_\_\_\_\_  
\_\_\_\_\_

BLOCK PARTY STREET LOCATION (IF APPLICABLE):

\_\_\_\_\_  
\_\_\_\_\_

CLEAN UP IMPLEMENTATION: (Company contracted or services you will provide)

We will clean up mess  
\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATION OF INSURANCE WHICH MUST SHOW:** (1) The limits of liability coverage for the period of this agreement as a minimum of \$750,000 per claim/ \$1.5 million per occurrence general liability, and (2) the City of Billings named on the Certificate of Insurance as the additional insured. (Refer to the sample insurance copy. Please note a certificate of insurance is not required for Block Parties)

**NOTICE:** ANY MARKINGS (NO PAINT ALLOWED) TO BE PLACED ON PUBLIC RIGHT-OF-WAY MUST BE APPROVED BY THE CITY TRAFFIC/ENGINEERING DEPARTMENT PRIOR TO PLACEMENT, BE ENVIRONMENTALLY SAFE, AND NOT CONFLICT WITH EXISTING MARKINGS.

**FOR DOWNTOWN EVENTS:** YOU OR THE ORGANIZATION YOU REPRESENT MUST "ASSIGN" THE FIRST TWO BLOCKS OF THE DOWNTOWN EVENT ROUTE FOR NO PARKING TWO HOURS PRIOR TO YOUR EVENT USING THE ROUTE SIGNS PROVIDED BY THE CITY. IT IS YOUR RESPONSIBILITY TO PROVIDE THE APPROPRIATE BARRICADES FOR THE STREET CLOSURE.

IF USING THE ESTABLISHED EVENT ROUTE, THE CITY WILL PROVIDE TWO POLICE OFFICERS WITH VEHICLES TO START THE EVENT, AND A STREET SWEEPER, IF NECESSARY, TO FOLLOW THE EVENT.

**COORDINATOR OF EVENTS AT WHICH ALCOHOL WILL BE CONSUMED IN PUBLIC RIGHT-OF-WAY ARE REQUIRED TO OBTAIN AN OPEN-CONTAINER PERMIT FROM THE POLICE DEPARTMENT**

**UPON SIGNING OF THIS APPLICATION, THE APPLICANT AGREES NOT TO VIOLATE ANY STATE OR CITY CODES IN THE PRESENTATION OF THE REQUESTED SPECIAL ACTIVITY.**

In consideration for permission to conduct its activity as requested, applicant agrees to indemnify, defend and hold harmless the City of Billings, its officers, agents, employees and volunteers from damage to property and for injury to or death of any person and from all liability claims, actions or judgments which may arise from the activity.

Applicants also agree to obtain valid "save or hold harmless agreements" from all participants in its activity, protecting the City of Billings from all losses arising out of its activity, including damages of any kind or nature.

APPLICANT SIGNATURE Jake Romero DATE 6-29-10

APPLICATION APPROVED \_\_\_\_\_ DATE \_\_\_\_\_

APPLICATION DENIED \_\_\_\_\_ DATE \_\_\_\_\_

ADDITIONAL RESTRICTIONS OR SPECIAL CONDITIONS: YES [ ] NO [ ]  
(IF YES, ATTACH COPY)

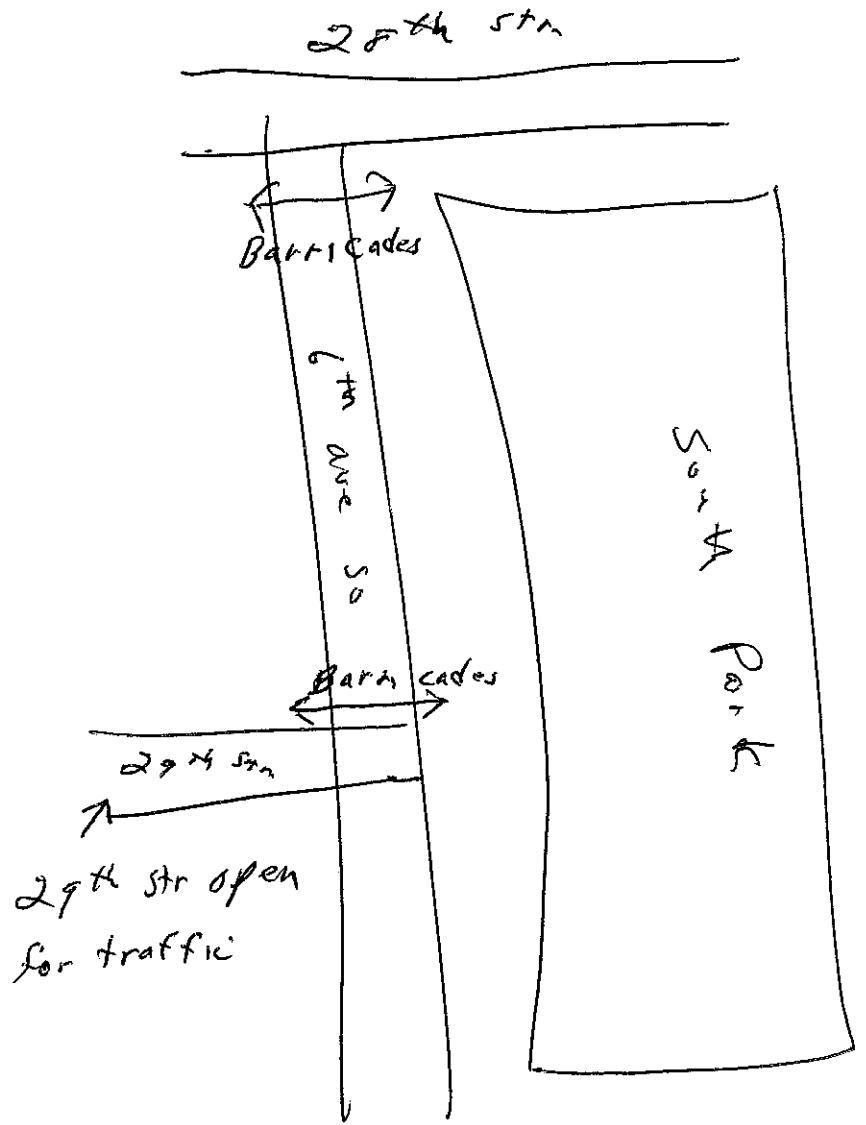
**FOR CITY USE ONLY**

FEE: \_\_\_\_\_

APPLICANT NOTIFIED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

- |                               |
|-------------------------------|
| <b>COPIES TO:</b>             |
| CITY ADMINISTRATOR            |
| DEPUTY CITY ADMINISTRATOR     |
| POLICE CHIEF                  |
| FIRE CHIEF                    |
| FIRE MARSHALL                 |
| MET TRANSIT MANAGER           |
| STREET/TRAFFIC SUPERINTENDANT |
| TRAFFIC ENGINEER              |
| PRPL DIRECTOR                 |
| PARKING SUPERVISOR            |
| CITY ATTORNEY                 |



Mexican Fiesta July 31<sup>st</sup> 2010

# Certificate of Coverage

Date: 6/4/2010

**Certificate Holder**  
 The Roman Catholic Bishop of Great Falls  
 A Corporation Sole, Chancery Office  
 P O Box 1399  
 Great Falls, MT 59403

**Covered Location**  
 Our Lady of Guadalupe Church  
 209 South 35th Street  
 Billings, MT 59102

**This Certificate is issued as a matter of information only and confers no rights upon the holder of this certificate. This certificate does not amend, extend or alter the coverage afforded below.**

**Company Affording Coverage**  
 THE CATHOLIC MUTUAL RELIEF  
 SOCIETY OF AMERICA  
 10843 OLD MILL RD  
 OMAHA, NE 68154

**Coverages**

This is to certify that the coverages listed below have been issued to the certificate holder named above for the certificate indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage afforded described herein is subject to all the terms, exclusions and conditions of such coverage. Limits shown may have been reduced by paid claims.

	Type of Coverage	Certificate Number	Coverage Effective Date	Coverage Expiration Date	Limits
	Property				Real & Personal Property
	General Liability				General Aggregate
	<input checked="" type="checkbox"/> Occurrence	8560	7/1/2010	7/1/2011	Products-Comp/OP Agg
	<input type="checkbox"/> Claims Made				Personal & Adv Injury
					Each Occurrence 750,000
					Fire Damage (Any one fire)
					Med Exp (Any one person)
	Excess Liability	8560	7/1/2010	7/1/2011	Each Occurrence 1,500,000
	Other				Each Occurrence

**Description of Operations/Locations/Vehicles/Special Items**

Coverage only extends for claims arising out of Our Lady of Guadalupe's Mexican Fiesta held at South Park, Billings, MT on July 30-31, 2010. Includes Host Liquor Liability of \$1,000,000.

**Holder of Certificate**

**Additional Protected Person(s)**

City of Billings, MT  
 PO Box 1178  
 Billings, MT 59103

**Cancellation**

Should any of the above described coverages be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the holder of certificate named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

Authorized Representative

*Joseph T. Sweniger*

0069000289

# AGORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

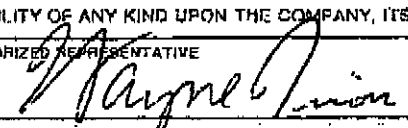
7-6-10

<b>PRODUCER</b>  Doug Irion Insurance P.O. Box 50965 Billings, MT 59105	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	<b>COMPANIES AFFORDING COVERAGE</b>	
	COMPANY LETTER <b>A</b>	Praetorian Insurance
	COMPANY LETTER <b>B</b>	
	COMPANY LETTER <b>C</b>	
<b>INSURED</b>  Al Bedoo Shrine Temple, A.A.O.N.M.S Its Clubs and Units 1125 Broadwater Avenue Billings, MT 59102	COMPANY LETTER <b>D</b>	
	COMPANY LETTER <b>E</b>	

**COVERAGES**  
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	H981000342-03	5/01/10	5/01/11	GENERAL AGGREGATE \$ 5,000,000
					PRODUCTS-COMP/OP AGG. \$ 2,000,000
					PERSONAL & ADV. INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MBD. EXPENSE (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	H982000288-03	5/01/10	5/01/11	COMBINED SINGLE LIMIT \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	H983000122-03	5/01/10	5/01/11	EACH OCCURRENCE \$ 1,000,000
					AGGREGATE \$ 1,000,000
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISPASE-POLICY LIMIT \$
					DISEASE- EACH EMPLOYEE \$
A	OTHER Liquor Liability	H981000342-03	5/01/10	5/01/11	1,000,000

DESCRIPTION OF OPERATIONS/LOCATION/VEHICLES/SPECIAL ITEMS  
 City as Additional Insured - Mexican Fietsa - South Park

<b>CERTIFICATE HOLDER</b>  City of Billings 2224 Montana Avenue Billings, MT 59101	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT'S OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE 
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**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Roll and Run 5K Stroller Run for Charity

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

The Stroller Strides Franchise requests approval for a 5K run with strollers. The route is planned to start and end at 3rd Street West in Pioneer Park. The route goes north Parkhill, west to 10th St W, north to Poly Drive east to Virginia Lane and back to the park. The event will be held on Saturday, August 7, 2010, and the run is expected to last from 8:00 a.m. until 9:45 a.m.

Recommended conditions of approval include that the Stroller Strides Franchise:

1. Have no alcohol consumption in the public right of way
2. Clean area to be used and provide and empty waste cans
3. Notify all emergency facilities, bus lines and media at least two weeks in advance of the event
4. Provide and install adequate traffic barricades and signs directing motorists around closure
5. Provide a certificate of insurance naming the City of Billings as additional insured
6. All course guards (flaggers) shall wear safety apparel and use approved STOP/SLOW paddles

**ALTERNATIVES ANALYZED**

The Council may:

- Approve request for the 5k run route; or
- Deny the run route.

**FINANCIAL IMPACT**

There are no costs to the City of Billings for this event other than administrative time to process the permit. Police, traffic control and litter removal are to be paid for by the Stroller Strides Franchise.

**RECOMMENDATION**

Staff recommends that Council approve the route for the 5K run.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Roll and Run Stroller 5K

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Public Works Engineering  
City of Billings

June 11, 2010

To Whom It May Concern:

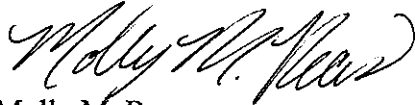
***“Roll and Run” 5K Stroller Run for Charity***

The event will be held on Saturday August 7<sup>th</sup>, 2010 at 8:30am. The 3.1 mile run will start and finish at Pioneer Park in Billings, MT. Participants are encouraged, but not required, to push their child/children in a stroller during the run. Both men and women are invited to attend the run. The entry fee for the event will be \$16 and include a “Roll and Run” t-shirt. All proceeds will be donated to the “St. Vincent Montana Pediatric Project.” (Approximately \$10 from each entry in this event will be donated.) Thank you for your support and consideration.

A permit has also been purchased and approved through the City of Billings Parks and Recreation department for Reas Fitness to hold a fun “Toddler Run” on Saturday August 7<sup>th</sup>, 2010. The “Toddler Run” will immediately follow the Stroller Race and be held on the grassy area in Pioneer Park. Children ages 0-8 years of age are invited to participate in the run which is scheduled to start between 9:45 am and 10:00 am. All proceeds from this event will also be donated to the “St. Vincent Montana Pediatric Project.” (Approximately \$4 from each entry in this event will be donated.)

Thank you for your support and consideration.

Sincerely,



Molly M. Reas  
Owner Reas Fitness

Reas Fitness/ Stroller Strides Franchise Billings, MT  
Molly M. Reas  
5403 Corner Stone Ave.  
Billings, MT 59106  
406-671-5442  
mollyreas@strollerstrides.net



City of Billings
RIGHT-OF-WAY ACTIVITY
PERMIT

Please check the type of activity you are applying for:

[ ] Parade [X] Run/Walk/Procession [ ] Street/Alley Closure [ ] Block Party

Submit this application with attachments to either the: Public Works office, 2224 Montana Ave., Billings, MT 59101 or Downtown Billings office, 2815 2nd Ave North, Billings, MT 59101. Application packet should be turned in at least 60 days prior to the date of the proposed event for approval.

PERSON MAKING APPLICATION Molly M. Reas

ORGANIZATION MAKING APPLICATION Stroller Strides Franchise / Reas Fitness

PHONE 406-671-5442

ADDRESS 5403 Corner Stone Ave Billings, MT 59106

EMAIL ADDRESS mollyreas@strollerstrides.net

APPROXIMATE TIME EVENT WILL:

Assemble 8:00 am Start 8:30 am Disband 9:45 am

DATE OF EVENT Saturday August 7, 2010

PURPOSE/DESCRIPTION OF EVENT: (Description and detail of the event.)

5k Stroller Run: "Roll and Run" a 3.1 mile (5k) Stroller Race to raise money for the "St. Vincent Montana Pediatric Project". All proceeds will be donated to the project to help bring quality care to children in Montana. Stroller Strides is inviting people statewide to run with or without stroller for a great cause. The stroller run will be followed by a fun toddler run in the park.

EVENT ROUTE DESIRED (IF APPLICABLE): (Please attach map.)

Starting and ending at Pioneer Park

BLOCK PARTY STREET LOCATION (IF APPLICABLE):

NA

CLEAN UP IMPLEMENTATION: (Company contracted or services you will provide)

Reas Fitness will insure that any trash will be cleaned up and disposed of properly.

**CERTIFICATION OF INSURANCE WHICH MUST SHOW:** (1) The limits of liability coverage for the period of this agreement as a minimum of \$750,000 per claim/ \$1.5 million per occurrence general liability, and (2) the City of Billings named on the Certificate of Insurance as the additional insured. (Refer to the sample insurance copy. Please note a certificate of insurance *is not required* for Block Parties)

**NOTICE:** ANY MARKINGS (NO PAINT ALLOWED) TO BE PLACED ON PUBLIC RIGHT-OF-WAY MUST BE APPROVED BY THE CITY TRAFFIC/ENGINEERING DEPARTMENT PRIOR TO PLACEMENT, BE ENVIRONMENTALLY SAFE, AND NOT CONFLICT WITH EXISTING MARKINGS.

**FOR DOWNTOWN EVENTS:** YOU OR THE ORGANIZATION YOU REPRESENT MUST "ASSIGN" THE FIRST TWO BLOCKS OF THE DOWNTOWN EVENT ROUTE FOR NO PARKING TWO HOURS PRIOR TO YOUR EVENT USING THE ROUTE SIGNS PROVIDED BY THE CITY. IT IS YOUR RESPONSIBILITY TO PROVIDE THE APPROPRIATE BARRICADES FOR THE STREET CLOSURE.

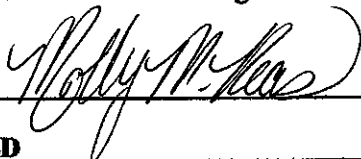
IF USING THE ESTABLISHED EVENT ROUTE, THE CITY WILL PROVIDE TWO POLICE OFFICERS WITH VEHICLES TO START THE EVENT, AND A STREET SWEEPER, IF NECESSARY, TO FOLLOW THE EVENT.

**COORDINATOR OF EVENTS AT WHICH ALCOHOL WILL BE CONSUMED IN PUBLIC RIGHT-OF-WAY ARE REQUIRED TO OBTAIN AN OPEN CONTAINER PERMIT FROM THE POLICE DEPARTMENT**

**UPON SIGNING OF THIS APPLICATION, THE APPLICANT AGREES NOT TO VIOLATE ANY STATE OR CITY CODES IN THE PRESENTATION OF THE REQUESTED SPECIAL ACTIVITY.**

In consideration for permission to conduct its activity as requested, applicant agrees to indemnify, defend and hold harmless the City of Billings, its officers, agents, employees and volunteers from damage to property and for injury to or death of any person and from all liability claims, actions or judgments which may arise from the activity.

Applicants also agree to obtain valid "save or hold harmless agreements" from all participants in its activity, protecting the City of Billings from all losses arising out of its activity, including damages of any kind or nature.

APPLICANT SIGNATURE  DATE 6/10/10  
APPLICATION APPROVED \_\_\_\_\_ DATE \_\_\_\_\_  
APPLICATION DENIED \_\_\_\_\_ DATE \_\_\_\_\_

ADDITIONAL RESTRICTIONS OR SPECIAL CONDITIONS: YES [ ] NO [ ]  
(IF YES, ATTACH COPY)

**FOR CITY USE ONLY**

FEE: \_\_\_\_\_  
APPLICANT NOTIFIED BY: \_\_\_\_\_  
DATE: \_\_\_\_\_

- COPIES TO:**  
CITY ADMINISTRATOR  
DEPUTY CITY ADMINISTRATOR  
POLICE CHIEF  
FIRE CHIEF  
FIRE MARSHALL  
MET TRANSIT MANAGER  
STREET/TRAFFIC SUPERINTENDANT  
TRAFFIC ENGINEER  
PRPL DIRECTOR  
PARKING SUPERVISOR  
CITY ATTORNEY

# ACORD TM. CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
04/14/2010

PRODUCER Phone: (800) 395-8075 Fax: (866) 422-8579  
**FITNESS AND WELLNESS**  
 380 STEVENS AVENUE, SUITE 206  
 SOLANA BEACH CA 92075

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURERS AFFORDING COVERAGE**

NAIC #

INSURER A: Philadelphia Indemnity Insurance Company  
 INSURER B:  
 INSURER C:  
 INSURER D:  
 INSURER E:

18858

**INSURED**

Molly Reas  
 416 Nelson Dr  
 Billings MT 59102

Agency Lic#: 0377645

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADDL LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<b>GENERAL LIABILITY</b>	PHPK458936	08/13/2009	08/13/2010	EACH OCCURRENCE	\$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED. EXP (Any one person)	\$ 2,500
	<input checked="" type="checkbox"/> PROFESSIONAL LIABILITY				PERSONAL & ADV INJURY	\$ 2,000,000
					GENERAL AGGREGATE	\$ 3,000,000
					PRODUCTS-COMP/OP AGG.	\$ 3,000,000
						\$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJ-ECT <input type="checkbox"/> LOC					
	<b>AUTOMOBILE LIABILITY</b>				COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
	<b>EXCESS / UMBRELLA LIABILITY</b>				EACH OCCURRENCE	\$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
						\$
	<input type="checkbox"/> DEDUCTIBLE					\$
	<input type="checkbox"/> RETENTION \$					\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				MC STATU-TORY LIMITS	
	LANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				E.L. EACH ACCIDENT	\$
					E.L. DISEASE-EA EMPLOYEE	\$
					E.L. DISEASE-POLICY LIMIT	\$
	OTHER:					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
 It is understood and agreed that the following entity is added as an additional insured but only as respects the operations of the named insured except that liability resulting from the additional insureds sole negligence.

**CERTIFICATE HOLDER**

**CANCELLATION**

City of Billings  
 210 N. 27th St  
 Billings, MT, 59101

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, IT'S AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

*Mazzei Huet*

Attention:

ACORD 25 (2001/2)

Certificate # 84562

ACORD CORPORATION 1988



**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** 2010 JAG Application and Acceptance of Award in the amount of \$66,520

**PRESENTED BY:** Rich St. John

**Department:** Police

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**Information**

**PROBLEM/ISSUE STATEMENT**

The City has been notified that funding for the 2010 Justice Assistance Grant (JAG) has been posted on line. This \$66,520 grant is a joint application between the Billings Police Department and Yellowstone County Sheriff's office, with the Billings Police Department acting as administrator of the grant. Again this year, the City will be requesting continuation of the police vehicle LED lightbar replacement project which began three years ago. Other requested purchases will include ammunition for the patrol rifle program, 2 MDT's and related software (for spare units), radar units, Tasers, digital voice recorders, stop sticks, shotgun replacement stocks, and various uniforms and equipment for the Volunteer Patrol Unit. The City will share the grant funding in the amount of \$3,000 with Yellowstone County Sheriff's Office. The Sheriff's Office will use those funds towards the purchase of a SWAT ballistic vest, a SWAT helmet and a radar unit. The attached Interlocal Agreement has been approved by the County Commissioners. The Interlocal Agreement is part of the application submittal. Staff is requesting Council approval to submit the application, accept the \$66,520 grant award, approve the interlocal agreement with Yellowstone County and authorize the Mayor to sign the award documents when they are received.

**ALTERNATIVES ANALYZED**

Council may:

- . Approve the application and acceptance of award of the 2010 JAG Grant in the amount of \$66,520; or
- . Not approve the application and acceptance of award of the 2010 JAG Grant in the amount of \$66,520.

**FINANCIAL IMPACT**

There will be no cost to the City as no match is required.

**RECOMMENDATION**

Staff recommends Council approve the 2010 JAG application submission in the amount of \$66,520, accept the grant award, approve the interlocal agreement with Yellowstone County and authorize the Mayor to sign the award documents when they are received.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Interlocal Agreement

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**THE STATE OF MONTANA, COUNTY OF YELLOWSTONE  
INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF BILLINGS, AND YELLOWSTONE COUNTY  
2010 BYRNE JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD  
\$66,520**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2010, between the City of Billings (CITY) acting through its Mayor, and Yellowstone County (COUNTY) acting through its Chairman of the Board of County Commissioners.

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party, and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interest of both parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Agreement; and

WHEREAS, the City agrees to provide the County \$3,000 from the JAG award.

WHEREAS, the CITY and the COUNTY will file a joint application with the CITY serving as applicant/fiscal agent for the JAG funds.

WHEREAS, the CITY and the COUNTY believe it to be in their best interests and the best interests of both of them to reallocate the JAG funds in this matter so as to continue to qualify for future JAG awards and in order to maximize the benefit from this 2010 JAG award.

NOW THEREFORE, the CITY and COUNTY agree as follows:

The purpose of this agreement is to provide a binding promise by the City of Billings to share the proceeds of a \$66,520 JAG award with the County of Yellowstone.

This agreement shall commence on the date the Justice Assistance Grant (JAG) is funded by the U.S. Department of Justice, and the funds are received by the City, and it shall terminate on September 30, 2013, unless the parties mutually agree, in writing, to an earlier termination date. This cooperative undertaking shall be financed exclusively from the JAG proceeds. CITY agrees to pay the COUNTY a total of \$3,000 of JAG funds. The COUNTY agrees to use \$3,000 for the program between the date of this agreement and September 30, 2013, the last day on which these funds may be spent, according the terms of the JAG.

Nothing in the performance of this Agreement shall impose any liability for claims against the CITY or COUNTY. Each party to this agreement will be responsible for its own actions in providing services under this Agreement and will save the other party harmless from and defend and indemnify them for any claims that arise due to or on account of any activities that are funded in whole or in part by JAG proceeds, and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party. The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement. No separate legal entity shall be created by this contract. The accounting for funds received by each of the local governing bodies shall be done by the City of Billings Finance Department and the County of Yellowstone Sheriff's Office, respectively. The City of Billings Financial Services Manager shall administer the disbursement of JAG proceeds in cooperation with the County of Yellowstone Sheriff's Office. No personnel costs will be funded from these proceeds by either party so neither party will be required to file reports or make payments of retirement system contributions pursuant to §19-2-506, MCA.

In the event that any payment that is expected to be made pursuant to this JAG is not received by the City of Billings, or in the event that either party violates the terms of this Interlocal Agreement, either party may terminate this agreement by giving written notice to the mayor (for notice to the City) or to the commission chair

(for notice to the County) of the manner in which the other party has violated the provisions hereof. If a party so notified does not remedy the default within fifteen (15) days of receipt of the notice of the violation, then the party giving notice of the violation is released and discharged from any further obligation under this agreement and the agreement is of no further legal effect.

By entering into the Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

City of Billings, Montana

County of Yellowstone

\_\_\_\_\_  
/s/ Thomas W. Hanel, Mayor

\_\_\_\_\_  
/s/ Bill Kennedy, Chairman  
Yellowstone County Commissioners

APPROVED AS TO FORM:

\_\_\_\_\_  
/s/ Kelly Addy  
City Attorney's Office

\_\_\_\_\_  
/s/ Mark English  
Yellowstone County Attorney's Office

JAG10 Interlocal Agreement

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Authorizing the Issuance and Calling for a Negotiated Sale for Sidewalk Bonds 2010A

**PRESENTED BY:** Patrick M Weber

**Department:** City Hall Administration

**Information**

**PROBLEM/ISSUE STATEMENT**

Because of the current market conditions, a negotiated bond sale is advised for Pooled Sidewalk Bonds 2010A. The City's financial advisor, Springsted, recently completed a bond sale in Missoula, MT, for \$800,000 for sidewalk bonds. Springsted talked with potential bidders before the sale and was told that, because of the size of the issue and the lack of an A bond rating, the companies would not bid. DA Davidson was the sole bidder on the bond sale.

The bond issue for sidewalks is \$725,000, and will not be rated. Because of these factors, a public sale would not be feasible.

Upon approval on the resolution, the negotiations can proceed for the sale of the bonds.

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the resolution; or
- Not approve resolution

**FINANCIAL IMPACT**

Sidewalk projects

WO 05-17-Highland

WO 08-30-Poly

WO 08-02-2008 Msc Developer

WO 08-21-Lake Elmo

WO 04-12-Alkali Creek

**RECOMMENDATION**

Staff recommends City Council approve the attached resolution.

**APPROVED BY CITY ADMINISTRATOR**

**Attachments**

Sidewalk Resolution

CERTIFICATE AS TO RESOLUTION AND VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. \_\_\_\_\_, entitled: "RESOLUTION RELATING TO UP TO \$725,000 POOLED SPECIAL SIDEWALK, CURB, GUTTER AND ALLEY APPROACH BONDS, SERIES 2010; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF TO D.A. DAVIDSON & CO. AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY 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 July 26, 2010, 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: \_\_\_\_\_  
\_\_\_\_\_; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand officially this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
City Clerk

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO UP TO \$725,000 POOLED SPECIAL SIDEWALK, CURB, GUTTER AND ALLEY APPROACH BONDS, SERIES 2010; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF TO D.A. DAVIDSON & CO. AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY THEREOF

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

Section 1. Recitals.

(a) This Council has duly and validly created and established in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”), special improvement projects, designated as the W.O. 08-02, Miscellaneous/Developer-Related Improvements (the “Miscellaneous Improvements”), W.O. 08-30 – Poly Drive Sidewalk Improvements (the “Poly Drive Sidewalk Improvements”), W.O. 08-21, Lake Elmo Drive – Main ST to Wicks LN (the “Lake Elmo Drive Improvements”), W.O. 04-12, Phase 3, Alkali Creek Road Maintenance and Slope Reconstruction, Sidewalk, Curb and Gutter, and Pavement Widening Assessments (the “Alkali Creek Improvements”), and the W.O. 05-17 – Highland School Sidewalks (the “Highland School Sidewalk Improvements”) (collectively, the “Projects”), for the purpose of financing costs of certain public improvements of special benefit to the properties within the Projects (the “Improvements”) and paying costs incidental thereto, including costs associated with the sale and the security of special sidewalk, curb, gutter and alley approach bonds of the City drawn on the Projects (the “Bonds”), the creation and administration of the Projects and the funding of a deposit to the City’s Special Improvement Project Revolving Fund (the “Revolving Fund”). The total estimated costs of the Improvements, including such incidental costs, is \$725,000. The costs of the Improvements will be paid from the proceeds of the Bonds, which are to be payable primarily from special assessments to be levied against property in each of the Project areas, which property will be specially benefited by the Improvements in an amount not less than \$725,000.

(c) It is necessary that Bonds be issued and sold in an aggregate principal amount of \$725,000 to finance the costs of the Improvements within each of the Project areas, including incidental costs, described in Subsection (a).

(d) The City is authorized pursuant to Montana Code Annotated, Section 7-12-4193, to issue and sell special improvement district bonds of more than one district in a single offering on a pooled basis upon a determination that such pooling is in the best interests of the Projects and the City.

(e) The City is further authorized by Montana Code Annotated, Section 7-12-4204(1) to sell the Bonds at a price less than the principal amount thereof, but including interest thereon to

the date of delivery, if this Council determines that such sale is in the best interests of the Projects and the City.

Section 2. Determinations of Public Interest in Allowing Bond Discount and Permitting Pooling of Bonds. Pursuant to the authority described in Section 1, this Council hereby determines that the issuance and sale of the Bonds in a pooled single offering for the Projects.

Section 3. Findings and Determination To Pledge the Revolving Fund. In the Resolutions of Intention To Order in the Projects, adopted on January 12, 2009, April 27, 2009, March 22, 2010, March 22, 2010, and May 29, 2007, respectively, this Council found it to be in the public interest, and in the best interest of the City and the Projects, to secure payment of principal of and interest on the Bonds by the Revolving Fund and authorized the City to enter into the undertakings and agreements authorized in the Act in respect of the Bonds, based on the factors required to be considered under Section 7-12-4225(4) of the Act. Those findings and determinations were ratified and confirmed in the resolutions ordering the Projects adopted by this Council on February 9, 2009, May 26, 2009, April 12, 2010, April 12, 2010, and June 25, 2007, respectively, and are hereby ratified and confirmed. It is hereby covenanted and recited that the City has the power under the Act to pledge the Revolving Fund to payment of the principal of and interest on the Bonds.

Section 4. Sale of Bonds; Bond Purchase Agreement. Pursuant to the Section 7-12-4204, M.C.A., this Council hereby determines that it would be in the best interests of the City to sell the Bonds at a private negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the "Purchaser"), at an underwriter's discount of 2.50% of the principal amount of the Bonds to be issued. The Bonds shall be sold to the Purchaser on the terms and at a purchase price subject to the following limitations and conditions: (1) the aggregate principal amount of the Bonds shall not exceed \$725,000; (2) the rate on the Bonds shall not exceed 6.00% per annum; (3) the term of the Bonds shall not extend beyond July 1, 2022; (4) the Bonds shall be payable from special assessments to be levied against property in the District; and (5) the Bonds shall be callable from the prepayment of special assessments.

All costs of issuing the Bonds (including, without limitation, the fees and expenses of Bond Counsel, and the City's Financial Advisor, the fees of the Paying Agent and Registrar and the costs of printing the Preliminary Official Statement, the Official Statement and the Bonds, if any) shall be paid by the City as part of the financing from proceeds of the Bonds or other available sources.

The City Administrator and City Financial Services Manager in consultation with Springsted Incorporated, are hereby authorized and directed to approve the final principal amount of the Bonds, dated date, the amount of the serial maturities, interest rates, and redemption provisions of the Bonds, subject to the limitations contained in the preceding paragraphs and the Act. Upon approving such terms, the City Administrator and City Financial Services Manager are hereby authorized and directed to approve, execute and deliver to the Purchaser a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of the City Administrator and City

Financial Services Manager, the Mayor or Deputy City Administrator shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by appropriate officers of the City of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

The form of the Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Council.

Section 6. Official Statement. The City Financial Services Manager with the Springsted Incorporated and Dorsey & Whitney LLP, the City's bond counsel, are authorized to prepare on behalf of the City an Official Statement, to be distributed by the Purchaser to prospective purchasers of the Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City, the security for, and the terms and conditions of, the Bonds. The City Administrator and City Financial Services Manager are authorized on behalf of the Council to deem the Official Statement near "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 26th day of July, 2010.

---

Mayor

Attest: \_\_\_\_\_  
City Clerk

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Authorizing the Issuance and Calling for the Negotiated Sale for SID 1388 Bonds

**PRESENTED BY:** Patrick M Weber

**Department:** City Hall Administration

**Information**

**PROBLEM/ISSUE STATEMENT**

Because of the current market conditions, a negotiated bond sale is advised for Special Improvement District (SID)1388. The City's financial advisor, Springsted recently completed a bond sale in Missoula MT for \$800,000 for sidewalk bonds. Springsted talked with potential bidders before the sale and was told that because of the size of the issue and the lack of an A bond rating that the companies would not bid. DA Davidson was the sole bidder on the bond sale.

The bond issue for SID 1388 is \$300,000, and will not be rated. Because of these factors, a public sale will probably not be feasible.

Upon approval on the resolution, the negotiations can proceed for the sale of the bonds.

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the resolution; or
- Not approve resolution.

**FINANCIAL IMPACT**

Bond proceeds	\$300,000
Contributions by the City	
Storm	\$ 36,793
Streets	\$ 35,274

**RECOMMENDATION**

It is recommended that the City Council approve the attached resolution.

**APPROVED BY CITY ADMINISTRATOR**

**Attachments**

SID 1388 resolution

CERTIFICATE AS TO RESOLUTION AND VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. \_\_\_\_\_, entitled: "RESOLUTION RELATING TO UP TO \$300,000 SPECIAL IMPROVEMENT DISTRICT NO. 1388 BONDS; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF TO D.A. DAVIDSON & CO. AND AUTHORIZING THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY 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 July 26, 2010, 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: \_\_\_\_\_; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand officially this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
City Clerk

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO UP TO \$300,000 SPECIAL  
IMPROVEMENT DISTRICT NO. 1388 BONDS;  
AUTHORIZING THE ISSUANCE AND PRIVATE  
NEGOTIATED SALE THEREOF TO D.A. DAVIDSON & CO.  
AND AUTHORIZING THE PLEDGE OF THE REVOLVING  
FUND TO THE SECURITY THEREOF

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

Section 1. Recitals.

1.01. This Council has duly and validly created and established in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the “Act”), a special improvement district, designated as Special Improvement District No. 1388 (the “District”), for the purpose of financing costs of certain public improvements of special benefit to the properties within the District (the “Improvements”) and paying costs incidental thereto, including costs associated with the sale and the security of special improvement district bonds of the City drawn on the District, the creation and administration of the District, and the funding of a deposit to the City’s Special Improvement District Revolving Fund (the “Revolving Fund”) (collectively, the “Incidental Costs”). The City proposes to issue special improvement district bonds drawn against the District in the estimated principal amount of \$300,000 to pay a portion of the costs of the Improvements and Incidental Costs (the “Bonds”). Costs of the Improvements in excess of the principal amount of the Bonds are expected to be paid from funds the City has on hand and available therefor and from the prepayment of special assessments. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements in an amount not less than \$300,000.

1.02. The City is authorized by Montana Code Annotated, Section 7-12-4204(1) to sell the Bonds at a price less than the principal amount thereof, but including interest thereon to the date of delivery, if this Council determines that such sale is in the best interests of the District and the City.

Section 2. Sale of Bonds; Bond Purchase Agreement. Pursuant to the Section 7-12-4204, M.C.A., this Council hereby determines that it would be in the best interests of the City to sell the Bonds at a private negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the “Purchaser”), at an underwriter’s discount of 2.50% of the principal amount of the Bonds to be issued. The Bonds shall be sold to the Purchaser on the terms and at a purchase price subject to the following limitations and conditions: (1) the aggregate principal amount of the Bonds shall not exceed \$300,000; (2) the rate on the Bonds shall not exceed 6.00% per annum; (3) the term of the Bonds shall not extend beyond July 1, 2025; (4) the Bonds shall be payable from special assessments to be levied against property in the District; and (5) the Bonds shall be callable from the prepayment of special assessments.

All costs of issuing the Bonds (including, without limitation, the fees and expenses of Bond Counsel, and the City's Financial Advisor, the fees of the Paying Agent and Registrar and the costs of printing the Preliminary Official Statement, the Official Statement and the Bonds, if any) shall be paid by the City as part of the financing from proceeds of the Bonds or other available sources.

The City Administrator and City Financial Services Manager in consultation with Springsted Incorporated, are hereby authorized and directed to approve the final principal amount of the Bonds, dated date, the amount of the serial maturities, interest rates, and redemption provisions of the Bonds, subject to the limitations contained in the preceding paragraphs and the Act. Upon approving such terms, the City Administrator and City Financial Services Manager are hereby authorized and directed to approve, execute and deliver to the Purchaser a bond purchase agreement (the "Bond Purchase Agreement"), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of the City Administrator and City Financial Services Manager, the Mayor or Deputy City Administrator shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by appropriate officers of the City of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the City to sell the Bonds on such terms in accordance with the provisions thereof.

The form of the Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Council.

Section 4. Official Statement. The City Financial Services Manager with the Springsted Incorporated and Dorsey & Whitney LLP, the City's bond counsel, are authorized to prepare on behalf of the City an Official Statement, to be distributed by the Purchaser to prospective purchasers of the Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City, the security for, and the terms and conditions of, the Bonds. The City Administrator and City Financial Services Manager are authorized on behalf of the Council to deem the Official Statement near "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 26th day of July, 2010.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Resolution Fixing the Form and Detail of the 2010A Airport Re-funding Bonds

**PRESENTED BY:** Patrick M. Weber

**Department:** City Hall Administration

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**Information**

**PROBLEM/ISSUE STATEMENT**

On June 14, 2010 the Council authorized the re-funding of the Airport revenue bonds. On July 12, 2010, the Council was asked to delay action until July 26, 2010. The attached resolution prescribes the terms and conditions for the issuance of the Airport Re-funding Bonds Series 2010A .

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the resolution: or
- Not approve the resolution

**FINANCIAL IMPACT**

The net present value savings, after consideration of all costs, is \$464,341. The term of the bonds are 10 years at an interest rate of 4.29%.

**RECOMMENDATION**

It is recommended that the City Council approve the attached resolution.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Airport Bond resolution

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CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO THE CITY OF BILLINGS AIRPORT; PRESCRIBING TERMS AND CONDITIONS FOR THE ISSUANCE OF AIRPORT REVENUE REFUNDING BONDS, SERIES 2010A, TO REFUND THE AIRPORT REVENUE BONDS AND FIXING THE TERMS AND CONDITIONS THEREOF; CREATING SPECIAL FUNDS AND ACCOUNTS AND PLEDGING CERTAIN REVENUES AS SECURITY FOR BONDS" (the "Resolution"), on file in the original records of the Council in my legal custody; that the Resolution was duly adopted by the Council at a meeting on July 26, 2010, and that the meeting was duly held by the 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: \_\_\_\_\_;  
voted against the same: \_\_\_\_\_;  
abstained from voting thereon: \_\_\_\_\_; or  
were absent: \_\_\_\_\_.

WITNESS my hand and seal officially this \_\_\_\_ day of July, 2010.

\_\_\_\_\_  
City Clerk

(SEAL)

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RESOLUTION NO. [\_\_\_\_\_]

RESOLUTION RELATING TO THE CITY OF BILLINGS  
AIRPORT; PRESCRIBING TERMS AND CONDITIONS FOR  
THE ISSUANCE OF AIRPORT REVENUE REFUNDING  
BONDS, SERIES 2010A, TO REFUND THE AIRPORT  
REVENUE BONDS AND FIXING THE TERMS AND  
CONDITIONS THEREOF; CREATING SPECIAL FUNDS AND  
ACCOUNTS AND PLEDGING CERTAIN REVENUES AS  
SECURITY FOR BONDS

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

Section 1. Definitions, Authorizations and Findings.

1.01. Definitions. The terms defined in this Section 1.01 shall for all purposes of this Resolution have the meanings herein specified, unless the context clearly otherwise requires:

Accountant shall mean a Person engaged in the practice of accounting as a certified public accountant in accordance with the provisions of Title 37, Chapter 50, M.C.A.

Accreted Amount of any Bond shall mean, as of any date of computation, an amount equal to the sum of (i) the Original Principal Amount of such Bond, plus (ii) interest thereon from the Issue Date to the date of computation at the rate, compounded semiannually, which is necessary to produce the approximate yield to maturity shown for Bonds of the same maturity on such Bond.

Act shall mean Montana Code Annotated, Title 67, Chapters 10 and 11, as heretofore and hereafter amended or supplemented.

Act of Bankruptcy shall mean a petition filed by or against a Person seeking relief as a debtor under the federal bankruptcy laws or under any similar applicable law or statute of the United States of America relating to bankruptcy or insolvency.

Additional Bonds shall mean any Bonds issued pursuant to Section 5 and shall not include Special Purpose Facility Bonds, Subordinate Obligations or Notes.

Airport or Airport System shall mean Billings Logan International Airport, which shall include the land owned and used by the City primarily for the landing and takeoff of aircraft, together with the buildings and other improvements located on such land and any equipment, machinery and other items of personal property located on such land or in such buildings, as such properties may at any time exist, including any future additions or expansions thereof or alternative or supplementary facilities that the City determines to be part of the Airport or Airport System. “Airport” includes, without limitation, terminal buildings, runways, hangars, service roads, roadways and automobile parking facilities and Car Rental Facilities. “Airport” does not include Special Purpose Facilities.

Airport Consultant shall mean an Independent airport management consultant appointed by the City Council who has a favorable national reputation for special skill and knowledge in methods of the development, operation, and management of airports and airport facilities.

Airport Fund shall mean the fund so named maintained pursuant to Section 6.01.

Allocation Date shall mean the twenty-fifth day of each month, commencing July 25, 2010, as of which date money on hand in the Revenue Account is to be allocated to various other accounts in the Airport Fund as provided in Section 6.04.

Annual Debt Service Requirement shall mean the Debt Service Requirement for a Fiscal Year.

Audited Fiscal Year shall mean a Fiscal Year for which the City has received an audited report of the financial statements of the City conducted by an Independent Accountant.

Bonds shall mean the Series 2010A Bonds and any Additional Bonds.

Bond Counsel shall mean any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, retained by the City.

Bondholder shall mean the Person in whose name a Bond is registered in the Bond Register.

Bond Purchase Agreement shall mean (i) with respect to any series of Bonds the agreement between the City and the Original Purchaser of such series of Bonds and (ii) with respect to the Series 2010A Bonds the agreement between the City and Piper Jaffray & Co., as the Original Purchaser of the Series 2010A Bonds, dated July 14, 2010.

Bond Register shall mean the register maintained by the Registrar pursuant to Section 2.09.

Business Day shall mean any day other than a Saturday, Sunday or other day on which the Registrar is not open for business.

Capital Account shall mean the account so named created by Section 6.10.

Capital Appreciation Bond shall mean a Bond the accrued interest on which is not payable at fixed intervals but which by its terms appreciates in value to a stated amount at Maturity and which may be issued as Serial Bonds or Term Bonds.

Car Rental Facilities shall mean any City-owned facility at the Airport specifically developed, constructed, set aside or utilized, in whole or in part, by an on-airport rental car company.

CFC Bonds shall mean any Additional Bonds that finance or refinance the costs of Car Rental Facilities, and that are secured by a pledge of Customer Facility Charges, in addition to the pledge of Net Revenues.

Charter shall mean the home-rule charter of the City, as amended from time to time, or any successor charter or like document adopted as the organic law of the City.

City shall mean the City of Billings, Montana, its successors and assigns.

City Clerk shall mean the City Clerk, or a deputy clerk of the City whenever the Clerk is unable to act in such capacity, or their designees, and their successors in functions, if any.

City Resolution shall mean a resolution, ordinance or other appropriate enactment by the Council certified by the City Clerk to have been duly adopted and to be in full force and effect.

Code shall mean the Internal Revenue Code of 1986, as amended, including applicable Treasury Regulations, rulings and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

Completion Bonds shall mean Bonds issued for the purpose of defraying additional costs of a Project and thereby effecting its completion, issued in accordance with Section 5.03.

Construction Account shall mean the account so named created by Section 6.03.

Consulting Engineer shall mean any Independent registered or licensed professional engineer, any licensed architect or any firm of such engineers or architects, as from time to time appointed and designated by the City:

- (i) who has a favorable reputation for skill and experience in the field of designing, preparing plans and specifications for, and supervising construction of, airports and airport facilities, and
- (ii) who is licensed to practice and is practicing as such under the laws of the State.

Costs of Issuance shall mean all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, issuance, sale, and delivery of Bonds, including but not limited to costs of preparation and reproduction of documents; printing expenses; filing and recording fees; initial fees and charges of the Paying Agent; legal fees and charges; fees and disbursements of consultants and professionals; initial fees and charges relating to any Credit Facility and fees and charges for preparation, execution, and safekeeping of Bonds; and any other cost, charge, or fee in connection with the original issuance of Bonds.

Council shall mean the governing body of the City.

Counsel shall mean an attorney, licensed to practice law in any state or the District of Columbia, selected by the Council. Except as otherwise provided herein, Counsel may be an employee of or regularly retained by the City.

Credit Enhanced Bonds shall mean Bonds, the payment of which, or other rights in respect of which, are secured in whole or in part by a Credit Facility.

Credit Facility shall mean any letter of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial institution, insurance company or other institution whose outstanding long term indebtedness is rated by a Rating Agency in one of its three highest Rating Categories, and which provides security or liquidity for any Bonds as specified in a Supplemental Resolution relating to such Bonds.

Credit Facility Obligations shall mean repayment or other monetary obligations incurred by the City with respect to draws or other payments or disbursements made under a Credit Facility; but only if and to the extent such obligations have a lien on the Net Revenues and, but only if and as applicable, the CFCs or PFCs, of the Airport System on a parity with the lien of the Bonds.

Current Interest Bond shall mean a Bond the accrued interest on which by its terms is payable on Interest Payment Dates before the Stated Maturity thereof and which may be issued as Term or Serial Bonds.

Customer Facility Charge or CFC shall mean the charges imposed on automobile rentals at the Airport pursuant to the Customer Facility Charge Ordinance to the extent such charges are pledged to the payment of debt service on and coverage requirements of CFC Bonds.

Customer Facility Charge Ordinance shall mean Ordinance No. 10-5515, approved on June 28, 2010, as amended or supplemented.

Debt Service Account shall mean the account so named created by Section 6.06.

Debt Service Requirements shall mean with respect to all Outstanding Bonds or any specified portion of all Outstanding Bonds and for any specified period, without duplication, the sum of:

- (a) The amount due and payable as interest on such Bonds during such period;
- (b) The amount due and payable as principal, Accreted Amount or Redemption Price of such Bonds during such period, whether at Stated Maturity, upon mandatory redemption, upon the exercise of any option to redeem or required tender of such Bonds if the City has irrevocably committed itself to exercise such option, or by reason of any other circumstance which will, with certainty, occur during such period; and
- (c) The amount of any Credit Facility Obligations required to be paid during such period and not included in (a) or (b).

No payments required for any Option Bonds, other Bonds, or Credit Facility Obligations which may be tendered or otherwise presented for payment at the option or demand of the Holders thereof, or which may otherwise become due by reason of any other circumstance which will not, with certainty, occur during such period, shall be included in any computation of Debt Service Requirements prior to the Stated Maturity or

otherwise certain due dates thereof, and all such payments shall be deemed to be required on such Stated Maturity dates or otherwise certain due dates. Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided herein, Variable Rate Bonds, and Credit Facility Obligations which bear interest at a variable rate, shall be deemed to bear interest at a fixed annual rate equal to the prevailing rate of such Variable Rate Bonds or Credit Facility Obligations on the date of computation; provided that in any computation (i) of the Reserve Requirement; (ii) relating to the issuance of Additional Bonds required by Section 5; or (iii) required by the rate covenant of Section 7.11, Variable Rate Bonds shall be deemed to bear interest at a fixed annual rate equal to (iv) the average of the daily rates of such Variable Rate Bonds during the 365 consecutive days (or any lesser period such Variable Rate Bonds have been Outstanding) next preceding the date of computation; or (v) with respect to any Variable Rate Bonds which are being issued on the date of computation, the initial rate of such Variable Rate Bonds upon issuance. Further, in any computation relating to the issuance of Additional Bonds required by Section 5 and any computation required by the rate covenant in Section 7.11, there shall be excluded from the computation of Debt Service Requirements amounts for payment of which money on hand is irrevocably committed and expected to be available to make such payments during such period, including without limitation any amounts in an Escrow Account and any proceeds of Bonds deposited to the credit of the Construction Account to pay capitalized interest.

Debt Service Reserve Account shall mean the account so named created by Section 6.07.

Director of Aviation and Transit shall mean the individual appointed, employed or designated by the City who is in charge of the operation of the Airport.

Escrow Account shall mean any special and separate account established with an Escrow Bank and in which is deposited cash or securities or both, for the express purpose of providing for the payment of principal of, premium, if any, and interest on any Bonds.

Escrow Bank shall mean the Paying Agent or any other a bank qualified by Montana law to act as an escrow agent with respect to an Escrow Account.

Event of Default shall mean an event of default as defined in Section 8.

Financial Services Manager shall mean the Financial Services Manager of the City or any successor office to that office.

Fiscal Year shall mean the period commencing on the first day of July of any year and ending on the last day of June of the next year, or any other twelve-month period authorized by law and specified by City Resolution as the City's fiscal year.

Government Obligations shall mean (a) direct general obligations of, or obligations the prompt payment of the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America, (b) obligations the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America, and (c) certificates or other evidence of ownership in

principal to be paid or interest to accrue on a pool of obligations of the type described in the foregoing clause (a) or (b), which obligations are held by a custodian, any obligations described in the foregoing clause (a) or (b) may be issued or held in book entry form on the books of the Department of Treasury of the United States of America.)

Gross Revenues shall mean for any specified period the sum of all operating and non-operating revenues of the Airport, including, without limitation, rentals, charges, landing fees, concessions (including amounts derived from such rentals, charges, fees, and concessions and other sources retained in the Revenue Account after satisfying the requirements of the various accounts in the Airport Fund), ground rentals for Special Purpose Facilities, and interest earnings on the Revenue Account, Maintenance and Operating Account, Debt Service Reserve Account, Maintenance and Operating Reserve Account and Capital Account. Gross Revenues does not include (i) any Bond proceeds and other money including interest credited to the Construction Account; (ii) gifts, grants or donations, the use of which is limited by the grantor or donor to purposes not including payment of principal of and interest on Bonds; (iii) Customer Facility Charges and Passenger Facility Charges and interest thereon; (iv) interest earnings on the Construction Account; (v) amounts borrowed by the City, including proceeds of Bonds; (vi) revenues derived from the lease or use of Special Purpose Facilities; (vii) proceeds of insurance claims or condemnation awards, except any such proceeds derived in respect of loss of use or business interruption; or (viii) amounts received from the sale or other disposition of assets of the Airport.

Holder shall mean a Bondholder.

Independent shall mean, when used with respect to any specified Person, such a Person who (i) is in fact independent; (ii) does not have any direct financial interest or any material indirect financial interest in the City or the Airport, other than the payment to be received under a contract for services to be performed by such Person; and (iii) is not connected with the City or the Airport as an officer, employee, promoter, trustee, partner, director, underwriter or person performing similar functions. Whenever it is herein provided that any Independent Person's opinion or certificate shall be furnished, such Person shall be appointed by the Council and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

Insurance Consultant shall mean an Independent Person that has knowledge or expertise in the insurance needs and requirements of municipal airports in Montana, retained by the City.

Interest Payment Date shall mean with respect to a Current Interest Bond the date specified in such Current Interest Bond as the fixed date on which an installment of interest on such Current Interest Bond is due and payable and with respect to a Capital Appreciation Bond the date specified in such Capital Appreciation Bond as the fixed date on which interest is compounded.

Maintenance and Operating Account shall mean the account so named created in Section 6.05.

Maintenance and Operating Expenses shall mean for any specified period all current expenses of the City of operating, maintaining, and repairing the Airport, including, without limiting the generality of the foregoing, legal and overhead expenses of the various City departments directly related and allocable as provided through the City's allocation program to the administration of the Airport, insurance premiums, the charges of any paying agents and any other depository bank pertaining to the Airport, contractual services, professional services required by the Resolution, salaries and administrative expenses, labor, and the cost of materials and supplies used for current operation, the cost of defending, settling, or satisfying any litigation or threatened litigation that relates to the Airport, or any aspect thereof, but not including any allowance for depreciation, charges for the accumulation of reserves for capital replacements, or interest expense.

Maintenance and Operating Reserve Account shall mean the account so named created in Section 6.08.

Maintenance and Operating Reserve Requirement shall mean as of any time an amount equal to one-sixth of the total Maintenance and Operating Expenses for the then most recent Audited Fiscal Year.

Maturity, when used with respect to any Bond, shall mean the date on which the principal of such Bond is due and payable as therein or herein provided, whether at its Stated Maturity or by call for redemption or otherwise.

M.C.A. shall mean the Montana Code Annotated.

Net Proceeds, when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award remaining after payment of all expenses (including attorneys' and adjustors' fees and any fees and expenses of the Registrar and the City) incurred in the collection of such gross proceeds.

Net Revenues shall mean for any specified period, the amount of Gross Revenues for such period remaining after provision for payment of Maintenance and Operating Expenses for such period.

Opinion of Counsel shall mean a written opinion of Counsel.

Option Bond shall mean a Bond the Holder of which by its terms may tender such Option Bond for payment or purchase by or on behalf of the City prior to the Stated Maturity thereof, or the Stated Maturity of which may be extended by and at the option of the Holder thereof.

Original Purchaser shall mean, with respect to any series of Bonds, the original purchaser of such series of Bonds.

Original Resolution shall mean this Resolution No. [\_\_\_\_], adopted by the Council on July 26, 2010.

Outstanding shall mean, when used with reference to Bonds, as of the date of determination, all Bonds theretofore issued except:

- (i) Bonds theretofore canceled by the City or delivered to the City canceled or for cancellation;
- (ii) Bonds and portions of Bonds which under Section 10 are no longer deemed Outstanding; and
- (iii) Bonds in exchange for or in lieu of which other Bonds shall have been issued and delivered pursuant to the Resolution;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the City shall be disregarded and deemed not to be Outstanding.

Passenger Facility Charge or PFC shall mean revenues received by the City from passenger facility charges imposed by the City in accordance with Title 14, Code of Federal Regulations, Part 158 as approved by the Federal Aviation Administration pursuant to passenger facility charge applications to the extent which such revenues are pledged to the payment of debt service on and coverage requirements of PFC Bonds, as provided by law.

Paying Agent shall mean the Person designated by or pursuant to this Original Resolution or a Supplemental Resolution to receive and disburse the principal of, premium, if any, and interest on any series of Bonds, on behalf of the City. A Paying Agent may also be the Registrar.

Person shall mean any individual, corporation, partnership, limited liability partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

PFC Bonds shall mean any Additional Bonds that finance or refinance the costs of projects approved by the Federal Aviation Administration and that are secured by a pledge of Passenger Facility Charges, in addition to the pledge of Net Revenues.

Principal Payment Date shall mean the Stated Maturity of any Serial Bond and the Sinking Fund Payment Date for any Term Bond.

Project shall mean an improvement, betterment, reconstruction or extension of the Airport.

Rate Covenant shall mean the covenant of the City to establish and maintain rates and charges for the use of the Airport described in Section 7.11.

Rating Agency shall mean either Moody's Investors Service or Standard & Poor's Ratings Services or their respective successors or any other nationally recognized organization experienced in the rating of municipal obligations such as the Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such Rating Category by a numerical or other modifier.

Rebate Account shall mean the account so named created by Section 6.13.

Rebate Certificate shall mean a certificate executed by the City on the date of issuance of any series of Bonds and pursuant to which the City represents and covenants to segregate funds, calculate amounts, and report and pay to the United States Department of Treasury any rebatable arbitrage relating to the Bonds of such series in accordance with the requirements of Section 148 of the Code and the regulations promulgated thereunder.

Redemption Date when used with respect to any Bond to be redeemed shall mean the date on which it is to be redeemed pursuant hereto.

Redemption Price when used with respect to any Bond to be redeemed shall mean the price at which it is to be redeemed pursuant hereto, including accrued interest thereon.

Refunded Bonds shall mean the Series 2000 Bonds maturing in 2011 and thereafter and outstanding in the aggregate principal amount of \$7,570,000.

Registrar shall mean the Person designated by or pursuant to the Resolution to hold and maintain the Bond Register in accordance with Sections 2.09 and 3.10. The Registrar may also be a Paying Agent.

Renewal and Replacement Reserve Subaccount shall mean the subaccount so named created by Section 6.10(i).

Renewal and Replacement Reserve Requirement as may be determined from time to time shall mean \$225,000 or such amount as may be determined by the Council upon the recommendation of an Airport Consultant.

Reserve Requirement shall mean, as of the date of calculation, an amount equal to the least of: (1) the maximum debt service requirements on Outstanding Bonds for the then current or any future fiscal year, (2) 125% of average annual debt service on Outstanding Bonds for any fiscal year, or (3) ten percent (10%) of the aggregate original principal amount of all series of Bonds any of which is then Outstanding.

Resolution shall mean this Original Resolution as amended or supplemented by any Supplemental Resolution.

Revenue Account shall mean the account so named created by Section 6.04.

Serial Bonds shall mean Bonds which are not Term Bonds.

Series 1990 Bonds shall mean the Airport Revenue Bonds of the City, dated as of September 1, 1990, which were refunded by the Series 2000 Bonds.

Series 2000 Bonds shall mean the City's Airport Revenue Refunding Bonds, Series 2000, with a final Stated Maturity of July 1, 2020, outstanding on the date of adoption of the Original Resolution in the principal amount of \$7,570,000.

Series 2010A Bonds shall mean the City's Airport Revenue Refunding Bonds, Series 2010A, authorized to be issued and described in Section 3 of this Original Resolution.

Sinking Fund Payment Date shall mean each of the dates set forth in any applicable provisions of a Supplemental Resolution (as to any series of Additional Bonds) for the making of mandatory principal or Accreted Amount payments on Additional Bonds that are Term Bonds before the Stated Maturity thereof.

Special Purpose Facility shall mean any improvement, structure, equipment, machinery or other tangible asset located at the Airport, financed from the proceeds of Special Purpose Facility Bonds, the capital cost of which is payable, directly or indirectly, by a Person or Persons using such improvement, structure, equipment, machinery or other tangible asset. The quick turnaround facility noted in the Customer Facility Charge Ordinance is not a Special Purpose Facility for purposes of this Resolution.

Special Purpose Facility Bonds shall mean bonds or other obligations of the City, permitted by, but not subject to the terms and conditions of this Resolution, issued or incurred to finance or refinance the cost of any Special Purpose Facility and which are secured by and payable solely from rentals or other charges, derived by the City under a lease, sale or other agreement between the City and the Person using the Special Purpose Facility.

Stated Maturity when used with respect to any Bond shall mean the date specified in such Bond as the fixed date on which the principal of such Bond is due and payable.

Subordinate Obligations shall mean bonds or other obligations of the City payable from the Subordinate Obligations Account and issued in accordance with the provisions of Section 5.06.

Subordinate Obligations Account shall mean the account so named created by Section 6.09.

Supplemental Resolution shall mean any City Resolution amendatory of or supplemental to this Original Resolution adopted pursuant to Section 9.

Term Bond shall mean any Bond as to which payments are required by the Resolution to be made at times and in amounts sufficient to redeem all or a portion of the principal of such Bond prior to its Stated Maturity.

2000 Paying Agent shall mean U.S. Bank National Association, of Seattle, Washington, formerly known as U.S. Bank Trust National Association of MT, of Billings, Montana.

Variable Rate Bond shall mean a Bond the interest rate on which may, in accordance with its terms, vary periodically so that the interest for a part or all of the period remaining to its Stated Maturity or Redemption Date cannot accurately be calculated on the date of issuance thereof.

1.02. Rules of Interpretation.

A. All references in this Original Resolution to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Original Resolution as originally adopted.

B. The words “herein”, “hereof” and “hereunder” and other words of similar import without reference to any particular Section or subdivision refer to the Resolution as a whole and not to any particular Section or other subdivision unless the context clearly indicates otherwise.

C. The terms defined in this Section shall include the plural as well as the singular.

D. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles applicable to governmental entities.

E. All computations provided herein shall be made in accordance with generally accepted accounting principles applicable to governmental entities consistently applied.

1.03. Authorization. The City is authorized by the Act to own and operate a municipal airport. Pursuant to Resolution No. 90-16319, the City elected to exercise the powers of an airport authority under the Act. Pursuant to Resolution No. 90-16352 (the “Series 1990 Bond Resolution”) and the Act, the City issued the Series 1990 Bonds. Pursuant to Resolution 99-17451 (the “Series 2000 Bond Resolution”) and the Act, the City issued the Series 2000 Bonds to refund all or a portion of the then Outstanding Series 1990 Bonds. Without compromising its other powers associated with the ownership and operation of the Airport, the City hereby determines that it will exercise the powers of a municipal airport authority in accordance with the provisions of Title 67, Chapter 10, Parts 1-4, M.C.A., such power to be supplemental to and in addition to the power currently exercised and retained by the City with respect to the operation of the Airport under Title 67, Chapter 10, Part 1, M.C.A.

1.04. Outstanding Obligations. On the date of issuance of the Series 2010A Bonds pursuant to this Original Resolution, there will be no other obligations outstanding which are payable from or create a lien upon the Net Revenues other than the Series 2010A Bonds.

1.05. Resolution Regarding Negotiated Sale of Series 2010A Bonds, Etc. This Council has determined by resolution adopted May 24, 2010 (the “Parameters Resolution”) that it is in the best interests of the City to sell by negotiated sale to Piper Jaffray, Inc., of Denver, Colorado and Helena, Montana (the “Original Purchaser”), its airport revenue bonds in the aggregate principal amount of up to \$7,800,000, pursuant to Montana Code Annotated, Section 67-11-303, to provide funds to effect the refunding of the Refunded Bonds and pay all or a portion of the costs of issuing the Series 2010A Bonds and of the refunding. The City and the Original Purchaser have entered into a Bond Purchase Agreement, dated July 14, 2010 (the “Bond Purchase Agreement”), relating to the sale of the Series 2010A Bonds within the limitations of the Parameters Resolution to bear interest at the rates and mature on the dates and in the amounts and contain the further terms and conditions set forth in Section 3 of this Resolution. The Bond Purchase Agreement is hereby ratified and confirmed. In the event of a

conflict between the provisions of this Original Resolution and the Bond Purchase Agreement, the provisions of this Original Resolution shall prevail.

1.06. Revenues Available. The City is authorized, pursuant to the Act, to enter into contracts, leases or other arrangements and to charge reasonable and uniform rates, fees, charges and rentals for all privileges, facilities and services directly or indirectly furnished by the Airport, and to pledge and appropriate to the Series 2010A Bonds the revenues to be derived from the operation of the Airport. The City hereby determines, based on current operating results, that the Gross Revenues to be produced from the operation of the Airport during the term of the Series 2010A Bonds will be sufficient to pay the reasonable and ordinary Maintenance and Operating Expenses of the Airport, to pay annual Debt Service Requirements, to establish and maintain a reserve for payment of debt service on the Series 2010A Bonds in an amount equal to the Reserve Requirement, to establish and maintain amounts in the Maintenance and Operating Reserve Account at the Maintenance and Operating Reserve Requirement, and to establish and maintain amounts in the Renewal and Replacement Reserve Account at the Renewal and Replacement Reserve Requirement, as herein prescribed.

1.07. Official Statement. The Series 2010A Bonds have been offered for sale by means of a Preliminary Official Statement, dated June 30, 2010, which is to be completed as an Official Statement. This Council hereby authorizes either or both of the Financial Services Manager and the Director of Aviation and Transit to approve the Official Statement. Execution of the Official Statement by the Financial Services Manager and the Director of Aviation and Transit or either of them, or any appropriate officer of the City, is authorized and shall be conclusive as to the approval thereof by this Council. The City hereby consents to the distribution of the Official Statement and this Council hereby authorizes and directs the Financial Services Manager, the Director of Aviation and Transit, the City Clerk, and any appropriate officers of the City to execute such certificates relating to the accuracy and completeness of the Official Statement as may be appropriate. The determination of the Financial Services Manager or Director of Aviation and Transit that the Preliminary Official Statement was “final” as of its date for purposes of Rule 15C2-12 under the Securities Exchange Act of 1934 is hereby ratified and confirmed.

## Section 2. The Bonds.

2.01. General Title. The general title of the Bonds of all series shall be “Airport Revenue Bonds.” Bonds of each series shall be titled so as to distinguish them from Bonds of all other series.

2.02. General Limitations; Issuable in Series. The aggregate principal amount of Bonds that may be authenticated and delivered and Outstanding under the Resolution is not limited, except as provided in Sections 3 and 5 and except as may be limited by law.

The Series 2010A Bonds shall be issued on the terms and conditions prescribed in this Original Resolution. Additional Bonds may be issued in series as from time to time authorized by Supplemental Resolution. With respect to the Bonds of any particular series, the City may incorporate in or add to the general title of such Bonds any words, letters or fixtures designed to distinguish that series.

2.03. Special, Limited Obligations. The Bonds shall be special, limited obligations of the City. Principal of, premium, if any, and interest on the Bonds shall be payable solely from the Net Revenues (other than to the extent payable out of proceeds of the Bonds and as well from Passenger Facility Charges or Customer Facility Charges or another permissible source of revenue) or, if Credit Enhanced Bonds, from money available under the Credit Facility. The Bonds shall not be or constitute a pledge of the general credit or taxing powers of the City of any kind whatsoever, but the City may elect to issue Additional Bonds payable from any sources permitted under the Act, including, without limitation, from a limited tax levy or deficiency tax levy. Neither the Bonds nor any agreement or obligation of the City contained herein shall be construed to constitute an indebtedness of the State of Montana or the City within the meaning of any constitutional, statutory or Charter provisions whatsoever.

2.04. Payment on Business Day. If any interest, premium or principal of any Bond is payable on a day which is not a Business Day, then such payment may be made without increase on the next succeeding Business Day, with the same force and effect as if made on the date on which such payment was due (whether or not such next succeeding Business Day occurs in a succeeding month).

2.05. Terms of Particular Series. Each series of Bonds (except the Series 2010A Bonds, which are created by Section 3) shall be created by a Supplemental Resolution. The Bonds of each series (other than the Series 2010A Bonds, as to which specific provision is made in this Original Resolution) shall bear such date or dates, shall be payable at such place or places, shall have such Stated Maturities and Redemption Dates, shall bear interest, if any, at such rate or rates, from such date or dates or shall be payable in such installments and on such dates and at such place or places, and may be redeemable at such price or prices and upon such terms (in addition to the prices and terms herein specified for redemption of all Bonds) as shall be provided in the Supplemental Resolution creating that series, all upon such terms as the City may determine. Bonds of any Series may be issued as Term Bonds, Serial Bonds, Capital Appreciation Bonds, Current Interest Bonds, Option Bonds, Variable Rate Bonds, or any combination thereof. The City may, at the time of the creation of any series of Bonds or at any time thereafter, make, and the Bonds of that series may contain, provision for:

- (a) a sinking, amortization, improvement or other analogous fund;
- (b) limiting the aggregate principal amount of the Bonds of that series and of Additional Bonds including Completion Bonds thereafter to be issued;
- (c) exchanging Bonds of that series, at the option of the Holders thereof, for other Bonds of the same series of the same aggregate principal amount of a different authorized kind or authorized denomination or denominations; or
- (d) registration or transfer of ownership, or delivery thereof.

2.06. Form and Denominations of Particular Series. The form of the Bonds of each series (other than the Series 2010A Bonds, as to which specific provision is made in Section 3) shall be established by the Supplemental Resolution creating such series. The Bonds of each series shall be distinguished from the Bonds of other series in such manner as the Council may determine.

The Bonds of each series shall be in such denominations as shall be provided in the Supplemental Resolution creating such series (other than the Series 2010A Bonds, as to which specific provision is made in this Resolution). In the absence of any such provision with respect to the Bonds of any particular series, the Bonds of such series shall be in the denomination of \$5,000 or any integral multiple thereof of single maturities.

2.07. Execution and Authentication. The Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor, Financial Services Manager and City Clerk (or other officers of the City authorized by a Supplemental Resolution); provided, that if required by applicable laws, one such signature on each Bond shall be a manual signature. The seal of the City need not be affixed to or imprinted on any Bond. Any Bond bearing the manual or facsimile signature of an individual who was at any time an appropriate officer of the City shall be valid and sufficient for all purposes, whether or not such individual held such office as of the date of sale, issue or delivery of such Bond. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond shall be conclusive evidence that it has been authenticated and delivered under the Resolution and in accordance with the provisions hereof.

2.08. Temporary Bonds. Pending the preparation of definitive Bonds, the City, if authorized by law, may execute and deliver temporary Bonds which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such Bonds may determine, as evidenced by their execution of such Bonds.

If temporary Bonds are issued, the City will cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Bonds the City shall execute, and the Registrar shall thereupon authenticate and deliver in exchange therefor, a like principal amount of definitive Bonds of authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the same security and benefits under the Resolution as definitive Bonds.

2.09. System of Registration. The City shall cause a register (the "Bond Register") for registration of Bonds and transfers of Bonds to be kept at the principal corporate trust office of the Registrar. This Section 2.09 shall establish a system of registration for the Bonds, including the Series 2010A Bonds, as defined in the Model Public Obligations Registration Act of Montana, and shall govern in the event other provisions of the Resolution relating to registration, transfer or exchange of Bonds are inconsistent therewith; provided that a Supplemental Resolution may make other provisions for the registration and transfer of ownership of Additional Bonds. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its principal corporate trust office the Bond Register in which the Registrar shall provide for the registration of ownership of the Bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged.

(b) Transfer. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series of a like aggregate principal amount and Stated Maturity of authorized denominations as requested by the transferor. The Registrar is not required (i) to transfer or exchange any Bond during the period of fifteen days immediately preceding any selection of Bonds of that series and Stated Maturity for redemption, or (ii) to transfer any Bond or portion thereof which has been selected for redemption.

(c) Exchange. Whenever any Bond is surrendered by the Holder for exchange, the Registrar shall authenticate and deliver one or more new Bonds of the same series of a like aggregate principal amount, interest rate and maturity of authorized denominations, as requested by the Holder or the Holder's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the Person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to such Person shall be valid and effectual to satisfy and discharge the liability of the City upon such Bond to the extent of the sum or sums to be paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the City shall execute and the Registrar shall authenticate and deliver a new Bond of the same series, of like amount, Stated Maturity and tenor, in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a

Bond lost, stolen or destroyed, upon receipt by the Registrar from the Holder of the lost, stolen or destroyed Bond of evidence satisfactory to the Registrar that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon receipt by the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Bond has already matured or has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

Section 3. Issuance and Sale of the Series 2010A Bonds, Preliminary Official Statement.

3.01. Issuance and Sale of the Series 2010A Bonds; Savings. The City is authorized, and the Council hereby finds, determines and declares it to be in the best interest of the City, and to be necessary and expedient for the City to issue its \$7,640,000 Airport Revenue Refunding Bonds, Series 2010A, in accordance with the provisions of this Original Resolution, for the purpose of providing funds to effect the refunding of the Refunded Bonds and pay all or a portion of the costs of issuing the Series 2010A Bonds. The Original Purchaser has offered to purchase the Series 2010A Bonds upon the terms and conditions set forth in a Bond Purchase Agreement, at a purchase price of \$7,651,345.55, reflecting a net original issue premium of \$64,443.55 and underwriter’s discount of \$53,098.00. That offer is hereby determined and declared to be reasonable and in the best interests of the City. The gross debt service savings to result from the refunding of the Refunded Bonds is \$565,525.02, and the net present value savings resulting therefrom is \$464,341.73, using a discount rate of 4.146328% (the approximate yield of the Bonds) over the term of the Refunded Bonds, resulting in a net present value benefit of 6.133973% of the principal amount of the Refunded Bonds.

3.02. Delivery of the Series 2010A Bonds. The City hereby covenants that it will take all actions as required to effectuate the issuance and delivery of the Series 2010A Bonds as prescribed in the Bond Purchase Agreement and herein.

3.03. General Terms of Bonds. The Series 2010A Bonds shall be issuable only in fully registered form and shall consist of Current Interest Bonds which are also Serial Bonds issued in the aggregate principal amount of \$7,640,000.

3.04. Terms of the Series 2010A Bonds. The Series 2010A Bonds shall be dated, as originally issued, as of July 28, 2010, shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities, shall mature on July 1 in the years and amounts set forth below, and shall bear interest from July 28, 2010 until paid or duly called for redemption at the respective annual rates set forth opposite such years and amounts as follows:

<u>Stated Maturity</u>	<u>Amount</u>	<u>Rate</u>
2011	\$700,000	2.500%
2012	690,000	3.000
2013	710,000	3.000
2014	730,000	4.000
2015	765,000	4.000
2016	795,000	4.500

2017	825,000	4.125
2018	860,000	4.500
2019	895,000	4.750
2020	670,000	5.000

The interest thereon, and, upon surrender of each Series 2010A Bond, the principal amount thereof shall be payable by check or draft issued by the Paying Agent. Interest on the Series 2010A Bonds shall be payable on January 1 and July 1 in each year, commencing January 1, 2011, to the Holders thereof as such appear in the Bond Register as of the close of business on the 15th day of the immediately preceding month, whether or not such day is a Business Day. Each Series 2010A Bond shall bear an original issue date of July 28, 2010. Upon delivery of the Series 2010A Bonds to the Original Purchaser pursuant to Section 3.12 or upon the delivery of Series 2010A Bonds upon a transfer or exchange pursuant to Section 2.09, the Registrar shall date each Series 2010A Bond so delivered as of the date of its authentication.

3.05. Optional Redemption. Except as described in Section 3.06, Series 2010A Bonds shall not be subject to redemption at the option of the City prior to their Stated Maturities.

3.06. Extraordinary Optional Redemption. The Bonds, including the Series 2010A Bonds, are subject to redemption prior to maturity by the City, to the extent of available Net Proceeds of insurance or condemnation, in the event: (1) the Airport or any portion thereof is damaged, destroyed or condemned, (2) the Net Proceeds of insurance or condemnation received in connection therewith exceed the greater of (a) three percent of property, plant and equipment assets of the Airport or (b) \$500,000, and (3) the City elects to have all or any part of such Net Proceeds applied to the prepayment of the Bonds. If called for redemption in any such event, the Bonds shall be subject to redemption in whole at any time, or in part on any interest payment date, and if in part, from series and by maturities designated by the City (and, if less than all of a maturity is being redeemed, by lot or other manner deemed fair by the Registrar within a maturity) at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium.

3.07. Notice of Redemption. The City shall give notice of redemption, stating the amount, the serial numbers, the CUSIP numbers, the interest rates and the Stated Maturities of the Series 2010A Bonds or portions thereof called for redemption to the Registrar at least forty-five days prior to the date of redemption. The Registrar shall, at least thirty days prior to the designated redemption date, cause notice of redemption to be mailed by first class mail to the Holder of each Series 2010A Bond to be redeemed at such Person's address shown in the Bond Register; provided that any defect in or failure to give such mailed notice shall not affect the validity of proceedings for the redemption of any Series 2010A Bond not affected thereby. Notice of the redemption of any Series 2010A Bond having been mailed as herein provided, and funds sufficient for its payment with accrued interest having been deposited with the Paying Agent on or before the Redemption Date, interest on such Series 2010A Bond shall cease to accrue on the Redemption Date, and the Holder shall have no further rights with respect thereto or under the Resolution except to receive the Redemption Price so deposited.

In addition to the notice prescribed by the preceding paragraph, the City shall also give notice of the redemption of any Series 2010A Bond or portions thereof at least 35 days before the Redemption Date by first class mail, telecopy or express delivery service to the

Original Purchaser and all registered securities depositories then in the business of holding substantial amounts of obligations of the character of the Series 2010A Bonds (such depository now being DTC, as defined in Section 3.11) and the one or more national information services that disseminate information regarding municipal bond redemptions; provided that any defect in or any failure to give any notice of redemption prescribed by this paragraph shall not affect the validity of the proceedings for the redemption of any Series 2010A Bond or portion thereof.

Series 2010A Bonds in a denomination larger than \$5,000 may be redeemed in part in any integral multiple of \$5,000. The owner of any Series 2010A Bonds redeemed in part shall receive, upon surrender of such Bond to the Registrar, one or more new Series 2010A Bonds in authorized denominations equal in principal amount to the unredeemed portion of the Bond so surrendered.

3.08. Partial Redemption of a Series 2010A Bond. Series 2010A Bonds in a denomination larger than \$5,000 may be redeemed in part in any integral multiple of \$5,000. The Holder of any Series 2010A Bond redeemed in part shall receive, upon surrender of such Series 2010A Bond to the Registrar, one or more new Series 2010A Bonds in authorized denominations equal in principal amount to the unredeemed portion of the Series 2010A Bond so surrendered.

3.09. Appointment of Registrar and Paying Agent. The City hereby appoints U.S. Bank National Association, of Seattle, Washington, as the Registrar and Paying Agent (in such capacities, the “Registrar”) for the Series 2010A Bonds. The Financial Services Manager and the Director of Aviation and Transit, or in their absence, any officer of the City, are hereby authorized to execute and deliver, on behalf of the City, a contract or contracts with the Registrar for the services provided by the Registrar, including, without limitation, as Registrar and Paying Agent, and, if the City so elects, as dissemination agent. Before each Principal Payment Date, Redemption Date or Interest Payment Date, without further order of the Council, the Financial Services Manager is authorized to transfer to the Paying Agent all principal, premium, if any, and interest then due on the Series 2010A Bonds solely from money in the Debt Service Account so that it is received by the Paying Agent no later than the Business Day immediately preceding such dates. The City agrees to pay fees and charges of the Registrar and Paying Agent.

Upon merger or consolidation of the Registrar with another corporation or upon the sale or the transfer by the Registrar to another corporation of all or substantially all of the Registrar’s corporate trust business, if the resulting or transferee corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed, as a charge against the Maintenance and Operating Account. The City reserves the right to remove the Registrar upon thirty (30) days’ notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar. The Registrar may also resign upon written notice to the City effective upon appointment by the City of a successor Registrar.

3.10. Securities Depository for the Series 2010A Bonds.

(a) For purposes of this Section 3.11, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Series 2010A Bond, the person in whose name such Series 2010A Bond is recorded as the beneficial owner of such Series 2010A Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2010A Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Blanket Issuer Letter of Representations from the City to DTC, attached to this resolution as Appendix C, which is hereby incorporated by reference and made a part hereof.

(b) The Series 2010A Bonds shall be initially issued as separately authenticated fully registered Bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Series 2010A Bonds. Upon initial issuance, the ownership of such Series 2010A Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2010A Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2010A Bonds, selecting the Series 2010A Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this Resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2010A Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2010A Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2010A Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Series 2010A Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Series 2010A Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a

new nominee in place of Cede & Co., the Series 2010A Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of Bond certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Series 2010A Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Series 2010A Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2010A Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Series 2010A Bonds and Beneficial Owners and payments on the Series 2010A Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Resolution.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Series 2010A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Series 2010A Bonds, or another securities depository as owner of all the Series 2010A Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of Bond certificates and the method of payment of principal of and interest on such Bonds in the form of Bond certificates.

3.11. Execution and Delivery. The Series 2010A Bonds shall be forthwith prepared for execution under the direction of the Financial Services Manager, at the expense of the City, and shall be executed on behalf of the City by the signatures of the Mayor, City Clerk and Financial Services Manager; provided that any or all of such signatures may be printed, engraved or lithographed facsimiles thereof. When the Series 2010A Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the order of the Original Purchaser thereof upon payment of the purchase price in accordance with the Bond Purchase Agreement authorized in Section 3.01, and the Original Purchaser shall not be obligated to see to the application of the purchase price and is not responsible for the application thereof.

3.12. Form of Series 2010A Bonds. The Series 2010A Bonds shall be prepared in substantially the form set forth as Exhibit A; provided that so long as Series 2010A Bonds are registered in the name of Cede & Co. as provided in Section 3.11, such Series 2010A Bonds may provide for the payment of the Redemption Price upon the partial redemption thereof without presentation and surrender of the Series 2010A Bond.

3.13. Deposit of Series 2010A Bond Proceeds. Immediately upon delivery of the Series 2010A Bonds the City shall credit the proceeds of the Series 2010A Bonds to the

following accounts in the Airport Fund created pursuant to Section 6 and apply such proceeds as follows:

- (a) To the Escrow Agent under the escrow agreement relating to the redemption of the Series 2000 Bonds the amount of \$7,544,794; and
- (b) To the Construction Account the balance of the proceeds of the Series 2010A Bonds to be used to pay costs of issuance of the Series 2010A Bonds.

Section 4. Defeasance of Refunded Bonds; Escrow Agreement.

4.01. Defeasance of Refunded Bonds. Simultaneously with the delivery of the Series 2010A Bonds, the Series 2000 Bonds with Stated Maturities in 2011 and later years will be irrevocably directed to be called for redemption on September 13, 2010, at a Redemption Price equal to 102% of the principal amount thereof with interest accrued to the date of redemption. The Financial Services Manager is hereby authorized and directed to give notice to the Paying Agent for the Series 2000 Bonds of the redemption of the Refunded Bonds at least 45 days prior to the Redemption Date of the Refunded Bonds so that such Paying Agent may give notice of such redemption in accordance with the provisions of the Series 2000 Bond Resolution, such notice or redemption to be sent on or promptly after the date of issuance of the Series 2010A Bonds to the Holder of each Series 2000 Bond to be redeemed and to [MBIA Insurance Corporation] within 60 days but not less than 30 days before said redemption date, and to D.A. Davidson & Co., of Great Falls, Montana, as the original purchaser of the Series 2000 Bonds, to the DTC, and to one or more national information reporting services at least 35 days before said redemption date. Upon establishment and funding of the escrow account pursuant to Section 4.02 and the escrow agreement, the liability of the City with respect to the Refunded Bonds shall be discharged in its entirety, as provided in Section 11.04 of the 2000 Resolution. Upon the redemption of the Refunded Bonds being redeemed, any excess monies, including investment income, held by the 2000 Paying Agent shall be remitted to the City and credited by the City to the Debt Service Account in the Airport Revenue Fund and applied to paying interest on the Series 2010A Bonds on January 1, 2011.

4.02. Escrow; Redemption of Series 2000 Bonds. Simultaneously with the delivery of the Series 2010A Bonds, the Financial Services Manager shall deposit or direct to be deposited in escrow in trust for the benefit of the City with U.S. Bank National Association, of Seattle, Washington, as Escrow Agent, the sum of \$7,544,794 from the proceeds of the Series 2010A Bonds, plus from money on hand and available therefor the additional sum required to pay as of the date of delivery of the Series 2010A Bonds the Redemption Price of the Refunded Bonds as of the Redemption Date (i.e., September 13, 2010). The Financial Services Manager shall cause the amount so deposited, to the extent not applied to establish a cash balance, to be invested in Government Obligations. The escrow account and all investments thereof shall be held in safekeeping by said Escrow Agent, and said account and all income therefrom are irrevocably appropriated for the purposes stated in Section 4.01 and this Section, and any excess monies remaining in the Escrow Account upon redemption of the Refunded Bonds on September 13, 2010 shall be transferred promptly to the Debt Service Account to pay interest on the Series 2010A Bonds on January 1, 2011. At or before the time of making said deposit and investment the Mayor, Financial Services Manager and the City Clerk shall execute on the part of the City an escrow agreement with said escrow agent, substantially in accordance with the form of such

agreement which has been presented to this Council at the meeting at which this resolution was adopted, and is hereby approved.

Section 5. Lien on Net Revenues; Passenger Facility Charges; Customer Facility Charges; Additional Bonds.

5.01. Parity Lien on Net Revenues; Passenger Facility Charges; Customer Facility Charges; Special Purpose Facility Bonds.

(a) All Bonds issued hereunder shall be secured, equally and ratably, by a first lien upon the Net Revenues of the Airport, the Gross Revenues being subject to the prior appropriation thereof to the Maintenance and Operating Account for the payment of Maintenance and Operating Expenses, as provided in Section 6.05.

(b) Bonds issued hereunder may also be secured by the covenant and agreement of the City in Section 6.06 to pledge and appropriate Passenger Facility Charges, if then available, to the subaccount in the Debt Service Account relating to PFC Bonds of such series. Such pledge in favor of Outstanding PFC Bonds shall not limit the ability of the City to expend in any Fiscal Year pledged Passenger Facility Charges in excess of the Debt Service Requirements during such Fiscal Year on all Outstanding PFC Bonds. The City covenants and agrees that from and after the issuance of Additional Bonds that are PFC Bonds and so long as such PFC Bonds are Outstanding, it will not decrease the rate or amount of Passenger Facility Charges, that it will not pledge or grant a security interest in the Passenger Facility Charges other than pursuant to FAA regulations or rules or this Resolution, and that it will pledge Passenger Facility Charges to the payment of and security of Additional Bonds constituting PFC Bonds only if the requirements of Section 5.04 (including paragraph (c) thereof) are satisfied.

(c) Bonds issued hereunder may also be secured by the covenant and agreement of the City in Section 6.06 to pledge and appropriate Customer Facility Charges, if then available, to the subaccount in the Debt Service Account relating to CFC Bonds of such series. Such pledge in favor of Outstanding CFC Bonds shall not limit the ability of the City to expend in any Fiscal Year pledged Customer Facility Charges in excess of the Debt Service Requirements during such Fiscal Year on all Outstanding CFC Bonds. The City covenants and agrees that from and after the issuance of Additional Bonds that are CFC Bonds and so long as such CFC Bonds are Outstanding, it will not pledge or grant a security interest in the Customer Facility Charges other than pursuant to the Customer Facility Charge Ordinance or this Resolution and that it will pledge Customer Facility Charges to the payment of and security of Additional Bonds constituting CFC Bonds only if the requirements of Section 5.04 (including paragraph (d) thereof) are satisfied.

(d) The Series 2010A Bonds are secured equally and ratably with all other Outstanding Bonds by the Net Revenues. In the event of the issuance of Additional Bonds that are either PFC Bonds or CFC Bonds, the failure of the City to transfer Passenger Facility Charges or Customer Facility Charges, as the case may be, to the applicable subaccount in the Debt Service Account because there are not sufficient Passenger Facility Charges or Customer Facility Charges, as the case may be, then available shall not constitute a default hereunder, so long as sufficient Net Revenues are transferred.

(e) Special Purpose Facility Bonds are permitted by and are not subject to the lien of the Resolution. The City reserves the unconditional right to issue Special Purpose Facility Bonds for the acquisition, construction, reconstruction, enlargement, improvement and equipment of any Special Purpose Facility, or the refinancing thereof, outside the provisions of and not subject to the lien, provisions or limitations of the Resolution.

5.02. General Provisions. In addition to the Series 2010A Bonds, whose issuance and delivery are provided for in Section 3, Additional Bonds may at any time and from time to time be issued, sold and delivered by the City but only upon filing with the City Clerk and the Registrar the following:

(a) A Supplemental Resolution creating the designated series of Additional Bonds and authorizing the issuance and the sale thereof to the Original Purchaser named therein for the purchase price set forth therein or pursuant thereto;

(b) An Opinion of Bond Counsel stating in effect:

(i) that all conditions precedent provided in this Resolution relating to the issuance and delivery of such Additional Bonds have been complied with, including any conditions precedent specified in this Section;

(ii) that the series of Additional Bonds when issued and delivered by the City will be valid and binding special, limited obligations of the City in accordance with their terms and the terms hereof and entitled to the benefits of and secured by this Resolution; and

(iii) that the issuance of such Additional Bonds will not adversely affect the exemption from federal income taxation of the interest on any Bonds then Outstanding the interest on which is excludable from gross income for federal income tax purposes.

(c) A certificate signed by the Mayor, City Clerk and Financial Services Manager stating that the City is not then in default under this Resolution or that any default then existing will be cured upon the issuance of the Additional Bonds and that on the date of issuance of such Additional Bonds and after giving effect to the issuance of such Additional Bonds the balance in the Debt Service Reserve Account is not less than the Reserve Requirement; and

(d) Such other certificates and opinions as may be required to satisfy Sections 5.04 through 5.07.

5.03. Completion Bonds.

(a) Authorization of Completion Bonds. If the proceeds from the sale of a series of Bonds are insufficient to finance the costs of the Project for which the Bonds were issued, the City may issue Completion Bonds in such amount as is necessary to defray any such additional cost, subject to the limitations contained herein or in a Supplemental Resolution. Completion Bonds shall be issued in accordance with Section 5.02, however, compliance with Section 5.04 is not required.

Prior to any delivery of Completion Bonds there shall be filed with the City Clerk a certificate of the Consulting Engineer (i) stating that the Project has not materially changed from its description in the Supplemental Resolution relating to the initial series of Bonds issued to finance such Project, (ii) estimating the revised aggregate cost of such Project, (iii) stating that the revised aggregate cost of such Project cannot be paid with the moneys available on the date of the certificate in the Construction Account or in the Capital Account or amounts retained in the Revenue Account, and (iv) stating that, in the opinion of the Consulting Engineer, the issuance of the Completion Bonds is necessary to provide funds for the completion of the Project.

(b) Limitation on Completion Bonds. The aggregate principal amount of Completion Bonds that may be issued by the City to complete a Project may not exceed 30% of the aggregate principal amount of the initial series of Bonds issued to finance such Project.

5.04. Additional Bonds for Projects. One or more series of Additional Bonds (other than Completion Bonds) may be issued to finance the cost of a Project. Unless the Additional Bonds are issued pursuant to Section 5.04(a)(4), prior to the issuance of such series of Additional Bonds, there shall be filed with the City Clerk:

(a) (1) If the Additional Bonds are proposed to be secured by only Net Revenues, a certificate or opinion of an Independent Accountant (i) setting forth (A) the Net Revenues for the most recent Audited Fiscal Year immediately preceding the delivery of such series of Additional Bonds, as determined by the Independent Accountant, and (B) the maximum Debt Service Requirements in the current or any future Fiscal Year in respect of the Bonds to be Outstanding upon issuance of such Additional Bonds that are secured by Net Revenues alone (including such proposed Additional Bonds but excluding any Bonds not to be Outstanding upon issuance of such Additional Bonds); and (ii) demonstrating that the Net Revenues are not less than 125% of the maximum Debt Service Requirements in the current or any future Fiscal Year during the term of such Bonds. In computing the Debt Service Requirements to determine whether the revenue coverage test is satisfied by the application of Net Revenues, the Independent Accountant shall disregard the debt service on any Outstanding CFC Bonds to the extent that Customer Facility Charges satisfy 125% of the maximum Debt Service Requirements for the current or any future Fiscal Year on such CFC Bonds (calculated as provided in Section 5.04(a)(2)) and the debt service on any Outstanding PFC Bonds to the extent that Passenger Facility Charges satisfy 125% of the maximum Debt Service Requirements for the current or any future Fiscal Year on such PFC Bonds (calculated as provided in Section 5.04(a)(3)) and apply the Net Revenues only against the debt service on the Outstanding Bonds and proposed Additional Bonds that are secured only by Net Revenues. To the extent that the debt service on CFC Bonds or PFC Bonds cannot be excluded from Debt Service Requirements by reason of the preceding sentence, the Independent Accountant shall take into account both the CFC Bond debt service and the Customer Facility Charges or the PFC Bond debt service and the Passenger Facility Charges, as applicable, prior to the application of Net Revenues against the debt service on the CFC Bonds or PFC Bonds, as applicable, in determining whether the revenue coverage test is satisfied.

(2) Except as set forth in 5.04(a)(4), if the Additional Bonds are proposed to be issued as CFC Bonds, a certificate or opinion of an Independent Accountant (i) setting forth (A) the Net Revenues and Customer Facility Charges for the most recent Audited Fiscal Year immediately preceding the delivery of Additional Bonds proposed to be issued as CFC Bonds, as determined by the Independent Accountant, and (B) the maximum Debt Service Requirements in the current or any future Fiscal Year in respect of the Bonds to be Outstanding upon the issuance of the Additional Bonds that are secured by either Net Revenues alone or by Net Revenues and Customer Facility Charges (including such proposed Additional Bonds but excluding any Bonds not to be Outstanding upon issuance of such Additional Bonds) and (ii) demonstrating that the sum of the Customer Facility Charges in respect of Outstanding CFC Bonds or CFC Bonds proposed to be issued plus Net Revenues is not less than 125% of the maximum Debt Service Requirements in the current or any future Fiscal Year during the term of such Bonds. In computing the Debt Service Requirements to determine whether the revenue coverage test is satisfied, the Independent Accountant shall disregard the debt service on any Outstanding PFC Bonds to the extent that Passenger Facility Charges satisfy 125% of the maximum Debt Service Requirements for the current or any future Fiscal Year on such PFC Bonds (calculated as provided in Section 5.04(a)(3)) and apply the Net Revenues and Customer Facility Charges, as applicable, only against the debt service on the Outstanding Bonds and Additional Bonds proposed to be issued that are secured by only Net Revenues or by Net Revenues and Customer Facility Charges. To the extent the debt service on PFC Bonds cannot be excluded from Debt Service Requirements by reason of the preceding sentence, the Independent Accountant shall take into account both the PFC Bond debt service and the Passenger Facility Charges, as applicable, prior to the application of Net Revenues against the debt service on the PFC Bonds in determining whether the revenue coverage test is satisfied.

If the City has increased the rate or charge of its Customer Facility Charges during or since the end of the most recent Audited Fiscal Year and such increased rate or charge of Customer Facility Charges are in effect at the time of issuance of the Additional Bonds proposed to be issued as CFC Bonds or are authorized to go into effect within 60 days thereafter, the Independent Accountant may adjust historical Customer Facility Charges for the most recent Audited Fiscal Year to include Customer Facility Charges which would have been received had such increased rate or charge of Customer Facility Charges been in effect for such entire Audited Fiscal Year.

(3) If the Additional Bonds are proposed to be issued as PFC Bonds, (i) the certificate of the Director of Aviation and Transit required by Section 5.04(c) confirming the approval by the FAA of the application for the Passenger Facility Charges to finance costs of a Project with Additional Bonds that are PFC Bonds (the “Additional PFC Bonds Application”); and (ii) a certificate or opinion of an Independent Accountant or Independent Airport Consultant setting forth (A) the Passenger Facility Charges available to pay the debt service on the Additional Bonds proposed to be issued as PFC Bonds and any Outstanding PFC Bonds in the current or any future Fiscal Year during the term of such Bonds from Passenger Facility Charges in effect prior to the Additional PFC Bonds Application and as well pursuant to the Additional PFC Bonds Application and the Net Revenues for the most recent Audited Fiscal Year immediately preceding the delivery of the Additional Bonds to be issued as PFC Bonds, as determined by the

Independent Accountant or Independent Airport Consultant, and (B) the maximum Debt Service Requirements in the current or any future Fiscal Year in respect of the Bonds to be Outstanding upon the issuance of the Additional Bonds that are secured by either Net Revenues alone or by Net Revenues and Passenger Facility Charges (including such proposed Additional Bonds but excluding any Bonds not to be Outstanding upon issuance of such Additional Bonds) and (C) demonstrating that the sum of Passenger Facility Charges in respect of Outstanding PFC Bonds or PFC Bonds proposed to be issued plus Net Revenues is not less than 125% of the maximum Debt Service Requirements in the current or any future Fiscal Year during the term of such Bonds. In computing the Debt Service Requirements to determine whether the revenue coverage test is satisfied, the Independent Accountant or Independent Airport Consultant shall disregard the debt service on any Outstanding CFC Bonds to the extent that Customer Facility Charges satisfy 125% of the maximum Debt Service Requirements for the current or any future Fiscal Year on such CFC Bonds (calculated as provided in Section 5.04(a)(2)) and apply the Net Revenues and Passenger Facility Charges, as applicable, only against the debt service on the Outstanding Bonds and Additional Bonds proposed to be issued that are secured by only Net Revenues or by Net Revenues and Passenger Facility Charges. To the extent the debt service on CFC Bonds cannot be excluded from Debt Service Requirements by reason of the preceding sentence, the Independent Accountant or Independent Airport Consultant shall take into account both the CFC Bond debt service and the Customer Facility Charges, as applicable, prior to the application of Net Revenues against the debt service on the CFC Bonds in determining whether the revenue coverage test is satisfied.

(4) In addition to and notwithstanding Sections 5.04(a)(1), (2) and (3) above or any other provision in this Original Resolution to the contrary, the City is authorized to issue Additional Bonds that are CFC Bonds in one or more series in the aggregate principal amount of up to \$8,250,000, so long as any such Additional Bonds are issued on or before June 30, 2012.

(5) In making the foregoing calculations in Section 5.04(a)(1), (2), or (3), the Independent Accountant or Independent Airport Consultant, as the case may be, may take into consideration the Passenger Facility Charges or the Customer Facility Charges only to the extent of 125% of the maximum Debt Service Requirements in the current or any future Fiscal Year in respect of, as the case may be, Outstanding PFC Bonds or Additional Bonds proposed to be issued as PFC Bonds or Outstanding CFC Bonds or Additional Bonds proposed to be issued as CFC Bonds.

(b) If the certificate or opinion provided for in paragraph (a) is not filed, in lieu thereof, the following:

(1) a certificate or opinion of an Independent Accountant (i) setting forth, for the last Audited Fiscal Year or for any period of twelve consecutive calendar months out of the eighteen calendar months immediately preceding the delivery of such series of Additional Bonds, as determined by the Independent Accountant, (A) the Net Revenues, Customer Facility Charges pledged to the repayment of any Outstanding CFC Bonds, and Passenger Facility Charges pledged to the repayment of any Outstanding PFC Bonds for such period and

(B) the Debt Service Requirements for such period; and (ii) demonstrating that for such period the sum of the Net Revenues in respect of Outstanding Bonds, and Passenger Facility Charges in respect of only Outstanding PFC Bonds, and Customer Facility Charges in respect of only Outstanding CFC Bonds, equaled at least the amount needed for making the deposits to the several accounts in the Airport Fund required under this Resolution; provided that in making the foregoing calculation the Independent Accountant may take into consideration the Passenger Facility Charges only in the event PFC Bonds are Outstanding and only to the extent of 125% of the annual Debt Service Requirements of such Outstanding PFC Bonds and may take into consideration the Customer Facility Charges only in the event CFC Bonds are Outstanding and only to the extent of 125% the annual Debt Service Requirements of such Outstanding CFC Bonds; and

(2) A certificate of the Consulting Engineer setting forth (a) the estimated date of completion for the Project for which such series of Additional Bonds is being issued and (b) in reasonable detail, an estimate of the costs of the Project; and

(3) A certificate or report from an Independent Airport Consultant, addressed to the City and dated as of a date not more than three (3) months before the date on which the Additional Bonds are issued, (i) stating that in the opinion of such Independent Airport Consultant, based upon reasonable assumptions (which are set forth in the certificate), fees and other charges calculated in accordance with Section 7.11(a) projected to be received following the issuance of the Additional Bonds will be sufficient to produce Net Revenues in respect of all Bonds to be Outstanding upon the issuance of the Additional Bonds, Passenger Facility Charges in respect of only PFC Bonds to be Outstanding upon the issuance of the Additional Bonds, and Customer Facility Charges in respect of only CFC Bonds to be Outstanding upon the issuance of the Additional Bonds, in an amount not less than 125% of the maximum Debt Service Requirements for a Fiscal Year in respect of the Bonds to be Outstanding upon the issuance of the Additional Bonds (including the proposed Additional Bonds but excluding any Bonds not to be Outstanding upon issuance of such Additional Bonds) for each of the three complete Fiscal Years immediately following the most recent Audited Fiscal Year in relation to the date of the computation; provided that in making the foregoing calculation the Independent Airport Consultant may take Passenger Facility Charges and Customer Facility Charges into consideration for these purposes only in the event PFC Bonds or CFC Bonds, respectively, are to be Outstanding upon the issuance of the Additional Bonds and as to proposed Additional Bonds that are PFC Bonds or CFC Bonds only upon satisfaction of paragraph 5.04(c) or 5.04(d), respectively, and in any event only to the extent of 125% of the annual Debt Service Requirements of the Outstanding PFC Bonds and the proposed Additional Bonds that are PFC Bonds and the annual Debt Service Requirements of the Outstanding CFC Bonds and the proposed Additional Bonds that are CFC Bonds, as appropriate. In any event, if capitalized interest is to be applied in the last Fiscal Year of the period consisting of the three complete Fiscal Years described in the preceding sentence, such period will be

extended through the end of the first complete Fiscal Year during which neither capitalized interest nor investment income thereon is projected to be available.

(c) If the Additional Bonds are proposed to be issued as PFC Bonds, in addition to the documents required by paragraph (a) or paragraph (b) of this Section 5.04, as applicable, a certificate signed by the Director of Aviation and Transit stating that the City has submitted an application for Passenger Facility Charges for a Project to be financed by the Additional Bonds that are PFC Bonds, such application has been approved with a copy of the Federal Aviation Administration approval letter or other approval document, and the revenues derived from such passenger facility charges shall constitute Passenger Facility Charges for all purposes of this Resolution and are pledged to the payment of such Additional PFC Bonds to the extent provided herein.

(d) If the Additional Bonds are proposed to be issued as CFC Bonds, in addition to the documents required by paragraph (a) or paragraph (b) of this Section 5.04, as applicable, a certificate signed by the Director of Aviation and Transit stating that such CFC Bonds are to be issued in respect of a Car Rental Facility approved pursuant to the Customer Facility Charge Ordinance.

5.05. Additional Bonds Issued as Refunding Bonds. If the Additional Bonds are issued to refund all or any Bonds or Notes then Outstanding, there is to be filed with the City Clerk and the Registrar:

(a) a report of an Independent Accountant to the effect that either (i) the net proceeds (excluding accrued interest but including any premium) of the Additional Bonds plus any money available and to be withdrawn from the Debt Service Account or the Debt Service Reserve Account for such purpose, together with any other funds deposited for such purpose, will be not less than an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds to be refunded which will become due and payable on or before the Redemption Dates or Stated Maturities thereof; provided that a report of an Independent Accountant shall not be required if the Redemption Date of the Bonds to be redeemed is not more than 90 days after the date of issuance of the Additional Bonds to effect the redemption and the aggregate amount deposited upon issuance of such Additional Bonds is sufficient to pay, without regard to investment earnings thereon, the principal of, premium, if any, and interest on the Bonds to be refunded to the Redemption Date or Stated Maturities thereof, so long as the Original Purchaser of the Additional Bonds delivers to the City on or before the date of issuance of such Additional Bonds a certificate satisfactory to the City certifying that the aggregate amount deposited upon issuance of the Additional Bonds is sufficient to pay, without regard to investment earnings thereon, the principal of, premium, if any, and interest on the Bonds to be refunded to the Redemption Dates or Stated Maturities thereof; or (ii) from the proceeds of the Additional Bonds there shall be deposited in an Escrow Account in trust, Government Obligations which do not permit the redemption thereof at the option of the issuer, the principal of and the interest on which when due and payable (or redeemable at the option of the holder thereof) will provide, together with any other money which shall have been deposited irrevocably in the Escrow Account for such purpose, an amount sufficient to pay, without reinvestment, the principal of, premium, if any, and interest on the Outstanding Bonds to be refunded; or

(b) if the Supplemental Resolution authorizing the issuance of the Additional Bonds provides for the creation of an Escrow Account and provides that amounts in such Escrow Account are pledged only to and may be used only for the payment of the principal of, premium, if any, and interest on the Additional Bonds until the first optional Redemption Date of the Outstanding Bonds to be refunded (at which time such amounts must be transferred to the Debt Service Account and used to pay the principal of, premium, if any, and interest on the Outstanding Bonds to be refunded), a report of an Independent Accountant to the effect that the proceeds of such Additional Bonds to be deposited in such Escrow Account are in an amount sufficient to pay the principal of, premium, if any, and interest on the Additional Bonds payable until the first optional Redemption Date of the Outstanding Bonds to be refunded and to pay the principal of, premium, if any, and interest on all Outstanding Bonds to be refunded on such Redemption Date; or

(c) if (x) the Debt Service Requirements of the Additional Bonds exceed in any Fiscal Year by more than 5% the Debt Service Requirements of the Outstanding Bonds to be refunded or (y) if not all Outstanding Bonds of a series are to be refunded and if the first Stated Maturity of the series of Additional Bonds is earlier than the final Stated Maturity of the Outstanding Bonds of such series not to be refunded, the documents that would be required in respect of such Additional Bonds under Section 5.04(a) or 5.04(b); or

(d) if Additional Bonds are to be issued to refund Outstanding Notes issued under Section 5.07 in anticipation of the issuance thereof, and if the average interest rate on such Additional Bonds exceeds the maximum rate assumed upon the issuance of the Notes under Section 5.07(a), the documents that would be required in respect of such Additional Bonds under Section 5.04(a) or 5.04(b).

5.06. Subordinate Obligations Permitted. Nothing herein prevents the City from issuing subordinate bonds or incurring other obligations having a lien on the Net Revenues subordinate to the lien thereon of Bonds and payable from the Subordinate Obligations Account. Each Subordinate Obligation shall include in its title a word or phrase such as “subordinate” or “junior” or “second lien” and a clear statement that the lien thereof on Net Revenues is subordinate to the lien on all Bonds. No payment of principal of, premium, if any, or interest shall be made on any Subordinate Obligation if the City is then in default in the payment of principal or interest on any Bond, which will not be cured by the issuance of the Subordinate Obligations and no obligations may be issued pursuant to this Section 5.06 if a deficiency exists in the Debt Service Account, the Debt Service Reserve Account, or the Maintenance and Operating Reserve Account which is not to be restored by the issuance of the Subordinate Obligations. Any surplus Net Revenues segregated to pay such Subordinate Obligations are subject to the prior appropriation thereof to the Debt Service Account, the Debt Service Reserve Account, and the Maintenance and Operating Reserve Account if necessary to meet the requirements thereof.

5.07. Notes. The City may from time to time issue Notes in anticipation of the issuance of Additional Bonds subject to the following conditions:

(a) the Additional Bonds in anticipation of which the Notes are issued, assuming a maximum rate of interest on such Additional Bonds, shall be authorized to be issued under Section 5.04,

(b) the payment of interest on the Notes from Net Revenues shall be subordinated to Outstanding Bonds and the principal of the Notes shall be payable solely from the proceeds of the Additional Bonds, unless the City is unable to sell the Additional Bonds, in which case the Notes shall be exchanged for the Additional Bonds on a par-for-par basis bearing interest at the maximum rates assumed under subsection (a) of this Section 5.07, and

(c) the Notes shall have Stated Maturities within two years of their date of issue.

Section 6. Airport Fund and Accounts.

6.01. Continuation of Airport Fund. The City has established a separate fund designated as the Airport Fund, which shall be maintained as a separate bookkeeping account on the official books of the City until all Bonds and interest and redemption premiums due thereon have been fully paid, or the City's obligations with reference to such Bonds has been discharged as provided in Section 10. All proceeds of Bonds and all other funds presently on hand derived from the operation of the Airport and constituting Gross Revenues or Passenger Facility Charges or Customer Facility Charges are irrevocably pledged and appropriated to the Airport Fund. In addition, there is hereby irrevocably pledged and appropriated to the Airport Fund all investment earnings on all funds and accounts within the Fund.

6.02. Accounts. The following accounts have been established and shall be maintained as separate bookkeeping accounts in the Airport Fund:

- a) a Construction Account;
- b) a Revenue Account;
- c) a Maintenance and Operating Account;
- d) a Debt Service Account;
- e) a Debt Service Reserve Account;
- f) a Maintenance and Operating Reserve Account;
- g) a Subordinate Obligations Account;
- h) a Capital Account;
- i) a Passenger Facility Charge Account;
- j) a Customer Facility Charge Account; and
- k) a Rebate Account.

6.03. Construction Account. Within the Construction Account a separate subaccount shall be established for each series of Bonds any part of the proceeds of which are credited to the Construction Account. Upon delivery of the Series 2010A Bonds, the City shall credit to the 2010 Subaccount in the Construction Account, from the proceeds of the Series 2010A Bonds, the sum specified in Section 3.14(c). The Construction Account shall be used only to pay as incurred and allowed Project costs which are capital costs of Projects authorized in accordance with law and herein, including but not limited to payments due for work and

materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, interest accruing on Bonds during the period of construction of facilities financed thereby as described in this section, if and to the extent that the Debt Service Account is not sufficient for payment of such interest, Costs of Issuance, reimbursement of any advances made from other City funds, and all other expenses incurred in connection with the construction and financing of such Projects (collectively, "Project Costs"). To the appropriate subaccount of the Construction Account shall be credited as received all proceeds of Bonds to be applied to the payment of Project Costs and any other funds appropriated by the City for an improvement, betterment or extension to the Airport, any funds received by the City as a grant in aid of construction of the Projects being financed from the proceeds of the Bonds and all income received from the investment of the Construction Account. Upon completion of a Project, the balance remaining in the subaccount of the Construction Account for the Bonds issued to finance that Project, net of any amounts required to be transferred to the Rebate Account as provided in Section 6.13, may be used to pay the cost of other capital improvements to the Airport, if the City receives an opinion of Bond Counsel that the financing of such improvement would not affect the tax exempt status of the Bonds, but if and to the extent not so used shall be transferred to the Debt Service Reserve Account to the extent required to establish the Reserve Requirement therein and, to the extent not so required, to the Debt Service Account.

6.04. Revenue Account. All Gross Revenues and all other revenues required to be deposited, other than any Passenger Facility Charge or Customer Facility Charge, shall be credited as received to the Revenue Account. On each Allocation Date, Gross Revenues in the Revenue Account shall be allocated to the Maintenance and Operating Account, Debt Service Account, Debt Service Reserve Account, Maintenance and Operating Reserve Account, Subordinate Obligations Account, and Capital Account in that order as provided in Sections 6.05 through 6.10 in the respective amounts called for by each such account, as described below. Amounts in the Revenue Account in excess of the requirements of the Maintenance and Operating Account, Debt Service Account, Debt Service Reserve Account, Maintenance and Operating Reserve Account, Subordinate Obligations Account, and Capital Account shall be retained in the Revenue Account and may be used by the City for any lawful purpose of the City relating to the Airport, including, but not limited to, the replacement or renewal or major repair of worn out, obsolete or damaged properties and equipment of the Airport or for improvements or additions to the Airport if so directed by the Council, to pay Maintenance and Operating Expenses, to make transfers to the Rebate Account, if necessary, to redeem Bonds which are subject to redemption according to their terms, to pay principal of or interest on Bonds to the extent of a shortfall in amounts required under Section 6.06 not otherwise satisfied as prescribed below, to make transfers to the Debt Service Reserve Account to the extent of a deficiency therein not otherwise satisfied as prescribed below, to fund the Maintenance and Operating Reserve Account, to fund the Renewal and Replacement Reserve Subaccount, and to fund the General Subaccount. In the event construction and installation of additional improvements or additions to the Airport are financed from Subordinate Obligations, surplus Net Revenues from time to time received may be segregated and paid into the Subordinate Obligations Account for the repayment of Subordinate Obligations and interest thereon, in advance of payments required to be made into the Capital Account, subject to the limitations of Section 5.06 above.

6.05. Maintenance and Operating Account. On and as of each Allocation Date, there shall be credited to the Maintenance and Operating Account, from the balance then on hand

in the Revenue Account, such amount as may be required with any amount then on hand in the Maintenance and Operating Account to pay the Maintenance and Operating Expenses which are then due and payable or will become due and payable before the next Allocation Date (including any amount to be held as a reserve for transfer to the Rebate Account) plus such amount as is reasonably necessary to accumulate in the Maintenance and Operating Account a balance for payment when due of items of Maintenance and Operating Expense not due and payable on a monthly basis. Money in the Maintenance and Operating Account shall be used solely for the payment when due of Maintenance and Operating Expenses and to make transfers to the Rebate Account, if necessary.

6.06. Debt Service Account. There is hereby created in the Debt Service Account a separate subaccount for the Series 2010A Bonds to be denominated the “2010 Debt Service Subaccount.” Upon the issuance of any series of Additional Bonds, the City shall establish a subaccount in the Debt Service Account relating thereto. Money on hand in a subaccount in the Debt Service Account shall be used to pay the principal of, premium, if any, and interest on the Bonds of the series to which such subaccount relates, as further provided in this Section 6.06. If no Bonds of a series are Outstanding, any available funds in the subaccount in the Debt Service Account relating to such series of Bonds shall be transferred to the other subaccounts in the Debt Service Account, pro rata, in proportion to the Debt Service Requirements with respect to each series of Bonds then Outstanding in the then current Fiscal Year.

On and as of each Allocation Date the City shall transfer for deposit in the appropriate subaccounts within the Debt Service Account as follows: (i) with respect to any Outstanding PFC Bonds, from amounts on hand in the Passenger Facility Charges Account an amount equal to one-sixth of the interest due and payable on the next Interest Payment Date or Dates from such account and one-twelfth of the principal, if any, due and payable on the next Principal Payment Date or Dates within the next twelve months on all Outstanding PFC Bonds to the subaccount or subaccounts in the Debt Service Account relating to such PFC Bonds (or if the Outstanding PFC Bonds are payable other than semi-annually as to interest and annually as to principal, an amount per month to accumulate to an amount due on the Interest Payment Date and Principal Payment Date); (ii) with respect to any Outstanding CFC Bonds, from amounts on hand in the Customer Facility Charges Account an amount equal to one-sixth of the interest due and payable on the next Interest Payment Date or Dates from such account and one-twelfth of the principal, if any, due and payable on the next Principal Payment Date or Dates within the next twelve months on all Outstanding CFC Bonds to the subaccount or subaccounts in the Debt Service Account relating to such CFC Bonds (or if the Outstanding CFC Bonds are payable other than semi-annually as to interest and annually as to principal, an amount per month to accumulate to an amount due on the Interest Payment Date and Principal Payment Date); and (iii) from the balance then on hand in the Revenue Account, after the required credit to the Maintenance and Operating Account, an amount equal to one-sixth of the interest due and payable on the next Interest Payment Date or Dates on all Bonds then Outstanding payable from such subaccount and one-twelfth of the principal, if any, due and payable on the next Principal Payment Date or Dates within the next twelve months on all Outstanding Bonds payable from such subaccount (or if the Outstanding Bonds are payable other than semi-annually as to interest and annually as to principal, an amount per month to accumulate to an amount due on the Interest Payment Date and Principal Payment Date), less the amount of any transfer to such subaccount with respect to Outstanding PFC Bonds and Outstanding CFC Bonds made on such

date pursuant to clauses (i) and (ii) respectively of this sentence; provided, however, that on the Allocation Date immediately preceding each Interest Payment Date and each Principal Payment Date the amount to be credited to a subaccount in the Debt Service Account shall be increased or decreased, as the case may be, in order that the balance therein immediately after such credit will equal the total amount due and payable from that subaccount on such Interest Payment Date or Principal Payment Date, and provided further that the allocations to the 2010A Debt Service Subaccount, commencing July 1, 2010 and ending July 1, 2020 shall be in amounts equal to one-sixth of the interest due and payable on each Interest Payment Date and monthly allocations in respect of the payment of principal of the Series 2010A Bonds commence July 1, 2010. If on an Allocation Date, there are not sufficient Gross Revenues remaining after the required credit to the Maintenance and Operating Account to make the deposits required by the immediately preceding sentence to all subaccounts in the Debt Service Account, then the available amount of Gross Revenues shall be credited to the various subaccounts in the Debt Service Account, pro rata, in proportion to the Debt Service Requirements with respect to each series of Bonds then Outstanding in the then current Fiscal Year. Similarly, if on an Allocation Date, there are not sufficient Passenger Facility Charges or Customer Facility Charges to make the deposits required by the first sentence of this paragraph to the subaccounts in the Debt Service Account relating to all Outstanding PFC Bonds and Outstanding CFC Bonds, respectively, then the available amount of Passenger Facility Charges and Customer Facility Charges shall be credited to such subaccounts in the Debt Service Account, pro rata, in proportion to the Debt Service Requirements with respect to each series of PFC Bonds and CFC Bonds, respectively, then Outstanding in the then current Fiscal Year.

Money from time to time held in the Debt Service Account shall be disbursed only to meet payments of principal of, premium, if any, and interest on the Bonds as such payments become due, including payments of principal of, premium, if any, and interest on any Term Bonds on a Sinking Fund Payment Date or the Accreted Amount of Capital Appreciation Bonds (and payments under Credit Facility Obligations); provided that on any date when the balance then on hand in a subaccount in the Debt Service Account, plus the balance then on hand in the Debt Service Reserve Account, if any, is sufficient with other money available for the purpose to pay or discharge all Bonds of that series and the interest accrued thereon in full, and the balance on hand in all other subaccounts in the Debt Service Reserve Account will be at least equal to the Reserve Requirement for all Bonds not to be discharged, it may be used for that purpose.

If any payment of principal, premium or interest becomes due on Bonds when money in the subaccount in the Debt Service Account is insufficient therefor, an amount equal to such deficiency shall be transferred to the subaccount in the Debt Service Account from the Debt Service Reserve Account not less than five Business Days prior to the Interest Payment Date , Principal Payment Date, or both, as the case may be.

Nothing herein shall preclude the City from remitting grant proceeds or other available funds in lieu of or in addition to Passenger Facility Charges or Customer Facility Charges.

6.07. Debt Service Reserve Account. Within the Debt Service Reserve Account there shall be established a separate subaccount for each series of Bonds; the subaccount for the Series 2010A Bonds is denominated the “2010A Debt Service Reserve Subaccount.” Upon

delivery of the Series 2010A Bonds, the City shall credit to the 2010A Debt Service Reserve Subaccount from funds the City has on hand and available therefor, \$764,000. If on any Allocation Date, the balance in a subaccount created in the Debt Service Reserve Account created for any series of PFC Bonds or any series of CFC Bonds is less than the Reserve Requirement related thereto there shall be credited to such subaccount from the balance on hand in the Passenger Facility Charge Account or the Customer Facility Charge Account, as appropriate, after the required credit to the Debt Service Account for Outstanding PFC Bonds under Section 6.11 and for Outstanding CFC Bonds under Section 6.12, an amount sufficient to restore the balance in such subaccount to the Reserve Requirement for such Outstanding PFC Bonds or CFC Bonds, as appropriate; provided, however, that if such balance is insufficient to satisfy all such credits, then such balance shall be apportioned ratably to each such subaccount in proportion to the Reserve Requirement for each series of Outstanding PFC Bonds or CFC Bonds, as appropriate. If on any Allocation Date, after the foregoing allocations are made, the balance in the Debt Service Reserve Account is less than the Reserve Requirement, from the balance on hand in the Revenue Account after the required credits to the Maintenance and Operating Account and the Debt Service Account, there shall be credited to the Debt Service Reserve Account for deposit in the appropriate subaccounts therein an amount sufficient to restore the balance on hand in each of the subaccounts in the Debt Service Reserve Account to the Reserve Requirement for Bonds of the series secured thereby; provided, however, that if such balance is insufficient to satisfy all such credits, then such balance shall be apportioned ratably to each such subaccount in which a deficiency then exists in proportion to the Reserve Requirements for each series of Outstanding Bonds.

If on any Interest Payment Date, Principal Payment Date or Redemption Date the balance on hand in a subaccount in the Debt Service Account relating to a series of Bonds is less than the sum required to pay all principal, Accreted Amount, premium, and interest then due and payable on the Bonds of the series payable therefrom, the City forthwith shall transfer to such subaccount from the Debt Service Reserve Account an amount equal to such deficiency. If such transfer is made, the City shall transfer to the Debt Service Reserve Account an amount equal to the deficiency from funds on hand in the Airport Fund.

If the City issues any Additional Bonds, the City shall from the proceeds of such Additional Bonds or other available funds increase the balance in the Debt Service Reserve Account to the Reserve Requirement, calculated after giving effect to the issuance of such Additional Bonds, simultaneously with the issuance of the Additional Bonds.

Money in the Debt Service Reserve Account shall be used only to pay when due principal of, premium, if any, and interest on Bonds when the balance on hand in the Debt Service Account is insufficient therefor or to pay or defease Bonds as provided in Section 6.06 or Section 10. If at any time (including, but not limited to, any Interest Payment Date, any Principal Payment Date and any Redemption Date), the balance in the Debt Service Reserve Account exceeds the Reserve Requirement, the City shall transfer such excess to the Debt Service Account.

If it is determined upon any valuation of Qualified Investments in the Debt Service Reserve Account as required in Section 6.15, that the value of the Qualified Investments, together with any cash in the Debt Service Reserve Account is less than the Reserve Requirement, the City shall promptly remit from any available funds in the Airport Fund an

amount necessary to cause the balance on hand in the Debt Service Reserve Account to equal the Reserve Requirement. If it is determined upon any valuation of Qualified Investments in the Debt Service Reserve Account that the value of the Qualified Investments, together with any cash in the Debt Service Reserve Account is greater than one hundred percent (100%) of the Reserve Requirement, the amount so determined to be in excess of the Reserve Requirement shall be transferred to the Debt Service Account, except that prior to the Completion Date of a Project any such excess attributable to the series of Bonds that financed such Project shall be transferred to the Construction Account.

6.08. Maintenance and Operating Reserve Account. On and as of each Allocation Date there shall be credited to the Maintenance and Operating Reserve Account, from the balance then on hand in the Revenue Account, after the required credits to the Maintenance and Operating Account, the Debt Service Account, and the Debt Service Reserve Account such amount as is necessary to maintain a balance equal to the Maintenance and Operating Reserve Requirement. Money in the Maintenance and Operating Reserve Account shall be transferred to the Maintenance and Operating Account whenever the balance on hand in the Maintenance and Operating Account is not sufficient to pay all Maintenance and Operating Expenses then due and payable and to make transfers to the Rebate Account if necessary. Further, if the balance on hand in the Debt Service Account is insufficient to pay all Debt Service Requirements then due and payable therefrom after transferring thereto any available amount on hand in the Debt Service Reserve Account and any unencumbered funds retained in the Revenue Account under Section 6.04 above, an amount equal to all or a part of such deficiency may be transferred to the Debt Service Account from the Maintenance and Operating Reserve Account in the same manner as provided in the fourth paragraph of Section 6.06.

6.09. Subordinate Obligations Account. On and as of each Allocation Date there shall be credited to the Subordinate Obligations Account, from the balance then on hand in the Revenue Account, after the required credits to the Maintenance and Operating Account, the Debt Service Account, the Debt Service Reserve Account, and the Maintenance and Operating Reserve Account such amount as may be required to pay Subordinate Obligations, including reasonable reserves therefor, as provided by any Supplemental Resolution or other instrument. Money on hand in the Subordinate Obligations Account shall be transferred to the Maintenance and Operating Account, the Debt Service Account, the Debt Service Reserve Account, or the Maintenance and Operating Reserve Account if at any time the balance on hand in any such accounts, after any transfer elsewhere authorized is not sufficient to pay all costs payable therefrom.

6.10. Capital Account. The Capital Account shall be divided into four subaccounts: a Renewal and Replacement Reserve Subaccount, a General Subaccount, a Passenger Facility Charge Subaccount, and a Customer Facility Charge Subaccount.

(i) Renewal and Replacement Reserve Subaccount. On each Allocation Date, there shall be credited to the Renewal and Replacement Reserve Subaccount in the Capital Account, after the credits or transfers described in Section 6.08, from available Net Revenues such amount as is necessary to establish over a period of six months, or, if previously established, restore over a period of six months commencing on the first Allocation Date after the date of the deficiency arises, assuming approximately equal monthly credits, and thereafter maintain a balance in the Renewal and Replacement Reserve Subaccount equal to the Renewal

and Replacement Reserve Requirement. Money in the Renewal and Replacement Reserve Subaccount shall be used only to pay the cost of necessary and unanticipated or emergency repairs and replacements of Airport property as determined by the Director of Aviation and Transit and to make transfers to the Rebate Account, if necessary. If the balance in the Renewal and Replacement Reserve Subaccount falls below the Renewal and Replacement Reserve Requirement, on each succeeding Allocation Date, there shall be credited to the Renewal and Replacement Reserve Subaccount, after the credits or transfers described in Section 6.08, from available Net Revenues an amount sufficient to restore, over a period of six months in approximately equal monthly credits, the balance in the Renewal and Replacement Reserve Subaccount at the Renewal and Replacement Reserve Requirement. If the balance in the Renewal and Replacement Reserve Subaccount exceeds the Renewal and Replacement Reserve Requirement, the City shall transfer such excess or any portion thereof to the General Subaccount in the Capital Account if required therein, and if not required, to the balance retained in the Revenue Account under Section 6.04.

(ii) General Subaccount. On each Allocation Date there shall be credited to the General Subaccount in the Capital Account from amounts remaining in the Revenue Account after the required credits to the Maintenance and Operating Account, Debt Service Account, and the Debt Service Reserve Account, the Maintenance and Operating Reserve Account, the Renewal and Replacement Reserve Subaccount and any credits to the Subordinate Obligations Account an amount necessary or appropriate to fund budgeted capital improvements for the Airport for the then-current Fiscal Year.

(iii) Passenger Facility Charge Subaccount. On each Allocation Date there shall be credited to the Passenger Facility Charge Subaccount in the Capital Account the balance on hand in the Passenger Facility Charge Account, after the required credits to the Debt Service Account and Debt Service Reserve Account. Moneys on hand in the Passenger Facility Charge Subaccount shall be used to redeem PFC Bonds, which are subject to redemption according to their terms, and to pay principal of and interest on Outstanding PFC Bonds when due thereon to the extent of a deficiency in the Debt Service Account and as required in Section 6.06 or to reimburse the City for or pay any eligible expenditures or to pay the cost of improvements or additions to the Airport or any other costs or expenses if authorized or not prohibited by the Federal Aviation Administration.

(iv) Customer Facility Charge Subaccount. On each Allocation Date there shall be credited to the Customer Facility Charge Subaccount in the Capital Account the balance on hand in the Customer Facility Charge Account, after the required credits to the Debt Service Account and Debt Service Reserve Account. Moneys on hand in the Customer Facility Charge Subaccount shall be used to redeem CFC Bonds, which are subject to redemption according to their terms, and to pay principal of and interest on Outstanding CFC Bonds when due thereon to the extent of a deficiency in the Debt Service Account and as required in Section 6.06 or to reimburse the City for or pay eligible expenditures or to pay the cost of improvements or additions to the Airport or any other costs or expenses as described in or permitted under the Customer Facility Charge Ordinance.

6.11. Passenger Facility Charge Account. Subject to the last sentence of this Section, all Passenger Facility Charges pledged to the repayment of PFC Bonds shall be credited as received into the Passenger Facility Charge Account. Amounts on hand in the Passenger

Facility Charge Account are hereby pledged to the payment of any Outstanding Bonds that are issued as PFC Bonds. On each Allocation Date, so long as any PFC Bonds are Outstanding, the balance on hand in the Passenger Facility Charge Account shall be allocated to the Debt Service Account, the Debt Service Reserve Account, and the Passenger Facility Charge Subaccount in the Capital Account as provided in Sections 6.06, 6.07, and 6.10. If PFC Bonds are not Outstanding or to the extent Passenger Facility Charges are not pledged to the repayment of PFC Bonds, Passenger Facility Charges shall be credited as received directly to the Passenger Facility Charge Subaccount.

6.12. Customer Facility Charge Account. Subject to the last sentence of this Section, all Customer Facility Charges pledged to the repayment of CFC Bonds shall be credited as received into the Customer Facility Charge Account. Amounts on hand in the Customer Facility Charge Account are hereby pledged to the payment of any Outstanding Bonds that are issued as CFC Bonds. On each Allocation Date, so long as any CFC Bonds are Outstanding, the balance on hand in the Customer Facility Charge Account shall be allocated to the Debt Service Account, the Debt Service Reserve Account, and the Customer Facility Charge Subaccount in the Capital Account as provided in Sections 6.06, 6.07, and 6.10. If CFC Bonds are not Outstanding or to the extent Customer Facility Charges are not pledged to the repayment of CFC Bonds, Customer Facility Charges shall be credited as received directly to the Customer Facility Charge Subaccount.

6.13. Rebate Account. A Rebate Account shall be established and maintained as a separate account in the Airport Fund. The City shall make deposits to and disbursements from the Rebate Account or subaccounts therein in accordance with the Rebate Certificate, and shall invest money on hand in the Rebate Account pursuant to the requirements of the Rebate Certificate, and shall deposit income from such investments immediately upon receipt thereof in the Rebate Account.

6.14. Deposit and Investment of Funds. The Financial Services Manager shall cause all money pertaining to the Airport Fund and the Accounts therein to be deposited as received with one or more depository banks duly qualified in accordance with the provisions of M.C.A., Section 7-6-201, as amended, or applied to other lawful investments allowed under M.C.A., Title 7, Chapter 6, Part 2, as amended, or other applicable State law. The balance in such accounts, except such portion thereof as shall be guaranteed by federal deposit insurance, shall at all times be secured to its full amount by bonds or securities of the types set forth in said Sections 7-6-201 or 7-6-202 or other applicable law. Any such money not necessary for immediate use may be deposited with such depository banks in savings or time deposits; provided, however, that money in any particular account shall not be invested for a period of time beyond when it is required to be available for Airport purposes. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Airport Fund authorized in the Resolution; except that money from time to time on hand in the Airport Fund may at any time be deposited or invested in accounts or securities which are permitted by applicable laws of the State. Income from the deposit or investment of money in any account of the Airport Fund must generally be credited as received to that account, and handled and accounted for in the same manner as other money in that account to the limits and unless otherwise prescribed in this Article VI. Amounts on hand in the Debt Service Reserve Account shall be invested in a qualified investment that matures no later than five years from the date the investment is made. Passenger Facility Charges shall be invested as permitted by applicable laws.

6.15. Valuation of Investments. All Accounts invested in Qualified Investments shall be valued semiannually five (5) business days prior to each Interest Payment Date.

For purposes of this Section, the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers selected by the Registrar in its absolute discretion at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest.

Section 7. Covenants.

7.01. General. The City covenants and agrees with the Holders from time to time of all Bonds that the recitals contained in Sections 1.03 and 1.04 are correct; and that until all Bonds are fully discharged as provided in this Resolution, it will continue to hold, maintain and operate the Airport as a public convenience, and will hold the Airport Fund free from all liens thereon or on the income therefrom other than the liens herein granted or provided for, and will maintain, expend and account for its Airport Fund and the several accounts therein as provided in Section 6, and will not incur a further lien or charge on the Gross Revenues of the Airport except upon the conditions and in the manner prescribed in Section 5, and will perform and cause all officers and employees of the City to perform and enforce each and all of the additional covenants and agreements set forth in this Section 7. The City further covenants that it will operate the Airport in an efficient manner with due regard for the interest of the public and at all times will maintain it in good condition, repair and working order. The City may, in accordance with the Act, at any time create a board upon which the Council may, by City Resolution, confer responsibility, subject to this Resolution, for operation, management, maintenance and improvement of the Airport.

7.02. Competing Service. The City will not establish any other aviation or Airport parking facilities in direct competition with the Airport that would result in a reduction of Net Revenues below the minimum to be maintained as provided in Section 7.11.

7.03. Property Insurance. The City will cause all buildings, properties, fixtures and equipment constituting a part of the Airport to be insured with a reputable insurance carrier or carriers, qualified under the laws of Montana, in such amounts as are ordinarily carried, and against loss or damage by such hazards and risks as are ordinarily insured against, by public bodies owning and operating properties of a similar character and size; provided that if at any

time the City is unable to obtain such insurance, it will obtain insurance in such amounts and against such risks as is reasonably obtainable. The proceeds of all such insurance remaining after the payment of the costs and expenses of obtaining such proceeds shall be credited upon receipt to the Construction Account and used in payment of the cost of repairing, restoring or replacing the damaged or destroyed property; provided that, the proceeds of such insurance may, at the discretion of the Council, be applied to effect an extraordinary optional redemption of the Bonds as provided in Section 3.07. If for any reason insurance proceeds are insufficient for the repair, replacement and reconstruction of the insured property and the City has not applied them to an extraordinary optional redemption, the City shall supply the deficiency from other Airport funds available for that purpose. All insurance proceeds received in excess of the amount required for repair, restoration or replacement of the loss or damage or in excess of the amount applied to an extraordinary optional redemption may be transferred to the Capital Account to the extent needed therein and, if not, may be added to the balance retained in the Revenue Account.

7.04. Liability Insurance and Surety Bonds. The City will carry insurance against liability of the City and its employees for damage to persons and property resulting from the operation of the Airport in such amounts as are ordinarily carried, and against loss or damage by such hazards and risks as are ordinarily insured against, by public bodies owning and operating properties of a similar character and size; provided that if at any time the City is unable to obtain such insurance, it will obtain insurance in such amounts and against such risks as is reasonably obtainable. It will also cause all persons handling money and other assets of the Airport Fund to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the City. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby or may at the discretion of the City be applied to effect an extraordinary optional redemption of the Bonds as provided in Section 3.07. The premiums for all insurance and bonds required by this Section and Section 7.03 constitute Maintenance and Operating Expenses, but no liabilities of the City in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Airport Fund.

7.05. Business Interruption Insurance. The City will at all times carry with a responsible insurance company, to the extent not provided for in leases and agreements between the City and others relating to the Airport, insurance covering the loss of revenues from the Airport by reason of necessary interruption, total or partial, in the use thereof, resulting from damage thereto, or destruction thereof, however caused, in such amount as shall be estimated by the City in consultation with the Insurance Consultant to be sufficient to provide a full normal income during the period of suspension subject to certain conditions.

7.06. Disposition of Property. The City will not mortgage, sell or otherwise dispose of any real or personal properties of the Airport, unless:

(a) Prior to or simultaneous with such mortgage, sale or other disposition, all of the Bonds then Outstanding shall be discharged as provided in Section 9; or

(b) (i) if the value of property to be disposed of in any Fiscal Year exceeds \$300,000 on an aggregate basis or \$200,000 for any one item of property, the Director of Aviation and Transit files in the office of the City Clerk a Certificate of a Consulting Engineer or Qualified Real Estate Appraiser if the property to be disposed of is real

property, that the properties to be mortgaged, sold or otherwise disposed of are unserviceable, inadequate, obsolete or are not required for use in connection with the Airport; and that the mortgage, sale or other disposition will not prevent the City from complying with the provisions of the Resolution; or

(ii) if the interest to be conveyed is an easement, and the Director of Aviation and Transit files in the office of the City Clerk a certificate of the Director of Aviation and Transit that the easement will not affect the operation of the Airport or prevent the City from complying with the provisions of the Resolution; or

(iii) if the property is conveyed in compliance with regulations by the Federal Aviation Administration, and the Director of Aviation and Transit files in the office of the City Clerk a certificate of the Director of Aviation and Transit that the transfer will not affect the operation of the Airport or prevent the City from complying with the provisions of the Resolution; or

(iv) the mortgage, sale or other disposition will not prevent the City from complying with the provisions of the Resolution apart from this Section; and

(v) all proceeds of the mortgage, sale or other disposition of such properties are credited to the Airport Fund.

The City may, however, transfer all or a substantial part of the Airport to another body politic and corporate (including without limitation any successor of the City) if such body politic and corporate succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the City with respect to the Airport, or substantially all thereof, including all obligations of the City under the Resolution, if in the Opinion of Bond Counsel such transfer shall not adversely and materially affect the privileges and rights of any Holder of any Outstanding Bond.

7.07. Annual Budgets. By the end of each June, the Director of Aviation and Transit will cause to be prepared a proposed Annual Budget stating the monthly expenditures required for operation and maintenance during that year and the payments required to be made into the Debt Service Account, the Debt Service Reserve Account, the Maintenance and Operating Reserve Account and the Renewal and Replacement Subaccount, and the rates, fees, charges and rentals to be paid and the taxes to be levied, if any, and collected during the year. Copies of the Annual Budget adopted and approved by the City Council and the established rates, fees, charges, rentals and taxes, if any, will be filed with the City Clerk.

7.08. Books and Records. The City will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the Airport, the Gross Revenues derived from its operation, and the segregation and application of the Gross Revenues, the Passenger Facility Charges and the Customer Facility Charges in accordance with this Resolution, in such reasonable detail as may be determined by the City in accordance with generally accepted accounting principles. It will cause such books to be maintained on the basis of a Fiscal Year. The City shall, within 270 days after the close of each Fiscal Year, cause to be prepared a financial report with respect to the Airport for such Fiscal Year. The report shall be prepared at the direction of the Financial

Services Manager in accordance with applicable generally accepted accounting principles applicable to governmental entities and, in addition to whatever matters may be thought proper by the Financial Services Manager to be included therein, shall include the following:

- (a) A statement in detail of the income and expenditures of the Airport for the Fiscal Year, identifying capital expenditures and separating them from Maintenance and Operating Expenses;
- (b) A balance sheet as of the end of the Fiscal Year;
- (c) The balance on hand in each account of the Airport Fund at the end of the Fiscal Year;
- (d) A list of the insurance policies and fidelity bonds in force at the end of the Fiscal Year, setting out as to each the amount thereof, the risks covered thereby, the name of the insurer or surety and the expiration date of the policy or bond; and
- (e) A determination that the report shows full compliance by the City with the provisions of the Resolution during the Fiscal Year covered thereby, including proper segregation of the capital expenditures from Maintenance and Operating Expenses, maintenance of the Reserve Requirement in the Debt Service Reserve Account, and receipt of Net Revenues during such Fiscal Year as herein required, or, if the report reveals that the Net Revenues have been insufficient for compliance with this Resolution, or that the methods used in accounting for such revenues were contrary to any provision of this Resolution, the report shall include a full explanation thereof, together with recommendations for such change in rates or accounting practices or in the operation of the Airport as may be required.

The City shall also have prepared, within 270 days after the close of each Fiscal Year, an audit report prepared by an Independent Accountant in accordance with generally accepted accounting principles and practice with respect to the financial statements and records of the Airport. The audit report shall include an analysis of the City's compliance with the provisions of this Resolution.

7.09. Cost of Insurance and Accounting. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the Gross Revenues shall be payable from the Maintenance and Operating Account.

7.10. Handling of Funds. The employees of the City, under the direction and control of the Director of Aviation and Transit, shall keep books of account and collect the rates, fees, charges and rentals for the services and facilities provided by the Airport and for other money currently receivable on account thereof. All money collected with respect to the Airport shall be deposited as directed by the Financial Services Manager in accordance with the provisions of the Resolution. The Financial Services Manager and Director of Aviation and Transit shall be bonded at all times with a surety company authorized to do business in Montana, in an amount determined by the City Council, to assure the faithful carrying out of their duties. The cost of such fidelity bond or a reasonably allocated share of the costs of any blanket fidelity

bond relating to moneys relating to the Airport shall be considered a Maintenance and Operating Expense.

7.11. Rate Covenant.

(a) The City covenants and agrees that it will at all times fix, impose, charge and collect such rates, fees, charges and rentals for the services, privileges, and facilities provided and made available by the Airport and shall revise the same whenever and as often as may be necessary, so as to produce in each Fiscal Year (i) in respect of Outstanding Bonds, Net Revenues, (ii) in addition in respect of only Outstanding PFC Bonds, Passenger Facility Charges, and (iii) in addition in respect of only Outstanding CFC Bonds, Customer Facility Charges, equal in the aggregate to at least 125% of the Debt Service Requirements of such Bonds for such Fiscal Year (the "Rate Covenant"). For purposes of satisfying the Rate Covenant, the City may take Passenger Facility Charges and Customer Facility Charges into consideration only in the event there are then Outstanding PFC Bonds or Outstanding CFC Bonds, respectively, and the amount of the Passenger Facility Charges or Customer Facility Charges to be taken into consideration is limited to 125% of the Debt Service Requirements for such Fiscal Year of the PFC Bonds or CFC Bonds, respectively.

(b) If the City enters into use agreements with airlines or other private entities, the City covenants it will at all times enforce the provisions thereof and shall at all times enforce its rates and charges and promptly collect the amount payable thereunder and, in the event payment is not made, will take all reasonable and proper steps to enforce collection thereof, including the filing of liens.

(c) If the audited financial statements for any Fiscal Year indicate that the City has not complied with the Rate Covenant, then the City shall either (i) promptly undertake, on its own behalf, a review of the reasons for the failure to comply with the Rate Covenant and make such revisions to its rates, fees, charges and rentals for the services, privileges, and facilities provided and made available by the Airport or methods of operations as it deems necessary to comply with the Rate Covenant and, within sixty (60) days after receipt of the audited financial statements, file with the City Council a certificate of the Director of Aviation and Transit and the Financial Services Manager stating that the revised schedule of rates, rentals and other charges, or changes in methods of operation then in effect are projected to comply with the Rate Covenant; or (ii) within thirty (30) days after the receipt of the audited financial statements for such Fiscal Year, employ an Airport Consultant to review and analyze the financial status, administration and operations of the Airport and to submit to the City, within sixty (60) days thereafter, a written report on the same, including the action which the Airport Consultant recommends should be taken by the City with respect to the revision of its rates, fees, charges and rental and the alteration of its methods of operation or the taking of other action that is projected to produce the Net Revenues required by the Rate Covenant in the immediately following twelve (12) month period. Promptly upon its receipt of the recommendations, the City shall, after giving due consideration to the recommendations, revise its rates, fees, charges and rentals and alter its methods of operation of the Airport, which revisions or alterations need not comply with the Airport Consultant's recommendations, but which are projected to comply with the Rate Covenant.

7.12. Contractual Obligations. The City shall perform all contractual obligations undertaken by it under leases or other agreements with the federal government, under the contract to purchase each series of Bonds with the Original Purchaser thereof, and any other agreements with all other persons relating to the Bonds, the Gross Revenues, the Passenger Facility Charges, the Customer Facility Charges, or the Airport.

7.13. Compliance with PFC Regulations. The City shall comply with all regulations, policies and requirements imposed by the Federal Aviation Administration pertaining to Passenger Facility Charges.

Section 8. Default and Remedies. In the event of default on the part of the City in the prompt and full payment of principal of or interest on any Bond, or in the keeping of any covenant herein contained, and if such default shall continue for a period of sixty (60) days, or if the default is other than the failure to make prompt and full payment of principal of or interest on any Bond and cannot reasonably be cured within sixty (60) days, if the City has failed as soon as reasonably practicable to commence curing such default and prosecuting the cure continuously and diligently to completion, the City will appoint a special superintendent for the Airport, with the power and responsibility to operate the Airport for the City, and to recommend to the Council such revisions of the rates and charges and operating policies as may be necessary to comply with the Resolution, and to assure that the Gross Revenues and Passenger Facility Charges or Customer Facility Charges, if applicable, will be sufficient to pay all principal of and interest on Bonds, and he shall in all things so operate the Airport as to comply fully with all the requirements and provisions of the Resolution. The right of the Holders of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of default as herein outlined, such Holders, subject to the limitations of the following paragraph, shall have the right to proceed at law or in equity, in any form of action which shall to them seem appropriate.

No Holder of any Bond shall have the right to institute any proceeding, judicial or otherwise, for the enforcement of the covenants herein contained, except as provided in this Section. The Holders of not less than 25% in principal amount of the Outstanding Bonds shall have the right, either at law or in equity, through suit, action or other proceedings, to protect and enforce the rights of all Holders of such Bonds and to compel the performance of any and all of the covenants required herein to be performed by the City, and its officers and employees, including but not limited to the fixing and maintaining of rates, fees and charges and the collection and proper segregation of Gross Revenues, the Passenger Facility Charges, and the Customer Facility Charges and the application and use thereof. The Holders of 51% or more in principal amount of Outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Bondholders or the exercise of any power conferred on them and the right to waive a default in the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. Nothing herein, however, shall impair the absolute and unconditional right of the Holder of each Bond to receive payment of the principal of, premium, if any, and interest on such Bond as such principal, premium and interest respectively become due, and to institute suit for any such payment. Any court having jurisdiction of the action may appoint a receiver to administer the Airport on behalf of the City with power to charge and collect rates, fees and charges sufficient to provide for the payment of any Bonds, and to apply the Gross Revenues in conformity with the Resolution and the laws of the State.

Section 9. Supplemental Resolutions.

9.01. Without Bondholder Consent. Notwithstanding Section 9.02 hereof, the City reserves the right to adopt Supplemental Resolutions from time to time and at any time, for the purpose of curing any ambiguity or eliminate any inconsistency herein or of curing, correcting or supplementing any defective provision contained herein, or of making such provisions with regard to matters or questions arising hereunder as the City may deem necessary or desirable and not inconsistent with the Resolution, and which shall not adversely affect the interests of the Holders of Outstanding Bonds, or for the purpose of adding to the covenants and agreements herein contained, other covenants and agreements thereafter to be observed and additional revenues or income thereafter appropriated to the Airport Fund, or for the purpose of surrendering any right or power herein reserved to or conferred upon the City, or for the purpose of preserving the tax-exempt status of any Bonds, or for the purpose of authorizing the creation and issuance of a series of Additional Bonds or authorizing Subordinate Obligations, as provided in and subject to the conditions and requirements of Section 5 hereof. Any such Supplemental Resolution may be adopted, without notice to or the consent of the Holder of any of the Bonds issued hereunder. Without limitation of the meaning or scope of the foregoing sentence, the City reserves the right to issue Additional Bonds payable from or secured in whole or in part by a limited tax levy pursuant to Sections 67-10-402 and 67-11-302, M.C.A., or any successor or amendatory statutes, or a deficiency tax levy pursuant to Section 67-11-303, M.C.A., or any successor or amendatory statutes, without the consent of the Holder of any Bonds issued hereunder.

9.02. With Consent of Bondholders. With the consent of the Holders of a majority in aggregate principal amount of the Outstanding Bonds as provided in Section 9.04, the City may from time to time and at any time adopt a Supplemental Resolution for the purpose of amending the Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions of this Original Resolution or of any Supplemental Resolution, except that no Supplemental Resolution shall be adopted at any time without the consent of the Holders of all Bonds then Outstanding, if it would extend the time of payment of interest thereon, would reduce the amount of the principal or Accreted Amount thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would reduce the sources of revenues or income appropriated to the Airport Fund, or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such Supplemental Resolution.

9.03. Notice. Notice of a Supplemental Resolution to be adopted pursuant to Section 9.02 shall be mailed by the City, by first-class mail, postage prepaid, to the Registrar, to the Holders of all Bonds at their addresses appearing in the Bond Register, and shall become effective only upon the filing with the City Clerk of written consents, signed by the Holders of not less than fifty-one percent in principal amount of the Bonds then Outstanding. Any written consent to the Supplemental Resolution may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Holders in person or by agents duly appointed in writing, and shall become effective when delivered to the City Clerk. Any consent by the Holder of any Bond shall bind that Holder and every future Holder of the same Bond with respect to any Supplemental Resolution adopted by the City pursuant to such consent, provided that any Holder may revoke his consent with reference to any Bond by written notice received by the City Clerk before the Supplemental Resolution has

become effective. In the event that unrevoked consents of the Holders of the required amount of Bonds have not been received by the City Clerk within one year after the mailing of notice of the Supplemental Resolution, the Supplemental Resolution and all consents theretofore received shall be of no further force and effect.

9.04. Manner of Consent. Proof of the execution of any consent, or of a writing appointing any agent to execute the same, or of the ownership by any Person of Bonds, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the City if made in the manner provided in this Section. The fact and date of the execution by any Person of any such consent or appointment may be proved by the affidavit of a witness of such execution or by the certification of any notary public or other officer authorized by law to take acknowledgment of deeds, certifying that the Person signing it acknowledged to him the execution thereof. The fact and date of execution of any such consent may also be proved in any other manner which the City may deem sufficient; but the City may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The ownership of Bonds shall be proved by the Bond Register.

Section 10. Defeasance.

10.01. General. When the liability of the City on any Bond and all interest thereon has been discharged as provided in this Section, such Bond shall no longer be deemed Outstanding and all pledges, covenants and other rights granted by this Resolution to the Holders of such Bond shall cease (except as to rights hereunder of Holders to receive payments of principal of and interest on the Bonds, as beneficiaries hereof with respect to the amounts, if any, deposited with the Paying Agent).

10.02. At Maturity. The City may discharge its liability with reference to any Bond and interest thereon by depositing with the Paying Agent for such Bonds on or before the Stated Maturity of such Bond a sum sufficient for the payment in full of the principal thereof and all interest due and payable thereon on and prior to its Stated Maturity; or if any Bond or interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Paying Agent a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

10.03. Upon Redemption. The City may also discharge its liability with reference to any Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Paying Agent on or before that date an amount equal to the principal, interest, Accreted Amount and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

10.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in an Escrow Account, cash or Government Obligations authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, Accreted Amount, interest and redemption premiums, if any, to become due on such Bonds at their Stated Maturities or, if such Bonds are subject to

redemption and notice of redemption thereof has been given or irrevocably provided for, to such earlier Redemption Date.

Section 11. Tax Matters.

11.01. General Covenant. The City covenants and agrees with the Holders from time to time of the Series 2010A Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2010A Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the “Regulations”), and covenants to take any and all actions within its powers to ensure that the interest on the Series 2010A Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

The City provides as follows:

- (a) the Series 2010A Bonds are being issued as “exempt facility bonds” pursuant to Section 142(a)(1) of the Code, the facilities being refinanced by the Series 2010A Bonds, including any leased facilities, are owned by the City within the meaning of Section 142(b) of the Code, and 95% or more of the net proceeds of the Series 2010A Bonds will be used to provide or refinance airport facilities owned by the City;
- (b) the City was not required to obtain a volume allocation for the Series 2010A Bonds pursuant to Section 146(g) of the Code;
- (c) the remaining estimated useful life of the airport facilities refinanced by the Series 2010A Bonds is not less than 20 years;
- (d) no portion of the proceeds of the Series 2010A Bonds will be used to provide any of the facilities described in Section 147(e) of the Code;
- (e) the public approval requirements of Section 147(f) of the Code, relating to the refunding effected by the Series 2010A Bonds, have been satisfied with respect to the Series 2010A Bonds; and
- (f) as required by Section 147(g) of the Code, no more than 2% of the proceeds of the Series 2010A Bonds will be used to finance issuance costs of the Series 2010A Bonds.

11.02. Arbitrage Certification. The Mayor, the City Clerk and the Financial Services Manager, being the officers of the City charged with the responsibility for issuing the Series 2010A Bonds pursuant to this Original Resolution, are authorized and directed to execute and deliver to the Original Purchaser thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2010A Bonds, it is reasonably expected that the proceeds of the Series 2010A Bonds will be used in a manner that would not cause the Series 2010A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

11.03. Arbitrage Rebate. The City acknowledges that the Series 2010A Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Treasury Regulations to preserve the exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes. In furtherance of the foregoing, the Financial Services Manager is hereby authorized and directed to execute a Rebate Certificate, substantially in the form of the Rebate Certificate currently on file in the office of the City Clerk, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

11.04. Information Reporting. The City shall file with the Secretary of the Treasury, not later than November 15, 2010, a statement concerning the Series 2010A Bonds containing the information required by Section 149(e) of the Code.

Section 12. Continuing Disclosure.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Series 2010A Bonds and the security therefor and to permit the Original Purchaser and other participating underwriters in the primary offering of the Series 2010A Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Series 2010A Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Series 2010A Bonds. The City through the Airport Fund is the only "obligated person" in respect of the Series 2010A Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

If the City fails to comply with any provisions of this Section, the Owners of any Outstanding Bonds may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this Section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Section constitute a default under the Series 2010A Bonds or under any other provision of this Resolution.

As used in this Section, "Owner" or "Bondowner" means, in respect of a Series 2010A Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any "Beneficial Owner" (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding

Series 2010A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB, on or before 270 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2011, the following financial information and operating data in respect of the City (the “Disclosure Information”):

(A) the audited financial statements of the City (or the Airport if separate audited financial statements are prepared) for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the Financial Services Manager of the City; and

(B) Information of the type set forth below, which information may be unaudited, but is to be certified as to accuracy and completeness in all material respects by the City’s Financial Services Manager to the best of his or her knowledge, which certification may be based on the reliability of information obtained from governmental or other third party sources:

1. Information, for such fiscal year, of the type contained in the table under the caption “Historical & Historical Pro Forma Debt Service Coverage” in the Official Statement;

2. Information, for such fiscal year, of the type contained in the tables under the captions “The Airport—Operations at the Airport—Historical Airline Market Shares,” and “The Airport—Destinations—Historical Passenger Airline Traffic” in the Official Statement; and

3. Information, for such fiscal year, relating to the Airport and updating the operating results of the Airport of the type contained in the tables in Appendix A to the Official Statement.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the MSRB as described under subsection (c). If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify in the Disclosure Information each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the Airport have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2010A Bonds:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults, if a Material Fact;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions, the issuance by the Internal Revenue System of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the

tax status of the Series 2010A Bonds, or other event affecting the tax-exempt status of the security that is a Material Fact;

(G) Modifications to rights of security holders, if a Material Fact;

(H) Bond calls, if a Material Fact, and tender offers;

(I) Defeasances;

(J) Release, substitution, or sale of property securing repayment of the securities, if a Material Fact; and

(K) Rating changes;

(L) Bankruptcy, insolvency, receivership or similar event of the obligated person; provided that such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;

(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) Appointment of a successor or additional trustee or the change of name of a trustee, if a Material Fact.

As used herein, a “Material Fact” is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Series 2010A Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a “Material Fact” is also an event that would be deemed “material” for purposes of the Rule.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this Section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this Section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information or the

audited financial statements, if any, furnished pursuant to subsection (b)(1) are prepared; and

(E) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

(1) the information described in paragraph (1)(B), (2) and (3) of subsection (b), to the MSRB via the Electronic Municipal Market Access System (“EMMA”) operated by the MSRB or in a manner as may be otherwise proscribed by the MSRB consistent with the Rule; and

(3) the information described in subsection (b), to any rating agency then maintaining a rating of the Series 2010A Bonds and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(4) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this Section shall remain in effect so long as any Series 2010A Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this Section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this Section will not cause participating underwriters in the primary offering of the Series 2010A Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This Section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Series 2010A Bonds, by a resolution of this Council filed in the office of the City Clerk of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the Airport or the type of operations conducted by the Airport, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this Section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Series 2010A Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and

assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This Section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

(e) Further Limitation of Liability of City. In and to the extent the limitations of liability contained in subsection (a) are not effective, anything contained in this Section to the contrary notwithstanding, in making the agreements, provisions and covenants set forth in this Section, the City has not obligated itself except with respect to the Net Revenues. None of the agreements or obligations of the City contained herein shall be construed to constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions whatsoever or constitute a pledge of the general credit or taxing powers of the City.

Section 13. Transcript Certification. The officers of the City are directed to furnish to Bond Counsel and the Original Purchaser of the Series 2010A Bonds certified copies of all proceedings and information in their official records relevant to the authorization, sale, execution and issuance of the Series 2010A Bonds, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Series 2010A Bonds, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the City as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

Section 14. Miscellaneous.

14.01. Effective Date. This Resolution shall become effective upon its passage and all provisions of ordinances, resolutions and other actions and proceedings of the City which are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

14.02. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be observed or performed by the City shall be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements or the covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds; and the Bondholders shall retain all rights and benefits accorded them under any applicable provisions of law.

14.03. Benefits of the Bond Resolution Limited to Parties. Nothing contained herein, express or implied, is intended to give any Person other than the City and the Bondholders any right, remedy, or claim under or by reason hereof. Any agreement, promise or covenant contained or required herein to be made or performed by or on behalf of the City or any officer or employee thereof shall be for the sole and exclusive benefit of the City and the Bondholders.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 26th day of July, 2010.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk

EXHIBIT A

[Form of the Series 2010A Bonds]

UNITED STATES OF AMERICA  
STATE OF MONTANA  
COUNTY OF YELLOWSTONE

**CITY OF BILLINGS**

AIRPORT REVENUE REFUNDING BOND  
SERIES 2010A

No. \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate	Principal Payment Date	Date of Original Issue	CUSIP
%	July 1,	July 28, 2010	090098

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100

The City of Billings (the “City”), a duly organized political subdivision and city of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the registered holder identified above or registered assigns, solely from the Net Revenues of the Airport in the Debt Service Account of its Airport Fund, the principal amount specified above on the Principal Payment Date specified above, or, if this Bond is redeemable as stated below, on an earlier date on which it shall have been duly called for redemption, upon presentation and surrender hereof at the principal office of U.S. Bank National Association, of Seattle, Washington, at its operations center in St. Paul, Minnesota, as Bond Registrar and Paying Agent (the “Registrar”), or duly appointed successor, and promises to pay interest thereon, but only from the same source, from July 28, 2010, or from such later date to which interest has been paid or duly provided for, until the principal amount hereof is paid or until this Bond, if redeemable, has been duly called for redemption, at the annual interest rate specified above. Interest is payable semiannually on January 1 and July 1 in each year, commencing January 1, 2011, to the registered holder of this Bond as such appears of record 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 (the “Record Date”). Interest so payable and punctually paid or provided for on any Interest Payment Date will be paid to the Person in whose name this Bond is registered at the close of business on the Record Date for such interest. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar

shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of a duly authorized issue of Bonds of the City designated as “Airport Revenue Bonds” (collectively, the Bonds), issued and to be issued in one or more series under, and all equally and ratably secured by, a resolution adopted by the City Council on July 26, 2010 (the “Resolution”), to which Resolution, copies of which are on file with the City and Bond Registrar, reference is hereby made for a description of the nature and extent of the security, the conditions under which Additional Bonds may be issued on a parity with the Series 2010A Bonds, the conditions under which the Resolution may be amended and the rights of the Holders of the Bonds. Terms used with initial capital letters but not defined in this Bond shall have the meanings given them in the Resolution. As provided in the Resolution, the Bonds are issuable in series which may vary as in the Resolution provided or permitted. Additional Bonds may be issued on a parity as to Net Revenues with the Series 2010A Bonds, and such Additional Bonds may as well be CFC Bonds or PFC Bonds. This Bond is one of the series specified in its title (the “Series 2010A Bonds”), issued in the aggregate principal amount of \$7,640,000, all of like date of original issue and tenor except as to serial number, denomination, interest rate, date, and maturity date. The Series 2010A Bonds are issued by the City for the purpose of refunding the Airport Revenue Bonds, Series 2000, of the City maturity in 2011 and thereafter, and paying costs of issuing the Series 2010A Bonds and of the refunding.

The Series 2010A Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Montana, particularly Montana Code Annotated, Title 67, Chapter 11, Parts 3 and 4, as amended (the “Act”), and the home rule charter of the City, and pursuant to the Resolution. The Bonds are payable solely, equally and ratably from the Net Revenues of the Airport, as defined in the Resolution and which by the Resolution are pledged to the Debt Service Account of the Airport Fund. The Series 2010A Bonds are not general obligations of the City and the City’s general credit and taxing powers are not pledged to the payment of the Series 2010A Bonds or the premium, if any, or interest thereon. The Series 2010A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions.

The Series 2010A Bonds are not subject to redemption at the option of the City prior to their Stated Maturities, except as provided below in this paragraph. The Bonds, including the Series 2010A Bonds, are subject to redemption prior to maturity by the City, to the extent of available Net Proceeds of insurance or condemnation, in the event: (1) the Airport or any portion thereof is damaged, destroyed or condemned, (2) the Net Proceeds of insurance or condemnation received in connection therewith exceed the greater of (a) three percent of property, plant and equipment assets of the Airport or (b) \$500,000, and (3) the City elects to have all or any part of such Net Proceeds applied to the prepayment of the Bonds. If called for redemption in any such event, the Bonds shall be subject to redemption in whole at any time, or in part on any interest payment date, and if in part, from series and by maturities designated by the City (and, if less than all of a maturity is being redeemed, by lot or other manner deemed fair by the Registrar within a maturity) at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium.

The City shall give notice of redemption, stating the amount, the serial numbers, the CUSIP numbers, the interest rates and the Stated Maturities of the Series 2010A Bonds or portions thereof called for redemption to the Registrar at least forty-five days prior to the date of redemption. The Registrar shall, at least thirty days prior to the designated redemption date, cause notice of redemption to be mailed by first class mail to the Holder of each Series 2010A Bond to be redeemed; provided, that any defect in or failure to give such mailed notice shall not affect the validity of proceedings for the redemption of any Series 2010A Bond not affected thereby. Series 2010A Bonds in a denomination greater than \$5,000 principal amount may be redeemed in part, in integral multiples of \$5,000 principal amounts. Upon partial redemption of any Series 2010A Bond, and upon presentation of that Series 2010A Bond at the operations center of the Bond Registrar, a new Series 2010A Bond or Bonds will be delivered to the registered holder without charge, representing the unredeemed principal amount outstanding.

This Bond is a negotiable investment security as provided in the Montana Uniform Commercial Code. As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the operations center of the Bond Registrar, by the registered holder hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered holder or his attorney; and may also be surrendered in exchange for Series 2010A Bonds of other authorized denominations. Upon such transfer or exchange, the City will cause a new Series 2010A Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, as applicable, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax or governmental charge required to be paid with respect to such transfer or exchange.

The City, the Bond Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the City will prescribe and collect rates, fees and charges for all privileges and facilities afforded by the Airport, including all additions thereto and replacements and improvements thereof, and has created a special Airport Fund into which the Gross Revenues (which have the particular meaning prescribed by the Resolution) of the Airport will be paid, and a separate and special Debt Service Account in the Airport Fund, into which will be paid monthly, from and as a first and prior lien on the Net Revenues (which have the particular meaning prescribed in the Resolution) then on hand an amount not less than one-sixth of the interest due and payable on all Outstanding Bonds within the next six months and one-twelfth of the principal on all Outstanding Bonds due and payable within the next twelve months; that from money on hand the City will credit to the Debt Service Reserve Account of the Airport Fund the sum of \$764,000 in satisfaction of the Reserve Requirement in respect to the Series 2010A Bonds; that the City has agreed thereafter to credit to the Debt Service Reserve Account from the Net Revenues or other available funds, after credits to the Debt Service Account, amounts necessary to maintain the amount in the Debt Service Reserve Account at the Reserve Requirement; that the Debt Service Account and Debt Service Reserve Account will be used only to pay the principal and interest on the Series 2010A Bonds and any Additional Bonds; that the rates, fees, rentals and charges for the Airport will from time to time be made and kept sufficient to produce in each Fiscal Year (i)

in respect of Outstanding Bonds, Net Revenues (ii) in addition in respect of only Outstanding PFC Bonds, Passenger Facility Charges, and (iii) in addition in respect of only Outstanding CFC Bonds, Customer Facility Charges, equal in the aggregate to at least 125% of the Debt Service Requirements of such Bonds for such Fiscal Year; that the City may issue Subordinate Obligations to the extent described in the Resolution; that the City has also agreed to pay promptly the reasonable and current expenses of operating and maintaining the Airport and to provide reserves for such operation and maintenance and for the repair and replacement of the Airport; that Additional Bonds may be issued and made payable from the Airport Fund on a parity as to Net Revenues with the Series 2010A Bonds only upon satisfaction of certain conditions set forth in the Resolution; that the City may issue Additional Bonds that are PFC Bonds or CFC Bonds that are payable from Passenger Facility Charges and Customer Facility Charges, respectively, in addition to Net Revenues; that all provisions for the security of the owner of this Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the home rule charter and the ordinances and resolutions of the City to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding special obligation of the City according to its terms have been done, do exist, have happened and have been performed as so required; and that the principal and interest due on this Bond are payable solely from the Net Revenues of the Airport pledged and appropriated thereto and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2010A Bonds does not cause either the general or the special indebtedness of the City to exceed any constitutional, statutory or charter limitation.

This Series 2010A Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Billings, Montana, by its City Council, has caused this Bond and the certificate on the reverse hereof to be executed by the facsimile signatures of its Mayor, City Clerk and Financial Services Manager.

(Facsimile Signature)  
Mayor

(Facsimile Signature)  
City Clerk

(Facsimile Signature)  
Financial Services Manager

Dated:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Airport Revenue Refunding Bonds, Series 2010A, delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION  
as Bond Registrar and Paying Agent

By \_\_\_\_\_  
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants  
in common

UTMA . . . . . Custodian . . . . .  
(Cust) (Minor)

TEN ENT -- as tenants  
by the entireties

under Uniform Transfers to  
Minors Act . . . . .  
(State)

JT TEN -- as joint tenants with  
right of survivorship  
and not as tenants in  
common

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

PLEASE INSERT SOCIAL SECURITY  
OR OTHER IDENTIFYING NUMBER  
OF ASSIGNEE:

\_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular without alteration, enlargement or any change whatsoever.

SIGNATURE GUARANTEE

\_\_\_\_\_

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Bond Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

**Regular City Council Meeting**

**Date:** 07/26/2010

**TITLE:** Quarterly Report for Pledged Collateral

**PRESENTED BY:** Teri Walker, City Hall Administration

**Department:** City Hall Administration

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**Information**

**PROBLEM/ISSUE STATEMENT**

Deposit-type securities (i.e., certificates of deposit) shall be collateralized according to Montana Code Annotated Section 7-6-207.

On March 31, 2010, the City had certificate of deposits at First Interstate Bank for \$2,530,883.56; \$7,133,169 invested in the U.S. Bank Municipal Investor Accounts; and \$24,356,566.58 in the US Bank Repurchase Account. The City has \$11,500,000 in two certificates of deposit at US Bank, Billings.

Because First Interstate Bank and US Bank's net worth ratios to total assets ratio are over 6%, the City is required to have a minimum of 50% of the deposits covered by pledged securities. First Interstate Bank has collateralized the City's deposits with 99% in pledged securities. US Bank has collateralized the City's Municipal Investor Account and two certificates of deposit with 159% in pledged securities. The Repurchase Account is collateralized with 102% in pledged securities.

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the quarterly report for pledged collateral; or
- Not approve the quarterly report for pledged collateral

**FINANCIAL IMPACT**

There is no financial impact to the City.

**RECOMMENDATION**

Staff recommends that Council approve the quarterly report for pledged collateral

**APPROVED BY CITY ADMINISTRATOR**

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**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Payment of Claims June 30, 2010.

**PRESENTED BY:** Pat M. Weber, Financial Services Manager

**Department:** City Hall Administration

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**Information**

**PROBLEM/ISSUE STATEMENT**

Claims in the amount of \$2,178,569.89 have been audited and are presented for your approval for payment. A complete listing of the claims dated June 30, 2010, is available in the Finance Department.

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the payment of claims; or
- Not approve the payment of claims.

**FINANCIAL IMPACT**

Claims have a varying impact on department budgets, but are submitted by the departments and reviewed by Finance staff before being sent to the Council.

**RECOMMENDATION**

Staff recommends that Council approve Payment of Claims.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

List of claims greater than \$2500

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CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
06/30/2010	733509	ACTIVE TRANSPORTATION ALTERNAT	20644			5,667.00	
240-4301-419.72-14	06/17/2010	JUNE 2010	ALT MODES JUNE	275585	12/2010	5,667.00	
06/30/2010	733510	ADAMSON POLICE PRODUCTS	19003			2,712.00	
150-2140-421.22-70	06/22/2010	PRIOR YEAR ENCUMBRANCES	AMUNITION	274856	12/2010	2,712.00	
06/30/2010	733525	BALCO UNIFORM CO INC	6003			2,760.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	BELT	274639	12/2010	22.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	BELT	274639	12/2010	36.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	DUTY	274639	12/2010	132.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	DUTY	274639	12/2010	132.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	FRISKMASTER	274639	12/2010	56.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	HOLSTER	274639	12/2010	180.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	HOLSTER	274639	12/2010	43.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	JACKET	274639	12/2010	284.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	L/S SHIRT	274639	12/2010	144.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	L/S SHIRT	274639	12/2010	387.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	L/S SHIRT	274639	12/2010	129.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	LIGHTWEIGHT	274639	12/2010	18.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	MAG	274639	12/2010	29.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	PATCH	274639	12/2010	56.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	RAIN	274639	12/2010	73.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	RAIN	274639	12/2010	132.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	S&H	274639	12/2010	56.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	S/S SHIRT	274639	12/2010	111.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	S/S SHIRT	274639	12/2010	333.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	SHOULDER	274639	12/2010	37.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	TIE	274639	12/2010	15.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	TROUSER	274639	12/2010	228.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	TROUSER	274639	12/2010	58.00	
150-2112-421.22-60	06/24/2010	MISC SERVICES	WOOL	274639	12/2010	69.00	
06/30/2010	733540	BILLINGS DEPOT INC	11948			12,416.67	
660-3110-431.53-11	06/29/2010	MONTHLY RENT	JULY	275971	12/2010	4,966.67	
670-3141-489.53-11	06/29/2010	MONTHLY RENT	JULY	275971	12/2010	7,450.00	
06/30/2010	733546	BILLINGS TOURISM	19895			354,016.25	
779-1576-415.76-79	06/25/2010	MISC SERVICES	MAY/JUNE 10	275856	12/2010	354,016.25	
06/30/2010	733556	BROWN AND CALDWELL	18626			2,716.72	
421-0000-201.10-00	06/29/2010	WO0811 WWTP ADMIN A/C	RET RELEASE	257862	12/2010	22.52	
503-7591-609.93-40	06/29/2010	WO0825 ZONE 3 RESRVR	14	264675	12/2010	2,694.20	
06/30/2010	733561	BUSINESS TAX SECTION	2449			5,798.70	
411-7151-713.92-90	06/18/2010	MISC SERVICES	273906-3	273906	12/2010	488.32	
411-7151-713.92-90	06/18/2010	MISC SERVICES	273906-3	273906	12/2010	268.76	
562-7120-711.92-90	06/23/2010	MISC SERVICES	274776-1	274776	12/2010	60.35	
505-7515-609.36-71	06/24/2010	WATER SERVICE REPAIRS	930288	274213	12/2010	252.50	
505-7515-609.36-71	06/24/2010	WATER SERVICE REPAIRS	242178	274881	12/2010	93.66	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
416-7493-603.92-20	06/29/2010	WO0426 ZONE 4 RESERVR	4	267953	12/2010	2,395.87	
416-7493-603.92-20	06/29/2010	WO0426 ZONE 4 RESERVOIR	9	267994	12/2010	1,079.68	
210-3110-431.93-11	06/29/2010	WO0830 POLY DRIVE	CO#1	270377	12/2010	9.52-	
210-3110-431.93-11	06/29/2010	WO0830 POLY DRIVE	CO#1	270377	12/2010	9.52	
421-8493-623.93-40	06/29/2010	WO0822 WWTP DISINFECTION	2	272597	12/2010	1,159.56	
06/30/2010	733568	CB & I INC	20708			237,191.09	
416-7493-603.92-20	06/29/2010	WO0426 ZONE 4 RESRVR	4	267952	12/2010	237,191.09	
06/30/2010	733575	COMMUNITY LAWN CARE	19988			3,255.75	
10-5112-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	461.50	
10-5112-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	136.00	
10-5112-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	86.00	
10-5112-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	861.00	
10-5112-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	68.00	
10-5112-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	70.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	240.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	280.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	105.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	98.75	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	51.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	301.50	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	235.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	197.00	
872-5198-452.36-50	06/24/2010	LAWNCARE SERVICES	LAWNCARE	275661	12/2010	65.00	
06/30/2010	733586	DELL MARKETING LP	18175			4,452.10	
512-8400-623.29-25	06/24/2010	MISC SERVICES	XDRFC2D83	275793	12/2010	4,452.10	
06/30/2010	733589	DIXIE PETRO-CHEM	1055			7,996.00	
502-0000-141.00-00	06/17/2010	WATER PARTS AND SUPPLIES	7270020810		12/2010	2,392.00	
10-5126-451.22-90	06/21/2010	CHLORINE	72700195-10	275603	12/2010	1,633.75	
10-5126-451.22-90	06/21/2010	CHLORINE	72700196-10	275603	12/2010	980.25	
502-0000-141.00-00	06/22/2010	WATER PARTS AND SUPPLIES	7270021010		12/2010	2,990.00	
06/30/2010	733591	DOWNTOWN BILLINGS BID, INC.	19065			65,362.11	
780-1575-415.76-80	06/25/2010	MISC SERVICES	MAY/JUNE 10	275857	12/2010	64,649.61	
521-1591-493.24-50	06/29/2010	BIKE RACKS	135	275962	12/2010	237.50	
521-1592-493.24-50	06/29/2010	BIKE RACKS	135	275962	12/2010	237.50	
521-1593-493.24-50	06/29/2010	BIKE RACKS	135	275962	12/2010	237.50	
06/30/2010	733596	EBMS	20398			62,306.83	
627-1752-417.35-12	06/28/2010	ADMIN FEES			12/2010	16,664.00	
627-1752-417.35-15	06/28/2010	SPECIFIC PREM			12/2010	31,732.53	
627-1752-417.51-61	06/28/2010	CARE LINK FEE			12/2010	7,050.30	
627-1752-417.35-11	06/28/2010	FLEX ADMIN FEE			12/2010	2,090.00	
627-1752-417.35-15	06/28/2010	PRO FEE			12/2010	3,454.50	
627-1752-417.35-13	06/28/2010	SCRIPTS			12/2010	1,315.50	
06/30/2010	733600	ENGINEERING INC	19356			17,725.00	
211-3136-433.23-40	06/17/2010	PAINT, COATINGS, WALLPAPER	I0169858/010048	275492	12/2010	17,725.00	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
513-0000-201.10-00	06/29/2010	WO0823 WEST WICKS LANE	RET CORRECTION	263361	12/2010	.01	
513-8591-625.93-40	06/29/2010	WO0823 WEST WICKS LANE	RET CORRECTION		12/2010	.01-	
06/30/2010	733606	FERGUSON ENTERPRISES INC	20100			3,898.30	
502-0000-141.00-00	06/28/2010	SYSTEMS	05411951		12/2010	1,971.65	
502-0000-141.00-00	06/28/2010	SYSTEMS	0543105		12/2010	1,926.65	
06/30/2010	733607	JANICE FEYE-STUKAS	21222			5,000.00	
260-5511-455.35-88	06/18/2010	PARMLY BILLINGS LIBRARY	INVOICE #1	275590	12/2010	5,000.00	
06/30/2010	733609	FIRST INTERSTATE BANK	1303			7,224.49	
723-6595-465.62-00	06/23/2010	MISC SERVICES	1100216095	275741	12/2010	7,224.49	
06/30/2010	733617	GILLIG CORPORATION	18154			3,162.04	
601-0000-141.71-41	06/25/2010	MP	4630685		12/2010	275.00	
601-0000-141.71-41	06/25/2010	MP	4630245		12/2010	2,887.04	
06/30/2010	733629	HAWKINS WATER TREATMENT GROUP	10848			3,717.16	
10-5126-451.22-90	06/21/2010	POOL CHEMICALS	3125872	275607	12/2010	3,717.16	
06/30/2010	733631	HDR INC	1544			35,734.88	
513-8491-623.93-90	06/22/2010	WO1009 WWTP T-5 TRSFRMR	4/206008-H	273263	12/2010	912.53	
503-7491-603.93-90	06/22/2010	WO10-11 WTP HIGH SRVC	3/206014-H	273326	12/2010	5,499.13	
416-7493-603.92-20	06/29/2010	WO0426 ZONE 4 & 5 RESVR	40B	247294	12/2010	13,313.02	
421-8493-623.93-40	06/29/2010	WO0822 WWTP DISINFECTION	16	263835	12/2010	16,010.20	
06/30/2010	733633	HELENA CHEMICAL COMPANY	15126			4,344.00	
561-7113-711.36-50	06/29/2010	INVOICE #43675325	43675325	F11187	12/2010	4,344.00	
06/30/2010	733636	HKM ENGINEERING INC	10883			7,656.41	
210-5151-452.93-90	06/29/2010	WO0307 ALKALI CR TRAIL	43	250043	12/2010	6,628.92	
490-5161-452.93-70	06/29/2010	WO0307 ALKALI CR TRAIL	43	250043	12/2010	1,027.49	
06/30/2010	733654	INGRAM BOOK COMPANY	1820			8,079.71	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	061710	273700	12/2010	17.86	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51636235	273700	12/2010	7.77	
260-5519-455.33-33	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51636237	273700	12/2010	102.48	
260-5519-455.33-33	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51646919	273700	12/2010	10.17	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51646920	273700	12/2010	555.09	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717132	273700	12/2010	50.47	
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717133	273700	12/2010	23.10	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717134	273700	12/2010	8.40	
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717135	273700	12/2010	86.48	
260-5519-455.33-33	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717136	273700	12/2010	4.71	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717137	273700	12/2010	31.50	
260-5519-455.32-23	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717138	273700	12/2010	19.77	
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717138	273700	12/2010	452.70	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717139	273700	12/2010	205.68	
260-5519-455.32-41	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717140	273700	12/2010	35.95	
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717141	273700	12/2010	29.15	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
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260-5519-455.32-42	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717142	273700 12/2010 130.14
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717143	273700 12/2010 126.68
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717144	273700 12/2010 17.97
260-5519-455.33-82	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717145	273700 12/2010 33.28
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717146	273700 12/2010 9.57
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51717147	273700 12/2010 13.79
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51766738	273700 12/2010 14.16
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51766739	273700 12/2010 14.99
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51766740	273700 12/2010 8.39
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51766741	273700 12/2010 13.54
260-5519-455.32-41	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51766741	273700 12/2010 53.35
260-5519-455.32-41	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772937	273700 12/2010 11.97
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772938	273700 12/2010 10.17
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772939	273700 12/2010 10.00
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772940	273700 12/2010 13.57
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772942	273700 12/2010 29.39
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772944	273700 12/2010 170.94
260-5519-455.32-42	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51772945	273700 12/2010 16.49
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51783089	273700 12/2010 36.40
260-5519-455.32-41	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51783090	273700 12/2010 36.75
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853687	273700 12/2010 15.93
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853690	273700 12/2010 15.33
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853691	273700 12/2010 39.64
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853692	273700 12/2010 9.43
260-5519-455.32-41	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853693	273700 12/2010 30.05
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853694	273700 12/2010 46.50
260-5519-455.32-42	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853695	273700 12/2010 42.98
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853696	273700 12/2010 77.23
260-5519-455.33-82	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853697	273700 12/2010 30.29
260-5519-455.32-55	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853698	273700 12/2010 6.59
260-5519-455.32-26	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853699	273700 12/2010 9.58
260-5519-455.32-55	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853700	273700 12/2010 5.99
260-5519-455.32-20	06/17/2010	PUBLICATIONS/AUDIOVISUAL	51853701	273700 12/2010 14.74
260-5519-455.33-33	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51772941	273700 12/2010 11.74
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51772943	273700 12/2010 97.28
260-5519-455.33-33	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51783087	273700 12/2010 9.42
260-5519-455.32-20	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51783088	273700 12/2010 25.00
260-5519-455.32-20	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51783091	273700 12/2010 14.72
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51853688	273700 12/2010 131.64
260-5519-455.33-33	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51853689	273700 12/2010 14.73
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889382	273700 12/2010 15.33
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889383	273700 12/2010 51.90
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889384	273700 12/2010 14.74
260-5519-455.32-41	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889385	273700 12/2010 29.95
260-5519-455.32-42	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889386	273700 12/2010 21.99
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889387	273700 12/2010 30.65
260-5519-455.33-82	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889388	273700 12/2010 33.84
260-5519-455.32-41	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889389	273700 12/2010 136.71
260-5519-455.32-42	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889389	273700 12/2010 603.59
260-5519-455.79-30	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889389	273700 12/2010 94.25

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
260-5519-455.32-20	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889390	273700	12/2010	199.39	
260-5519-455.32-55	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889391	273700	12/2010	260.70	
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889392	273700	12/2010	499.68	
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889393	273700	12/2010	15.31	
260-5519-455.32-20	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889394	273700	12/2010	15.90	
260-5519-455.32-42	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51889395	273700	12/2010	27.48	
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51900136	273700	12/2010	14.75	
260-5519-455.32-20	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51908980	273700	12/2010	7.77	
260-5519-455.32-26	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51908981	273700	12/2010	25.95	
260-5519-455.33-33	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51908982	273700	12/2010	15.13	
260-5519-455.32-41	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51908983	273700	12/2010	8.97	
260-5519-455.32-42	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51908983	273700	12/2010	46.68	
260-5519-455.79-30	06/28/2010	PUBLICATIONS/AUDIOVISUAL	51908983	273700	12/2010	37.70	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51908984	273700	12/2010	66.81	
260-5519-455.32-55	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51908985	273700	12/2010	18.70	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51908986	273700	12/2010	9.58	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51908987	273700	12/2010	11.37	
260-5519-455.32-42	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979558	273700	12/2010	29.97	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979559	273700	12/2010	14.75	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979560	273700	12/2010	46.84	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979561	273700	12/2010	29.50	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979562	273700	12/2010	157.31	
260-5519-455.33-33	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979563	273700	12/2010	9.42	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979564	273700	12/2010	31.26	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979565	273700	12/2010	139.89	
260-5519-455.32-41	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979566	273700	12/2010	15.34	
260-5519-455.32-42	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979566	273700	12/2010	35.74	
260-5519-455.32-55	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979567	273700	12/2010	8.25	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979568	273700	12/2010	84.42	
260-5519-455.32-41	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979569	273700	12/2010	1,100.91	
260-5519-455.32-42	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979569	273700	12/2010	388.61	
260-5519-455.32-55	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979569	273700	12/2010	21.22	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979570	273700	12/2010	324.42	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979571	273700	12/2010	38.14	
260-5519-455.32-42	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979572	273700	12/2010	66.66	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979573	273700	12/2010	118.02	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979574	273700	12/2010	10.77	
260-5519-455.32-26	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979575	273700	12/2010	15.90	
260-5519-455.32-20	06/29/2010	PUBLICATIONS/AUDIOVISUAL	51979576	273700	12/2010	15.92	
06/30/2010	733655	INTERFAITH HOSPITALITY NETWORK	18280			4,669.02	
271-6710-464.72-60	06/24/2010	MISC SERVICES		6	275766 12/2010	4,669.02	
06/30/2010	733658	INTERSTATE POWERSYSTEMS	17926			3,298.51	
571-7144-713.38-22	05/21/2010	MP	R007010876	274844	11/2010	360.00	
571-7144-713.23-20	06/21/2010	MP	11014.01	275647	12/2010	1,019.51	
541-3122-435.23-20	06/22/2010	MP	11298.01	275728	12/2010	1,800.80	
512-8400-623.24-50	06/24/2010	MISC SERVICES	C007014094	275823	12/2010	43.06	
512-8400-623.24-50	06/24/2010	MISC SERVICES	C008014016	275823	12/2010	75.14	
06/30/2010	733659	ISTATE TRUCK CENTER	17585			3,594.03	
150-2226-422.23-20	06/25/2010	MP	67200.01	275862	12/2010	3,547.06	

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211-3134-433.23-20	06/25/2010	MP	67275.01	275862	12/2010	46.97	
06/30/2010 733662	KADRMAS LEE & JACKSON	14850				61,613.87	
845-3186-431.93-10	06/29/2010	WO0412 ALKALI CR RD	11 & 12	259114	12/2010	61,613.87	
06/30/2010 733667	KUNNEMANN KONRAD	2067				3,143.14	
150-2112-421.35-90	06/24/2010	REIMB THENERDS.NET	REIMB 062410	F11170	12/2010	3,143.14	
06/30/2010 733669	LANGLAS & ASSOCIATES INC	7004				74,951.27	
411-7151-713.92-90	06/18/2010	MISC SERVICES	273902-3	273902	12/2010	48,343.58	
411-7151-713.92-90	06/18/2010	MISC SERVICES	273902-3	273902	12/2010	26,607.69	
06/30/2010 733680	MAILING TECHNICAL SERVICES	12577				5,340.22	
521-1522-493.31-10	06/23/2010	MISC SERVICES	MAY 10	275747	12/2010	98.00	
605-1515-483.31-10	06/23/2010	MISC SERVICES	MAY 10	275747	12/2010	3,583.46	
260-5511-455.31-10	06/25/2010	MAILING SERVICES	PARMLY LIBRARY	F11178	12/2010	1,658.76	
06/30/2010 733690	MEAD & HUNT INC	18304				6,502.05	
405-7125-711.96-89	06/22/2010	MISC SERVICES	216372	251053	12/2010	5,452.05	
561-7110-711.35-90	06/22/2010	INVOICE #216866	216866	F11137	12/2010	1,050.00	
06/30/2010 733693	MISTRAS GROUP INC	21078				3,379.60	
150-2226-422.35-90	06/24/2010	2010/GRND LADDER TESTING	CD10226679 FIRE	275840	12/2010	1,524.60	
150-2226-422.35-90	06/24/2010	2010/GRND LADDER TESTING	CD10226679 FIRE	275840	12/2010	255.00	
150-2226-422.23-20	06/29/2010	MP	CD10226666	273597	12/2010	1,600.00	
06/30/2010 733699	MONTANA DAKOTA UTILITIES CO	2492				12,140.82	
10-5126-451.34-40	06/29/2010	REC	05839223		12/2010	899.49	
150-2221-422.34-40	06/29/2010	FIRE	06637925		12/2010	70.45	
502-7400-603.34-40	06/29/2010	PUD	07162021		12/2010	10.40	
502-7400-603.34-40	06/29/2010	PUD	07342023		12/2010	22.05	
502-7400-603.34-40	06/29/2010	PUD	07365822	50%	12/2010	5.84	
502-7400-603.34-40	06/29/2010	PUD	07365822	50%	12/2010	5.83	
561-7113-711.34-40	06/29/2010	AIRPORT	07385922		12/2010	434.66	
561-7112-711.34-40	06/29/2010	AIRPORT	07387221		12/2010	3,905.59	
561-7117-711.34-40	06/29/2010	AIRPORT	07388722		12/2010	327.68	
561-7117-711.34-40	06/29/2010	AIRPORT	07388824		12/2010	26.96	
512-8400-623.34-40	06/29/2010	PUD	07555321	25%	12/2010	424.18	
512-8400-623.34-40	06/29/2010	PUD	07555321	50%	12/2010	848.35	
512-8400-623.34-40	06/29/2010	PUD	07555321	25%	12/2010	424.18	
660-3110-431.34-40	06/29/2010		07585726	45%	12/2010	50.89	
670-3141-489.34-40	06/29/2010		07585726	55%	12/2010	62.22	
10-5127-451.34-40	06/29/2010	REC	07586821		12/2010	49.88	
650-1567-487.34-40	06/29/2010	FACILITIES	07610421		12/2010	421.30	
260-5512-455.34-40	06/29/2010	LIBRARY	07617521		12/2010	46.89	
521-1595-493.34-40	06/29/2010	PARKING 2906 N 3RD AVE	07624629		12/2010	13.59	
521-1595-493.34-40	06/29/2010	PARKING 2910 N 3RD AVE	07624725		12/2010	11.04	
521-1595-493.34-40	06/29/2010	PARK 1 LEASE	07624823		12/2010	16.77	
571-7143-713.34-40	06/29/2010	TRANSIT	07647023		12/2010	430.84	
150-2221-422.34-40	06/29/2010	FIRE	07676421		12/2010	251.28	

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150-2221-422.34-40	06/29/2010	FIRE	07935121	12/2010 165.96
541-3123-435.34-40	06/29/2010	SW	08073321	12/2010 186.15
150-2171-441.34-40	06/29/2010	ANIMAL SHELTER	32062801	12/2010 400.92
650-1566-487.34-40	06/29/2010	ADMIN BUILDING	32577402	12/2010 441.04
650-1566-487.34-40	06/29/2010	PD1	32708002	12/2010 122.66
512-8500-625.34-40	06/29/2010	PUD	32739201	12/2010 46.28
650-1566-487.34-40	06/29/2010	GARAGE	32781001	12/2010 230.49
512-8500-625.34-40	06/29/2010	PUD LIFT STATION	33154101	12/2010 23.96
521-1592-493.34-40	06/29/2010	PARK II	34941902	12/2010 12.95
512-8500-625.34-40	06/29/2010	PUD	35059801	12/2010 23.32
150-2221-422.34-40	06/29/2010	FIRE STATION #7	35322001	12/2010 249.64
512-8500-625.34-40	06/29/2010	PUD LIFT STATION	36738301	12/2010 23.32
561-7113-711.34-40	06/29/2010		31454301	12/2010 10.40
561-7113-711.34-40	06/29/2010		31454401	12/2010 11.04
561-7113-711.34-40	06/29/2010		31454601	12/2010 111.20
561-7113-711.34-40	06/29/2010		31454701	12/2010 98.47
561-7113-711.34-40	06/29/2010		31454801	12/2010 25.04
561-7113-711.34-40	06/29/2010		31454902	12/2010 36.06
561-7117-711.34-40	06/25/2010	073869 28	062510	F11174 12/2010 10.40
561-7117-711.34-40	06/25/2010	073858 25	062510	F11174 12/2010 50.51
502-7400-603.34-40	06/30/2010	PUD	08156221	12/2010 553.09
502-7400-603.34-40	06/30/2010	PUD	08156421	12/2010 28.86
502-7400-603.34-40	06/30/2010	PUD	08156521	12/2010 44.35
502-7400-603.34-40	06/30/2010	PUD	08156721	12/2010 35.87
502-7400-603.34-40	06/30/2010	PUD	08156821	12/2010 10.40
502-7314-602.34-40	06/30/2010	PUD	08157021	50% 12/2010 201.73
512-8314-622.34-40	06/30/2010	PUD	08157021	50% 12/2010 201.73
502-7400-603.34-40	06/30/2010	PUD	08157322	12/2010 10.40
502-7400-603.34-40	06/30/2010	CSD	31563202	12/2010 14.22
06/30/2010	733705	MORRISON MAIERLE INC	2572	71,966.10
405-7125-711.96-72	06/22/2010	MISC SERVICES	100944	274777 12/2010 56,225.23
405-7125-711.96-73	06/22/2010	MISC SERVICES	100944	274777 12/2010 2,959.22
405-7125-711.96-72	06/22/2010	MISC SERVICES	100973	274777 12/2010 3,888.83
405-7125-711.96-73	06/22/2010	MISC SERVICES	100973	274777 12/2010 204.67
421-8493-623.93-40	06/29/2010	W00814 WWTP STRMWTR MOD	3	273122 12/2010 8,688.15
06/30/2010	733715	NAPA AUTO PARTS	2632	3,970.34
601-0000-141.00-00	06/18/2010	MP	103813	12/2010 72.77
601-0000-141.00-00	06/18/2010	MP	104955	12/2010 26.88
601-0000-141.71-41	06/21/2010	MP	106582	12/2010 47.97
601-0000-141.71-41	06/21/2010	MP	107028	12/2010 195.92
521-1523-493.23-20	06/18/2010	MP	102537	275595 12/2010 84.06
150-2112-421.23-20	06/18/2010	MP	102917	275595 12/2010 6.77
150-2226-422.23-20	06/18/2010	MP	104395	275595 12/2010 13.82
10-5112-452.23-20	06/18/2010	MP	104642	275595 12/2010 12.18
541-3122-435.23-20	06/18/2010	MP	104720	275595 12/2010 27.99
601-1553-481.26-50	06/18/2010	MP	104961	275595 12/2010 3.99
541-3122-435.23-20	06/18/2010	MP	105007	275595 12/2010 24.84
10-5112-452.23-20	06/18/2010	MP	105008	275595 12/2010 21.42

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10-5112-452.23-20	06/18/2010	MP	105123	5.54
10-5112-452.23-20	06/18/2010	MP	105129	40.74
541-3122-435.23-20	06/18/2010	MP	105221	64.44
541-3122-435.23-20	06/18/2010	MP	105222	14.52
211-3136-433.23-20	06/18/2010	MP	105224	45.68
150-2226-422.23-20	06/23/2010	MP	100449	27.74
150-2226-422.23-20	06/23/2010	MP	100449	40.17
211-3134-433.23-20	06/23/2010	MP	100843	69.72
541-3122-435.23-20	06/23/2010	MP	101008	194.38
541-3122-435.23-20	06/23/2010	MP	101535	14.61
521-1522-493.23-20	06/23/2010	MP	102383	7.40
571-7144-713.23-20	06/23/2010	MP	102497	48.36
571-7144-713.23-20	06/23/2010	MP	102497	91.06
571-7147-713.23-20	06/23/2010	MP	102497	72.18
571-7147-713.23-20	06/23/2010	MP	102497	27.93
150-2231-422.23-20	06/23/2010	MP	98810	9.47
150-2231-422.23-20	06/23/2010	MP	98811	7.46
150-2231-422.23-20	06/23/2010	MP	98812	5.48
150-2231-422.23-20	06/23/2010	MP	98888	4.14
150-2112-421.23-20	06/23/2010	MP	99114	113.98
150-2112-421.23-20	06/23/2010	MP	99126	55.95
601-1553-481.24-10	06/23/2010	MP	99492	11.88
601-1553-481.26-50	06/23/2010	MP	99589	18.69
150-2226-422.23-20	06/23/2010	MP	99737	7.52
650-1566-487.23-20	06/23/2010	MP	99804	6.11
521-1523-493.23-20	06/23/2010	MP	102810	49.98
10-5112-452.23-20	06/23/2010	MP	102880	8.99
541-3123-435.23-20	06/23/2010	MP	103581	8.75
541-3123-435.23-20	06/23/2010	MP	103583	9.52
150-2231-422.23-20	06/23/2010	MP	103587	2.74
541-3122-435.23-20	06/23/2010	MP	103587	2.74
541-3123-435.23-20	06/23/2010	MP	103587	2.74
150-2112-421.23-20	06/23/2010	MP	103735	206.50
571-7147-713.24-10	06/23/2010	MP	103775	32.14
541-3122-435.23-20	06/23/2010	MP	104512	6.56
211-3134-433.23-20	06/23/2010	MP	104841	27.33
211-3133-433.23-20	06/23/2010	MP	105439	4.96
150-2112-421.23-20	06/23/2010	MP	105519	6.93
601-1553-481.23-20	06/23/2010	MP	105571	172.64
10-5112-452.23-20	06/23/2010	MP	105588	74.52
211-3133-433.23-20	06/23/2010	MP	105590	83.96
150-2226-422.23-20	06/23/2010	MP	105652	63.04
150-2226-422.23-20	06/23/2010	MP	105654	6.19
601-1553-481.26-50	06/23/2010	MP	105673	55.89
601-0000-141.71-41	06/24/2010	MP	107304	52.92
601-0000-141.00-00	06/24/2010	MP	108275	153.48
601-0000-141.71-41	06/24/2010	MP	109943	5.98
601-0000-141.00-00	06/24/2010	MP	111020	2.15
601-0000-141.00-00	06/24/2010	MP	111025	8.60
601-0000-141.00-00	06/24/2010	MP	111035	18.84

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601-0000-141.00-00	06/24/2010	MP	111283	12/2010 32.25
150-2112-421.23-20	06/24/2010	MP	106259	275843 12/2010 34.61
571-7147-713.23-20	06/24/2010	MP	106439	275843 12/2010 21.16
541-3122-435.23-20	06/24/2010	MP	106486	275843 12/2010 3.98
150-2226-422.23-20	06/24/2010	MP	106601	275843 12/2010 7.40
150-2226-422.23-20	06/24/2010	MP	106846	275843 12/2010 27.64
150-2172-441.23-20	06/24/2010	MP	106871	275843 12/2010 72.18
150-2172-441.23-20	06/24/2010	MP	107048	275843 12/2010 53.26
571-7144-713.23-20	06/24/2010	MP	107304	275843 12/2010 9.99
571-7144-713.24-10	06/24/2010	MP	107304	275843 12/2010 65.89
10-5112-452.23-20	06/24/2010	MP	107330	275843 12/2010 8.52
150-2112-421.23-20	06/24/2010	MP	107474	275843 12/2010 99.88
150-2112-421.23-20	06/24/2010	MP	107968	275843 12/2010 99.88
150-2112-421.23-20	06/24/2010	MP	108031	275843 12/2010 99.88
150-2112-421.23-20	06/24/2010	MP	108055	275843 12/2010 51.97
150-2226-422.23-20	06/24/2010	MP	275843	275843 12/2010 7.76
150-2112-421.23-20	06/24/2010	MP	6106495	275843 12/2010 13.86
150-2226-422.23-20	06/24/2010	MP	108404	275850 12/2010 2.47
521-1522-493.23-20	06/24/2010	MP	108510	275850 12/2010 4.14
150-2112-421.23-20	06/24/2010	MP	108679	275850 12/2010 24.42
150-2112-421.23-20	06/24/2010	MP	108686	275850 12/2010 16.12
211-3133-433.23-20	06/24/2010	MP	108700	275850 12/2010 10.19
211-3133-433.23-20	06/24/2010	MP	108839	275850 12/2010 51.99
150-2172-441.23-20	06/24/2010	MP	109469	275850 12/2010 10.06
541-3122-435.23-20	06/24/2010	MP	109866	275850 12/2010 69.72
211-3134-433.23-20	06/24/2010	MP	110253	275850 12/2010 18.76
601-1553-481.26-50	06/24/2010	MP	110441	275850 12/2010 8.24
571-7144-713.23-20	06/24/2010	MP	110592	275850 12/2010 94.88
211-3134-433.23-20	06/24/2010	MP	111006	275850 12/2010 11.54
10-5112-452.23-20	06/24/2010	MP	111144	275850 12/2010 7.96
10-5112-452.23-20	06/24/2010	MP	111168	275850 12/2010 9.56
10-5142-436.23-20	06/24/2010	MP	111182	275850 12/2010 17.74
211-3136-433.23-20	06/24/2010	MP	111294	275850 12/2010 123.02
541-3122-435.23-20	06/24/2010	MP	111442	275850 12/2010 77.76
10-5112-452.23-20	06/24/2010	MP	111940	275850 12/2010 4.91
502-7500-609.23-20	06/24/2010	MP	112004	275850 12/2010 28.33
211-3134-433.23-20	06/24/2010	MP	112084	275850 12/2010 38.82
150-2226-422.23-20	06/24/2010	MP	112672	275850 12/2010 11.85
571-7144-713.23-20	06/24/2010	MP	386963	275850 12/2010 5.90
06/30/2010	733717	NEXTX COMMUNICATIONS INC	20952	10,124.00
260-5518-455.36-90	06/18/2010	3 PORT CISCO SWITCHES INC	853-857	F11128 12/2010 390.00
260-5518-455.36-90	06/18/2010	INV 854	853-857	F11128 12/2010 1,063.00
260-5518-455.36-90	06/18/2010	INV 855	853-857	F11128 12/2010 3,060.00
260-5518-455.36-90	06/18/2010	INV 856	853-857	F11128 12/2010 2,997.00
260-5518-455.36-90	06/18/2010	INV 857	853-857	F11128 12/2010 2,614.00
06/30/2010	733724	NORTHWESTERN ENERGY	15771	47,534.24
150-2221-422.34-10	06/22/2010	FIRE1:28200 KWH USED	0100476-1 10JUN	267531 12/2010 2,247.14
650-1567-487.34-10	06/30/2010	FACILITIES MANAGEMENT	01005073	12/2010 6,366.28

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
561-7117-711.34-10	06/30/2010	NW AVIATION/TRAN	07127921	12/2010 420.68
561-7117-711.34-10	06/30/2010	NW AVIATION/TRAN	07127996	12/2010 19.26
561-7117-711.34-10	06/30/2010	NW AVIATION/TRAN	07128002	12/2010 1,110.79
561-7113-711.34-10	06/30/2010	NW AVIATION/TRAN	07128093	12/2010 7.25
561-7117-711.34-10	06/30/2010	NW AVIATION/TRAN	07128176	12/2010 58.76
561-7113-711.34-10	06/30/2010	NW AVIATION/TRAN	07196165	12/2010 51.67
521-1595-493.34-10	06/30/2010	NW FINANCE	07208291	12/2010 230.44
521-1592-493.34-10	06/30/2010	NW FINANCE	07208341	12/2010 3,015.96
607-2235-486.34-10	06/30/2010	NW FIRE	07215809	12/2010 210.76
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222375	12/2010 43.91
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222474	12/2010 7.25
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222516	12/2010 165.59
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222540	12/2010 .68
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222557	12/2010 82.34
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222573	12/2010 469.97
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222607	12/2010 219.52
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222615	12/2010 4.70
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222623	12/2010 3.36
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222631	12/2010 25.34
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222656	12/2010 118.54
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222664	12/2010 18.40
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222680	12/2010 9.40
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222698	12/2010 14.31
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222920	12/2010 10.49
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07222938	12/2010 60.00
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07229057	12/2010 7.91
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07229339	12/2010 83.70
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230352	12/2010 97.51
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230360	12/2010 8.88
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230378	12/2010 165.32
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230386	12/2010 10.24
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230428	12/2010 32.53
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230444	12/2010 353.70
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230485	12/2010 70.09
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230501	12/2010 100.73
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230527	12/2010 .57
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230543	12/2010 280.35
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230550	12/2010 7.35
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230568	12/2010 16.90
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230576	12/2010 7.25
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230584	12/2010 7.73
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07230907	12/2010 8.45
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07231624	12/2010 7.25
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07231707	12/2010 862.00
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07236441	12/2010 7.25
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07236458	12/2010 7.25
211-3137-433.34-10	06/30/2010	NW PUBLIC WORKS	07240575	12/2010 39.97
260-5512-455.34-10	06/30/2010	NW LIBRARY	07244643	12/2010 80.20
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07894371	12/2010 19.76
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	07931348	12/2010 174.69

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
872-5198-452.34-10	06/30/2010	NW PARK/REC/PL	10590933		12/2010	109.93	
521-1592-493.34-10	06/30/2010	PARK 2 GARAGE	15942824		12/2010	1,814.10	
571-7148-713.34-10	06/30/2010	MET DOWNTOWN TRANS CENTER	17847567		12/2010	110.13	
10-5127-451.34-10	06/24/2010	ELETRIC CHARGES	0100506-5	275748	12/2010	1,231.71	
660-3110-431.34-10	06/24/2010	MONTHLY SERVICES	1741314-7	275764	12/2010	427.55	
670-3141-489.34-10	06/24/2010	MONTHLY SERVICES	1741314-7	275764	12/2010	522.56	
502-7400-603.34-10	06/24/2010	MISC SERVICES	01005404 JUN10	275788	12/2010	3,750.69	
502-7400-603.34-10	06/24/2010	MISC SERVICES	01005404 JUN10	275788	12/2010	3,750.70	
521-1594-493.34-10	06/28/2010	P4 ELEC MAY/JUNE '10	06012010C	275898	12/2010	1,302.75	
521-1595-493.34-10	06/28/2010	LEASE ELEC MAY/JUNE'10	06212010	275898	12/2010	20.95	
521-1595-493.34-10	06/28/2010	LEASE ELEC. MAY/JUNE'10	06212010A	275898	12/2010	100.30	
521-1591-493.34-10	06/28/2010	P1 ELEC. MAY/JUNE '10	06212010B	275898	12/2010	1,543.48	
260-5512-455.34-10	06/25/2010	ELECTRIC CHARGES	0100467-0 07/10	F11176	12/2010	9,215.00	
150-2221-422.34-10	06/30/2010	NW FIRE	07125370		12/2010	465.54	
10-5122-451.34-10	06/30/2010	NW PARK/REC/PL	07126832		12/2010	84.80	
571-7148-713.34-10	06/30/2010	NW AVIATION/TRAN	07127640		12/2010	21.51	
150-2221-422.34-10	06/30/2010	NW FIRE	07208408		12/2010	253.80	
502-7400-603.34-10	06/30/2010	NW PUD-WATER TREAT	07222524		12/2010	1,541.89	
502-7400-603.34-10	06/30/2010	NW PUD-WATER TREAT	07230436		12/2010	2,912.41	
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	08317026		12/2010	7.25	
521-1595-493.34-10	06/30/2010	NW	13815279		12/2010	71.31	
10-5141-436.34-10	06/30/2010	NW PARK/REC/PL	07125396		12/2010	38.22	
10-5112-452.34-10	06/30/2010	NW PARK/REC/PL	09208018		12/2010	51.52	
10-5112-452.34-10	06/30/2010	NW Parks	11412848		12/2010	104.78	
10-5112-452.34-10	06/30/2010	NW Parks	11607801		12/2010	616.20	
10-5141-436.34-10	06/30/2010	CEMETERY	16352890		12/2010	14.79	
06/30/2010	733734	NORTHWESTERN ENERGY	15784			130,172.20	
211-3136-433.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE SIGNALS		12/2010	9,931.71	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712544-6		12/2010	430.78	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712545-3		12/2010	446.38	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712546-1		12/2010	1,289.56	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0721276-4		12/2010	3,347.30	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0721277-2		12/2010	1,664.99	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712553-7		12/2010	1,059.69	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712554-5		12/2010	77.90	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712556-0		12/2010	364.12	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712557-8		12/2010	12,299.87	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712558-6		12/2010	1,364.68	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712559-4		12/2010	2,239.12	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712560-2		12/2010	1,546.24	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712561-0		12/2010	3,817.28	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712562-8		12/2010	147.64	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712563-6		12/2010	821.44	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712564-4		12/2010	193.29	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712565-1		12/2010	507.36	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712566-9		12/2010	2,799.06	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712567-7		12/2010	199.50	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712568-5		12/2010	130.32	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712570-1		12/2010	2,174.41	

PROGRAM: GM350L  
CITY OF BILLINGS

MINIMUM AMOUNT: 2,500.00  
FROM 06/30/2010 TO 06/30/2010

BANK CODE 00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712571-9	165.13
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712572-7	289.91
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712573-5	845.59
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712574-3	338.23
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712575-0	169.12
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712576-8	619.21
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712577-6	433.44
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712578-4	289.91
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712579-2	124.81
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712580-0	748.97
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712581-8	202.80
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712582-6	468.00
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712583-4	454.08
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712584-2	402.15
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712585-9	319.69
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712586-7	652.32
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712587-5	217.44
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712588-3	504.98
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712589-1	24.05
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712590-9	412.79
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712591-7	314.08
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712592-5	403.64
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712593-3	1,216.45
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712594-1	660.48
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712595-8	555.69
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712596-6	3,781.61
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712597-4	474.73
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712598-2	1,073.29
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712599-0	434.88
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712600-6	804.96
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712601-4	700.64
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712602-2	938.62
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712603-0	628.16
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712604-8	928.80
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712605-5	51.52
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712606-3	536.75
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712607-1	330.23
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712608-9	773.12
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712609-7	206.40
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712610-5	495.36
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712611-3	468.01
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712612-1	1,032.01
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712613-9	866.87
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712614-7	288.95
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712615-4	36.81
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712616-2	227.05
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712617-0	454.08
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712618-8	309.60
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712619-6	1,473.76
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712620-4	516.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712621-2	1,032.01
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712622-0	330.23
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712623-8	123.85
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712624-6	502.10
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712625-3	206.40
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712626-1	247.67
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712627-9	206.40
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712628-7	1,073.29
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712629-5	368.70
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712630-3	268.32
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712631-1	660.48
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712632-9	207.77
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712633-7	173.13
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712634-5	55.80
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712635-2	55.80
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712636-0	103.21
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712637-8	59.51
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712638-6	433.44
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712639-4	638.69
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712640-2	14.89
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712641-0	260.51
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712642-8	29.45
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712643-6	288.95
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712644-4	330.23
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712645-1	191.97
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712646-9	474.73
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712647-7	66.96
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712648-5	37.20
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712649-3	37.20
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712650-1	22.33
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712651-9	410.24
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712652-7	123.85
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712653-5	308.44
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712654-3	171.53
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712655-0	7.36
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712656-8	58.72
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712657-6	89.28
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712658-4	1,546.58
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712659-2	305.30
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712660-0	238.34
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712661-8	482.25
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712662-6	700.64
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712663-4	362.40
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712664-2	845.60
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712665-9	507.36
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712666-7	2,198.55
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712667-5	649.16
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712668-3	381.82
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712669-1	407.83
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712670-9	129.84

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810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712671-7	350.88
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712672-5	12.67
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712673-3	82.57
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712674-1	311.66
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712675-8	536.47
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712676-6	72.47
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712677-4	96.65
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712678-2	73.84
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712679-0	289.91
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712680-8	991.24
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712681-6	2,104.42
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0718734-7	2,391.85
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1301786-8	9.28
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0719001-0	157.88
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0718801-4	3,427.01
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0719162-0	483.19
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0719644-7	1,676.27
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0719763-5	117.42
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720813-5	111.98
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720360-7	683.22
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720606-3	2,270.10
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1301786-8	8.57
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720810-1	1,066.52
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720705-3	434.88
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720937-2	2,737.28
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0720716-0	755.22
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0721427-3	128.11
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0721556-9	307.19
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0721684-9	28.07
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0833098-7	60.59
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0906944-4	341.47
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0995095-7	866.57
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0905005-5	2,462.43
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0926386-4	176.57
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0907926-0	51.94
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0961926-3	370.26
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1058710-3	724.39
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1087619-1	181.81
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1124127-0	53.45
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1045653-1	562.71
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1079722-3	289.08
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1172743-5	292.91
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1206985-2	294.56
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1296582-8	208.25
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1246537-3	76.49
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1303978-9	1,566.39
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1685375-6	272.97
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1433921-2	71.84
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481532-8	531.52
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481534-4	206.40

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481535-1		12/2010	412.79	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481536-9		12/2010	96.65	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481537-7		12/2010	1,109.38	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481539-3		12/2010	185.76	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1481540-1		12/2010	165.13	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1662840-6		12/2010	352.91	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1687005-7		12/2010	1,561.18	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1607534-3		12/2010	142.41	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1695873-8		12/2010	603.91	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 1740353-6		12/2010	175.36	
810-3183-431.34-10	06/30/2010	LIGHT MAINT TRANSFER	NWE 0712569-3		12/2010	43.18	
06/30/2010	733742	PALM TREE CONSTRUCTION	2869			13,207.46	
505-7515-609.36-71	06/24/2010	WATER SERVICE REPAIRS	242178	274880	12/2010	9,271.84	
505-7515-609.36-71	06/24/2010	MISC SERVICES	242179	275814	12/2010	3,935.62	
06/30/2010	733750	PUBLIC UTILITIES	5022			147,681.46	
512-8400-623.34-20	06/30/2010	PUD - WATER BILLS	187212152		12/2010	1,265.11	
872-5198-452.34-20	06/30/2010	PUD - WATER BILLS	11498915890		12/2010	763.87	
872-5198-452.34-20	06/30/2010	PUD - WATER BILLS	11498915891		12/2010	2,781.68	
872-5198-452.34-20	06/30/2010	PUD - WATER BILLS	11828118660		12/2010	5,593.42	
872-5198-452.34-20	06/30/2010	PARK FALCON RIDGE	13019519760		12/2010	2,850.11	
872-5198-452.34-20	06/30/2010	PARK FALCON RIDGE	13019521993		12/2010	14.15	
872-5198-452.34-20	06/30/2010	PARKS	13592722571		12/2010	1,240.40	
872-5198-452.34-20	06/30/2010	PARK AMELIA CIR	13592526964		12/2010	569.40	
872-5198-452.34-20	06/30/2010	2709 MONTANA AVE	6768310079100		12/2010	125.25	
872-5198-452.34-20	06/29/2010	PUD - WATER BILLS	676333936 40%		12/2010	173.31	
10-5112-452.34-20	06/29/2010	PUD - WATER BILLS	676333936 60%		12/2010	259.96	
872-5198-452.34-20	06/29/2010	3100 E COPPER RIDGE LOOP	13592326953		12/2010	6,969.92	
805-1570-425.53-50	06/29/2010	4430 HI-LINE DR	6712510003200		12/2010	124,411.07	
512-8500-625.34-20	06/29/2010	4430 HI-LINE DR	671274846		12/2010	545.22	
211-3134-433.34-20	06/29/2010	4430 HI-LINE DR	671294847		12/2010	118.59	
06/30/2010	733753	QWEST COMMUNICATIONS	6319			12,876.70	
225-2232-422.34-50	06/17/2010	QWEST JUNE	252-1190		12/2010	8,974.01	
521-1592-493.34-50	06/17/2010	QWEST JUNE	252-2041		12/2010	43.20	
561-7110-711.34-50	06/17/2010	QWEST JUNE	252-9412		12/2010	86.40	
10-5140-436.34-50	06/17/2010	QWEST JUNE	652-0269		12/2010	43.20	
10-5112-452.34-50	06/17/2010	QWEST JUNE	652-5507		12/2010	44.18	
211-3136-433.34-50	06/17/2010	QWEST JUNE	652-8104		12/2010	29.38	
10-5121-451.34-50	06/17/2010	QWEST JUNE	652-8403		12/2010	33.67	
10-5112-452.34-50	06/17/2010	QWEST JUNE	657-3014		12/2010	28.58	
606-1931-484.34-50	06/17/2010	QWEST JUNE	657-8377		12/2010	3,594.08	
06/30/2010	733755	RAINBOW EXCAVATION INC	19507			2,545.00	
505-7515-609.36-71	06/24/2010	MISC SERVICES	040-10	275820	12/2010	2,200.00	
505-7515-609.36-71	06/24/2010	MISC SERVICES	041-10	275820	12/2010	345.00	
06/30/2010	733765	RIMROCK FOUNDATION	3210			26,065.95	
248-1263-412.35-90	06/17/2010	BAMDUI GRANT - MAY 2010	2010-11	275502	12/2010	7,225.52	

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
738-1264-412.35-60	06/17/2010	SAMHSA GRANT - MAY 2010	2010-11	275503	12/2010	3,496.09	
738-1264-412.35-90	06/17/2010	SAMHSA GRANT - MAY 2010	2010-11	275503	12/2010	3,462.31	
738-1264-412.39-90	06/17/2010	SAMHSA GRANT - MAY 2010	2010-11	275503	12/2010	2,493.31	
737-1265-412.23-10	06/17/2010	JAG GRANT - MAY 2010	2010-11	275533	12/2010	57.00	
737-1265-412.35-90	06/17/2010	JAG GRANT - MAY 2010	2010-11	275533	12/2010	1,021.74	
737-1265-412.37-30	06/17/2010	JAG GRANT - MAY 2010	2010-11	275533	12/2010	934.82	
245-1257-412.35-75	06/17/2010	BAMHC GRANT - MAY 2010	2010-11	275534	12/2010	3,644.31	
246-1253-412.35-90	06/17/2010	BAMDC GRANT - MAY 2010	2010-11	275540	12/2010	3,730.85	
06/30/2010	733769	RUDDOCK JOHN	9074			5,725.16	
150-2224-422.38-10	06/17/2010	TUITION/SPRNG/SUMMER2010	TUITION/SUMR10	275458	12/2010	2,801.80	
150-2224-422.38-10	06/29/2010	TUITION:FALL09/CALC @ 97%	TUITION 1/FY10	275917	12/2010	3,812.10	
150-2224-422.38-10	06/29/2010	TUITION:FALL09/CALC @ 97%	TUITION 1/FY10	275917	12/2010	2,790.30-	
150-2224-422.38-10	06/29/2010	TUITION:SPRNG10/CALC @97%	TUITION 2/FY10	275920	12/2010	3,266.47	
150-2224-422.38-10	06/29/2010	TUITION:SPRNG10/CALC @97%	TUITION 2/FY10	275920	12/2010	2,390.92-	
150-2224-422.38-10	06/29/2010	TUITION:SPNG/SUMR/CALC97%	TUITION 3/FY10	275921	12/2010	3,827.81	
150-2224-422.38-10	06/29/2010	TUITION:SPNG/SUMR/CALC97%	TUITION 3/FY10	275921	12/2010	2,801.80-	
06/30/2010	733772	SANDERSON STEWART	20446			103,009.69	
840-3184-431.93-10	06/22/2010	WO0912 INNER BELT LOOP	10	267730	12/2010	6,279.50	
845-3186-431.93-10	06/22/2010	WO0912 INNER BELT LOOP	10	267730	12/2010	42,111.43	
205-3131-433.35-90	06/22/2010	WO0921 SAFE RTE/SCHL STDY	7	270374	12/2010	5,356.13	
416-7493-603.93-40	06/29/2010	WO0913 STAPLES REDUNDANT	11	267598	12/2010	37,782.45	
463-3161-431.93-10	06/29/2010	SID 1389 CLUBHOUSE WAY	7	271377	12/2010	11,480.18	
06/30/2010	733789	SOLID WASTE SYSTEMS INC	9811			4,704.49	
541-3122-435.23-20	06/21/2010	MP	0044588-IN	275622	12/2010	584.59	
541-3122-435.23-20	06/21/2010	MP	0114656	275673	12/2010	4,119.90	
06/30/2010	733793	STAR SERVICE INC	3553			106,887.82	
416-7493-603.92-20	06/29/2010	WO0426 ZONE 4 RESERVOIR	9	267993	12/2010	106,887.82	
06/30/2010	733796	SUNDOWN SECURITY	3643			2,751.26	
561-7110-711.35-81	06/21/2010	INVOICE #35607	35607	F11129	12/2010	1,371.76	
561-7110-711.35-81	06/24/2010	INVOICE #35616	35616	F11172	12/2010	1,379.50	
06/30/2010	733797	SUNSET EXCAVATION	11477			25,147.50	
505-7515-609.36-71	06/24/2010	WATER SERVICE REPAIRS	930288	274212	12/2010	24,997.50	
505-7515-609.36-71	06/24/2010	MISC SERVICES	930287	275812	12/2010	150.00	
06/30/2010	733800	TATOOINE ELECTRONIC SYSTEMS	19385			7,490.18	
541-3123-435.35-90	06/24/2010	EWASTE	62210002	275684	12/2010	7,490.18	
06/30/2010	733809	TOTAL ASPHALT REPAIR INC	13249			2,572.00	
503-7591-609.93-40	06/21/2010	MISC SERVICES	3673	275645	12/2010	1,250.00	
505-7515-609.36-71	06/21/2010	MISC SERVICES	3675	275645	12/2010	400.00	
503-7591-609.93-40	06/21/2010	MISC SERVICES	3677	275645	12/2010	922.00	
06/30/2010	733811	TOWN & COUNTRY SUPPLY ASSOCIAT	18295			96,975.14	
601-0000-141.00-00	04/23/2010	MP	82422-		10/2010	1,144.64	

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601-0000-141.00-00	06/18/2010	MP	88249	12/2010 5,640.80
502-7400-603.24-50	06/21/2010	MISC SERVICES	51508	275619 12/2010 960.00
502-0000-141.00-00	06/22/2010	WATER PARTS AND SUPPLIES	87601	12/2010 15,511.20
601-0000-141.00-00	06/22/2010	MP	82422-BB	12/2010 1,144.64-
561-7118-711.23-13	06/21/2010	INVOICE #87600	87600	F11130 12/2010 13,473.00
601-0000-141.00-00	06/23/2010	MP	87605	12/2010 26,821.34
601-0000-141.00-00	06/28/2010	MP	87619	12/2010 24,819.90
150-2226-422.23-10	06/29/2010	FIRE5:UNLEADED/35 GALLONS	88463 FIRE5	267496 12/2010 89.24
150-2226-422.23-10	06/29/2010	FIRE5:DIESEL 108 GALLONS	88464 FIRE5	267496 12/2010 245.19
150-2226-422.23-10	06/29/2010	FIRE1:UNLEADED 250 GAL	88465 FIRE1	267496 12/2010 637.41
150-2226-422.23-10	06/29/2010	FIRE1:DIESEL 250 GALLONS	88466 FIRE1	267496 12/2010 567.56
561-7118-711.23-13	06/25/2010	INVOICE #67616	87616	F11173 12/2010 8,209.50
06/30/2010 733820	US BANK-REVOLVING LOAN FUND	16715		7,224.49
723-6595-465.62-00	06/23/2010	MISC SERVICES	53-7240483306	275739 12/2010 7,224.49
06/30/2010 733825	VERIZON WIRELESS	14490		20,848.50
571-7147-713.31-60	06/18/2010	INVOICE# 0877051582	0877051582	F11124 12/2010 174.30
150-2170-441.34-50	06/22/2010	VERIZON WSCA JUNE 2010	AN SHELTER MDT	12/2010 225.05
717-2166-421.34-50	06/22/2010	VERIZON WSCA JUNE 2010	CCSIU AIR CARD	12/2010 778.18
717-2166-421.34-50	06/22/2010	VERIZON WSCA JUNE 2010	CCSIU RAVEN	12/2010 90.02
150-2221-422.34-50	06/22/2010	VERIZON WSCA JUNE 2010	FIRE DEPT AIR C	12/2010 45.01
150-2221-422.34-50	06/22/2010	VERIZON WSCA JUNE 2010	FIRE MDT	12/2010 585.23
620-1911-482.34-50	06/22/2010	VERIZON WSCA JUNE 2010	ITD AIR CARD	12/2010 77.82
260-5517-455.34-50	06/22/2010	VERIZON WSCA JUNE 2010	LIBRARYOUTREACH	12/2010 135.03
150-2111-421.34-50	06/22/2010	VERIZON WSCA JUNE 2010	MDT TOUGHBOOK	12/2010 3,560.05
150-2111-421.34-50	06/22/2010	VERIZON WSCA JUNE 2010	POLICE ICAC	12/2010 45.13
150-2111-421.34-50	06/22/2010	VERIZON WSCA JUNE 2010	POLICE AIR CARD	12/2010 126.88
150-2111-421.34-50	06/22/2010	VERIZON WSCA JUNE 2010	POLICE USM MDT	12/2010 171.94
10-5112-452.34-50	06/22/2010	VERIZON WSCA JUNE 2010	PARKS PMD AIR	12/2010 45.01
209-4451-428.34-50	06/22/2010	VERIZON WSCA JUNE 2010	BUILDING AIR	12/2010 691.24
502-7500-609.34-50	06/22/2010	VERIZON WSCA JUNE 2010	PUD AIR CARD	12/2010 45.01
561-7110-711.34-50	06/22/2010	VERIZON JUNE	AIRPORT	12/2010 408.57
150-2170-441.34-50	06/22/2010	VERIZON JUNE	ANIMAL SHELTER	12/2010 149.71
717-2166-421.34-50	06/22/2010	VERIZON JUNE	CCSIU	12/2010 85.44
10-1313-413.34-50	06/22/2010	VERIZON JUNE	CITY ADMIN	12/2010 42.61
10-1611-416.34-50	06/22/2010	VERIZON JUNE	LEGAL	12/2010 32.99
150-2225-422.34-50	06/22/2010	VERIZON JUNE	COMM CENTER 911	12/2010 52.41
650-1565-487.34-50	06/22/2010	VERIZON JUNE	FACILITIES BOC	12/2010 55.08
650-1567-487.34-50	06/22/2010	VERIZON JUNE	FACILITIES CH	12/2010 94.49
10-1512-415.34-50	06/22/2010	VERIZON JUNE	FINANCE PAT	12/2010 73.27
150-2221-422.34-50	06/22/2010	VERIZON JUNE	FIRE DEPT	12/2010 573.46
10-1750-417.34-50	06/22/2010	VERIZON JUNE	HUMAN RESOURCES	12/2010 62.41
620-1913-482.34-50	06/22/2010	VERIZON JUNE	ITD GIS	12/2010 13.00
620-1911-482.34-50	06/22/2010	VERIZON JUNE	ITD	12/2010 162.30
260-5517-455.34-50	06/22/2010	VERIZON JUNE	LIBRARYOUTREACH	12/2010 26.00
260-5512-455.34-50	06/22/2010	VERIZON JUNE	LIBRARY	12/2010 142.93
10-1100-411.34-50	06/22/2010	VERIZON JUNE	MAYOR	12/2010 47.59
601-1550-481.34-50	06/22/2010	VERIZON JUNE	MOTOR POOL	12/2010 50.45
10-1220-412.34-50	06/22/2010	VERIZON JUNE	DRUG COURT	12/2010 346.93

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
10-1212-412.34-50	06/22/2010	VERIZON JUNE	MUNI JUDGE		12/2010	152.37	
240-4301-419.34-50	06/22/2010	VERIZON JUNE	PLANNING		12/2010	13.00	
150-2111-421.34-50	06/22/2010	VERIZON JUNE	POLICE		12/2010	2,883.23	
251-2186-421.34-50	06/22/2010	VERIZON JUNE	POLICE FORENSIC		12/2010	113.04	
249-2196-421.34-50	06/22/2010	VERIZON JUNE	698 1391 DV		12/2010	22.60	
521-1521-493.34-50	06/22/2010	VERIZON JUNE	PARKING		12/2010	353.57	
10-5110-453.34-50	06/22/2010	VERIZON JUNE	PRPL ADM		12/2010	62.33	
10-5121-451.34-50	06/22/2010	VERIZON JUNE	PRPL-RECREATION		12/2010	289.86	
10-5140-436.34-50	06/22/2010	VERIZON JUNE	CEMTEYRY		12/2010	45.34	
10-5112-452.34-50	06/22/2010	VERIZON JUNE	PARKS PMD		12/2010	43.53	
10-5112-452.34-50	06/22/2010	VERIZON JUNE	PARKS		12/2010	1,895.62	
10-5112-452.34-50	06/22/2010	VERIZON JUNE	PARKS IRRIGTION		12/2010	217.49	
10-1543-415.34-50	06/22/2010	VERIZON JUNE	PURCHASING		12/2010	67.89	
660-3110-431.34-50	06/22/2010	VERIZON JUNE	PW ADM		12/2010	132.06	
209-4451-428.34-50	06/22/2010	VERIZON JUNE	BUILDING		12/2010	197.24	
670-3141-489.34-50	06/22/2010	VERIZON JUNE	ENGINEERING		12/2010	420.24	
541-3121-435.34-50	06/22/2010	VERIZON JUNE	SOLID WASTE		12/2010	47.20	
211-3131-433.34-50	06/22/2010	VERIZON JUNE	STREET/TRAFFIC		12/2010	451.40	
541-3123-435.34-50	06/22/2010	VERIZON JUNE	SW ON CALL		12/2010	70.74	
502-7700-611.34-50	06/22/2010	VERIZON JUNE	PUD ENVIRN 1/2		12/2010	19.17	
512-8700-628.34-50	06/22/2010	VERIZON JUNE	PUD ENVIRN 1/2		12/2010	19.17	
502-7400-603.34-50	06/22/2010	VERIZON JUNE	WATER TREATMENT		12/2010	847.76	
502-7500-609.34-50	06/22/2010	VERIZON JUNE	WATER SYSTEMS		12/2010	385.39	
512-8500-625.34-50	06/22/2010	VERIZON JUNE	WASTEWATER SYS		12/2010	777.96	
502-7312-602.34-50	06/22/2010	VERIZON JUNE	PWBLKNP MTRSHOP		12/2010	469.75	
502-7314-602.34-50	06/22/2010	VERIZON JUNE	PWBLKNP STORES		12/2010	115.02	
502-7311-602.34-50	06/22/2010	VERIZON JUNE	PWBLKNP OFFICE		12/2010	115.02	
512-8400-623.34-50	06/22/2010	VERIZON JUNE	WASTEWATER TREA		12/2010	1,075.56	
606-1931-484.34-50	06/22/2010	VERIZON JUNE	TELECOMM SYS		12/2010	22.66	
571-7142-713.31-60	06/22/2010	VERIZON JUNE	ON-CALL MET		12/2010	91.57	
571-7141-713.34-50	06/22/2010	VERIZON JUNE	MET TRANSIT		12/2010	44.97	
10-4321-419.34-50	06/22/2010	VERIZON JUNE	CODE ENFORCEMT		12/2010	170.21	
06/30/2010	733829	WASTECO SUPPLY	16538			3,773.72	
541-3122-435.42-70	06/14/2010	4-8 YD FRONTLOAD DUMPSTER	828	275093	12/2010	3,773.72	
06/30/2010	733830	WATTERSON DAVID	3983			3,625.00	
620-1911-482.29-25	06/23/2010	MISC SERVICES	4548 SWTCHS (2)	275803	12/2010	3,625.00	
06/30/2010	733832	WELLS FARGO BANK-LOAN PAYMENT	16716			7,224.49	
723-6595-465.62-00	06/23/2010	MISC SERVICES	1609108243	275740	12/2010	7,224.49	
06/30/2010	733836	WESTERN SECURITY BANK	16462			7,311.84	
723-6595-465.62-00	06/23/2010	MISC SERVICES	100022110	275743	12/2010	3,655.92	
723-6595-465.62-00	06/23/2010	MISC SERVICES	157011874	275743	12/2010	3,655.92	
06/30/2010	733839	WILLIAM BROTHERS CONSTRUCTION	8323			114,796.49	
421-8493-623.93-40	06/29/2010	WO0822 WWTP DISINFECTION	2	272596	12/2010	114,796.49	
06/30/2010	733840	WILLIAMS PLUMBING HEATING &	21166			5,975.00	
562-7120-711.92-90	06/23/2010	MISC SERVICES	274775-1	274775	12/2010	5,975.00	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
06/30/2010	733844	YELLOWSTONE CO IMPLEMENT	4165			2,719.71	
10-5112-452.23-20	06/23/2010	MP	64542	275778	12/2010	2,719.71	
06/30/2010	733847	YELLOWSTONE VALLEY ELEC	4174			3,475.74	
502-7400-603.34-10	06/21/2010	MISC SERVICES	4179006 JUN10	275620	12/2010	1,248.88	
512-8400-623.34-10	06/21/2010	MISC SERVICES	4179006 JUN10	275620	12/2010	58.98	
512-8500-625.34-10	06/21/2010	MISC SERVICES	4179010 JUN10	275620	12/2010	145.81	
512-8500-625.34-10	06/21/2010	MISC SERVICES	4179011 JUN10	275620	12/2010	19.00	
512-8500-625.34-10	06/21/2010	MISC SERVICES	4179015 JUN10	275620	12/2010	233.66	
810-3183-431.34-10	06/21/2010	SILMD 299 VINTAGE ESTATES	ACCT# 4179014	275670	12/2010	364.67	
150-2221-422.34-10	06/22/2010	FIRE7/ELEC/5265 KWH USED	4179013 10MAY	267472	12/2010	578.44	
607-2235-486.34-10	06/22/2010	800MHZ:LANDFILL TWR/1989	4179002 10MAY	267490	12/2010	209.35	
541-3123-435.34-10	06/22/2010	POWER AT LF	4179000	275305	12/2010	616.95	
06/30/2010	733850	3M LIBRARY SYSTEMS	14735			11,570.72	
260-5516-455.21-90	06/16/2010	MISC SERVICES	UM79458	275373	12/2010	11,570.72	
DATE RANGE TOTAL *						2,051,778.13 *	

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Resolution Amending FY2011 Water and Wastewater Rate and Fee Schedule

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

The water and wastewater rate and fee structure was approved as a three year incremental rate adjustment by Council on April 14, 2008, for fiscal years 2009, 2010, and 2011. However, staff has determined it necessary to adjust the final year of the rate and fee structure. The proposed amended rates include an increase in wastewater monthly volume charges and minimum charges that are needed to fund a wastewater study that will address future Federal wastewater regulations. The proposed rates also include a decrease in water monthly volume charges and minimum charges due to deferring capital projects because of lower than anticipated growth. A public hearing is required per MCA 69-7-111. The attached resolution specifies the amended rates and fees.

**ALTERNATIVES ANALYZED**

The City Council may:

- Approve the resolution
- Disapprove the resolution

**FINANCIAL IMPACT**

The proposed rate and fee amendments will generate approximately \$208,000 in additional wastewater revenues and reduce water revenues by approximately \$200,000 for FY 2011.

**RECOMMENDATION**

Staff recommends that the City Council conduct a public hearing and approve the proposed resolution amending the water and wastewater rate and fee schedule.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Resolution

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**RESOLUTION 10-**

**AN AMENDMENT TO RESOLUTION 08-18701 SPECIFYING WATER AND WASTEWATER RATE AND FEE SCHEDULE ADJUSTMENTS TO SCHEDULE I, WATER MONTHLY VOLUME CHARGES, SCHEDULE II, MINIMUM MONTHLY WATER CHARGES, SCHEDULE I, WASTEWATER MONTHLY VOLUME CHARGES, AND, SCHEDULE IA, MINIMUM MONTHLY WASTEWATER CHARGES.**

WHEREAS, the *WATER AND WASTEWATER RATE AND FEE STUDY, CITY OF BILLINGS, MONTANA*, dated March 2008, prepared by Red Oak Consulting specified water and wastewater rate and fee schedules for the municipal water and wastewater utility to generate adequate funds to operate the City of Billings, Montana utilities during the period beginning July 1, 2008 and ending June 30, 2011; and

WHEREAS, the City Council of the City of Billings, Montana passed and adopted the water and wastewater rate and fee schedules prepared by Red Oak Consulting and set forth in Resolution 08-18701 on April 14, 2008 and these rates went into effect on July, 1, 2008; and

WHEREAS, City of Billings staff has determined it necessary to amend the adopted water and wastewater rate and fee schedules for fiscal year 2011 due to adjustments in project and operational needs;

WHEREAS, under Title 69, Chapter 7 of the Montana Code Annotated, and under the terms of City Resolution Number 13585, the City of Billings is authorized to regulate the City's municipal water and wastewater utility and to change water and wastewater rates, fees, and charges as may be deemed by the City Council to be reasonable and just, and

WHEREAS, it is essential to the public health, welfare, and safety of the inhabitants of the City of Billings and its environs to provide an adequate public water and wastewater system and to provide adequate funding to meet the cost of constructing, maintaining, and operating the same;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:**

1. That the following schedule of rates, fees, and charges are found to be just, reasonable, and necessary for the continued sound operation of the water and wastewater utilities and that the proposed rates, fees, and charges amend Water Schedules I and II effective July 1, 2010 and Wastewater Schedules I and IA ten days after adoption of this resolution and these rates are approved, adopted, and published as the rates, fees, and charges of the City of Billings, Montana water and wastewater utilities.

Resolution 10-

**Schedule I**

**METERED WATER MONTHLY VOLUME CHARGES**

**Customer Class**

Residential	
Block 1 (0-4 Ccf)	\$1.73
Block 2 (5-16 Ccf)	1.84
Block 3 (>16 Ccf)	2.73
Non-Residential	1.35
Seasonal	2.32
Resale	1.24

**Schedule II**

**MINIMUM MONTHLY WATER CHARGES**

**Meter Size (inches)**

Inside-City Customers	
3/4"	7.92
1"	9.01
1½"	10.45
2"	14.41
3"	43.58
4"	54.35
6"	79.55
8"	108.37
10"	167.10
Outside-City Customers	
3/4"	8.60
1"	9.80
1½"	11.39
2"	15.78
3"	48.09
4"	60.01
6"	88.02
8"	119.98
10"	185.17

Resolution 10-

**Schedule I**

**WASTEWATER MONTHLY VOLUME CHARGES**

**Description**

**Dollars per Ccf**

Customers Within the City	
Residential	\$1.71
Commercial – Domestic	1.71
Commercial – High	2.34
Outside City	1.71

**Schedule IA**

**MINIMUM MONTHLY WASTEWATER CHARGES**

**Meter Size (inches)**

Inside-City	
3/4"	\$6.22
1"	7.02
1½"	7.87
2"	8.09
3"	10.99
4"	32.33
6"	40.30
8"	58.78
10"	79.90
Outside-City	
3/4"	\$6.86
1"	7.73
1½"	8.66
2"	8.90
3"	12.08
4"	35.57
6"	44.33
8"	64.66
10"	87.91

Resolution 10-

2. That this Amendment to the Resolution is to be immediately filed in the City Clerk's Office, and that the decision adopting the adjusted rates shall be final ten days after such are so filed.
3. That the Public Works Department is directed to file a copy of the revised wastewater rate schedules with the Public Service Commission within ten days after filing of this Resolution by the City Clerk.

**PASSED AND ADOPTED** by the City Council of the City of Billings, Montana, on the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** SID 1391 Lynn Avenue Public Hearing and Resolution Creating District

**PRESENTED BY:** David Mumford

**Department:** Public Works

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**Information**

**PROBLEM/ISSUE STATEMENT**

The property owners along the 3500 block of Lynn Avenue have expressed interest in creating an SID to pave Lynn Avenue. SID 1391 will construct curb and gutter and street paving to Lynn Avenue between 35th Street West and 36th Street West and to the east side of 36th Street West from Central Avenue to just north of Lynn Avenue. There are twelve property owners on Lynn Avenue and they have returned a petition to the Engineering Division signed by seven of the property owners. The only other property owner within the district is the commercial property at the corner of Central Avenue and 36th Street West which signed a waiver of right to protest at the time of construction of the building. Due to the fact that two of the properties are corner lots and the city SID policy only allows assessments to be on the addressed side of the property, the City is contributing \$40,000 of Gas Tax to the SID.

**ALTERNATIVES ANALYZED**

The Council may:

- After holding a public hearing, approve the Resolution Creating SID 1391; or
- After holding a public hearing, do not approve the Resolution Creating SID 1391.

**FINANCIAL IMPACT**

The total estimated costs of the Improvements are \$190,000.00. The costs of the Improvements are to be paid from the following sources: (1) \$150,000.00 of Special Improvement District bonds; and (2) \$40,000.00 cash contribution from the City of Billings utilizing gas tax funds.

**RECOMMENDATION**

Staff recommends that Council approve the Resolution Creating SID 1391.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Boundary of Proposed Special Improvement District

SID 1391 Resolution Creating District

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ST. JOHNS AVENUE

ST. JOHNS AVENUE

7 6 5 4 3 2 1

*Central Acres Subdivision*

8 9 10 11 12 13 14

*BLOCK 3*

LYNN AVENUE

LYNN AVENUE

7 6 5 4 3 2 1

*Second Filing*

9A

10 11 12 13 14

*BLOCK 2*

CENTRAL AVENUE

36TH STREET WEST

35TH STREET WEST

**Legend**

--- SID 1391 Boundary

**SID 1391 EXHIBIT A**

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. 10-\_\_\_\_\_, entitled: "RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. 1391; CREATING THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on **July 26, 2010**, 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 Councilmembers voted in favor thereof: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_; voted against the same: \_\_\_\_\_  
\_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_  
\_\_\_\_\_; or were absent: \_\_\_\_\_  
\_\_\_\_\_.

WITNESS my hand officially this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Cari Martin

\_\_\_\_\_  
CITY CLERK

RESOLUTION NO. 10-\_\_\_\_\_

RESOLUTION RELATING TO SPECIAL IMPROVEMENT DISTRICT NO. **1391**; CREATING THE DISTRICT FOR THE PURPOSE OF UNDERTAKING CERTAIN LOCAL IMPROVEMENTS AND FINANCING THE COSTS THEREOF AND INCIDENTAL THERETO THROUGH THE ISSUANCE OF SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE CITY'S SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND AND ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE.

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

**Section 1. Passage of Resolution of Intention.** This Council, on **June 28, 2010**, adopted Resolution No. **10-18960** (the "Resolution of Intention"), pursuant to which this Council declared its intention to create a special improvement district, designated as Special Improvement District No. **1391** of the City, under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended, for the purpose of financing the costs of certain local improvements described generally therein (the "Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of special improvement district bonds drawn on the District (the "Bonds"), the creating and administration of the District, the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund").

**Section 2. Notice and Public Hearing.** Notice of passage of the Resolution of Intention was duly published and mailed in all respects in accordance with the law, and on **July 26, 2010**, this Council conducted a public hearing on the creation or extension of the District and the making of the Improvements. The meeting of this Council at which this resolution was adopted is the first regular meeting of the Council following the expiration of the period ended 15 days after the first date of publication of the notice of passage of the Resolution of Intention (the "Protest Period").

**Section 3. Protests.** Within the Protest Period, \_\_\_\_\_ protests were filed with the City Clerk and not withdrawn by the owners of property in the District subject to assessment for \_\_\_\_% of the total costs of the Improvements or representing \_\_\_\_% of the area of the District to be assessed for the cost of the Improvements. **The protest represents \_\_\_\_% of the assessed cost.**

**Section 4. Creation of the District; Insufficiency of Protests.** The District is hereby created on the terms and conditions set forth in, and otherwise in accordance with, the Resolution of Intention. The protests against the creation or extension of the District or the making of the Improvements filed during the Protest Period, if any, are hereby found to be insufficient. The findings and determinations made in the Resolution of Intention are hereby ratified and confirmed.

**Section 5. Reimbursement Expenditures.**

5.01. **Regulations.** The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the "small issuer" exception from the arbitrage

rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

5.02. Prior Expenditures. 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 Improvements have been paid by the City before the date 60 days before the date of adoption of this resolution.

5.03. Declaration of Intent. The City reasonably expects to reimburse the expenditures made for costs for the Improvements out of the proceeds of Bonds in an estimated maximum aggregate principal amount of **\$150,000** after the date of payment of all or a portion of the costs of the Improvements. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2 (d) (3) of the Regulations.

5.04. Budgetary Matters. As of the date hereof, there are not City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Improvements, other than pursuant to the issuance of the Bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

5.05. Reimbursement Allocations. 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 Improvements. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Improvements and shall specifically identify the actual original expenditure being reimbursed.

PASSED AND ADOPTED by the City Council of the City of Billings, Montana, this **26<sup>th</sup>** Day of July, 2010.

THE CITY OF BILLINGS:

BY \_\_\_\_\_  
Thomas W. Hanel MAYOR

ATTEST:

BY \_\_\_\_\_  
Cari Martin CITY CLERK

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Public Hearing for Special Review #882, 1313 Grand Avenue, Suite 11

**PRESENTED BY:** Candi Beaudry,  
Planning & Community Services

**Department:** Planning & Community Services

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**Information**

**PROBLEM/ISSUE STATEMENT**

This is a special review request to locate an all beverage liquor license with gaming within an existing multi-tenant building, Evergreen Midtown Plaza, at 1313 Grand Avenue. The parcel is approximately 4.14 acres and known as Lots 2A, 3 – 23, 24A and 25-47, Block 1 Evergreen Subdivision in a Community Commercial (CC) zone. The parcel is within 600 feet of a school, Lewis and Clark Middle School, and the adjacent playing field. The property owner is Evergreen Midtown Plaza, LLC and Bob Pulley and Rob Veltkamp are the agents. The Zoning Commission conducted a public hearing on July 6, 2010, and is forwarding a recommendation of denial on a 4-0 vote.

**ALTERNATIVES ANALYZED**

Before taking any action on an application for a special review use, the City Council shall first consider the findings and recommendations of the City Zoning Commission. In no case shall the City Council approve a special review use other than the one advertised. The City Council shall take one of the following actions on these Special Review requests: 1) approve the application; 2) conditionally approve the application; 3) deny the application; 4) allow withdrawal of the application; or 5) delay the application for a period not to exceed thirty (30) days. The findings and recommendations of the City Zoning Commission are contained within the Consistency with Adopted Plans section of this report.

**FINANCIAL IMPACT**

Denial of the proposed special review use should have no fiscal impact on the city. Approval of the proposed special review use would be expected to generate additional tax revenues to the City for operation of a new business in this retail plaza.

**BACKGROUND**

This is a special review request to locate an existing all beverage liquor license with gaming in a vacant tenant space in the Evergreen Midtown Plaza at 1313 Grand Avenue. The current zoning is CC and lots to the north and east are zoned CC as well. Property south across Grand Avenue is zoned CC for the new Walgreen's Pharmacy, and Public for the Lewis & Clark Middle School. The school is south of Grand Avenue along Lewis Avenue and the playing field and track is on the north end of the property adjacent to Grand Avenue. There are 4 casinos within 600 feet of this location including Dotty's Casino at 1309 Grand Avenue, the Nickel Ante Casino at 1542 13th Street West, Jackpot Nevada Casino at 1413 13th Street West and Lucky's Grand Casino at 1411 13th Street West. There is a state liquor store within 600 feet at 1420 Grand Avenue as well as 38 single family homes, 1 duplex, and 1 triplex apartment building. Lewis and Clark Middle School property and the playing field are also within 600 feet of the proposed location across Grand Avenue to the south.

Section 27-612 of the Unified Zoning Regulations requires a separation of at least 600 feet for any new location where the on-premise consumption of alcoholic beverages is allowed and any church, school or public park that contains a children's playground or playfield. The applicant has asked for a waiver of the 600-foot separation to Lewis and Clark Middle School and playfield. The regulations allow the City Council to consider a request for a waiver if it finds a physical barrier separates the uses such as an arterial street with no signalized pedestrian crossing, a building or buildings entirely obstructs the view of the location and there is no direct physical access between the uses. The applicant states the proposed casino will face west and is entirely obstructed by buildings between this location and the school property. The school property can be seen from this location and vice versa. The applicant states that there is an 8-foot chain link fence surrounding the playing field and it presents a physical barrier between the two uses. There is a chain link fence around the playing field. The applicant states Grand Avenue is an arterial street. Grand Avenue is an arterial street, however there is a signalized pedestrian crossing at 13th Street West and 14th Street West adjacent to this property and so it cannot be considered a barrier between the school and playing field and the proposed location, under the zoning regulations. The Planning Division recommended denial of the requested waiver. The Zoning Commission concurred with this recommendation.

Grand Avenue is a principal arterial street that handles approximately 15,000 vehicle trips per day at the intersection of 13th Street West. Thirteenth Street West is a collector street that handles 8,000 vehicle trips per day north of Grand Avenue and 4,500 trips per day south of Grand Avenue. Both 13th Street West and 14th Street West are signalized intersections and any additional traffic from the proposed use can be handled by these two intersections. The Building Official commented that a change of use building permit will be required to ensure the tenant space is sufficient for the location of a liquor license. This may require upgrades to tenant separation walls and fire resistive construction. A parking analysis also will be required to ensure there are adequate spaces within the existing parking lot for this use.

The City Council is concerned with the number and concentration of gaming venues within the city limits. In 2007, the City Council initiated an amendment to the zoning regulations to provide additional requirements for gambling establishments (casinos). On August 4, 2008, the City Council asked the City Attorney to seek a letter of advice from the Attorney General regarding the city's ability to regulate the number and location of casinos through its zoning regulations. The letter of advice has not yet been issued. As of June 2010, there are 127 active gaming locations within Billings. In 2006, there were 141 active gaming locations.

## **STAKEHOLDERS**

On July 6, 2010, the Zoning Commission conducted a public hearing on Special Review #882. The Planning staff presented the application and recommendation of denial to the commission. The applicant and agent did not attend the hearing but were notified by first class mail of the hearing and Planning recommendation.

Three surrounding property owners testified against the special review. Arnie and Linda Knight, owners of the Taco Treat restaurant in Suite 10, and residents at 2122 Clark Avenue testified against the proposed casino. Mr. & Mrs. Knight stated they were concerned for the safety of their employees who are mostly young adults and teenagers. The restaurant closes each night at 9:30 pm. Mr. Knight stated a casino next to their business would effect their family-oriented atmosphere. Mr. Knight stated many of their customers are school age children from the neighborhood and from Lewis & Clark Middle School. Mrs. Knight stated there is no business activity at this end of the plaza after 9:30 in the evening so the neighborhood is protected from noise and traffic during the evening. A casino would change the evening quiet that currently exists. Mrs. Knight stated there are 12 other casinos or bars within the immediate area and another casino would not add anything.

Linda Zeimet of 1408 Avenue C testified against the special review. She stated her home is right across the street from this location. It would have a negative effect on her property. She stated another casino in this area would not be beneficial. She stated two of her grandchildren attended Lewis & Clark school and many students from the neighborhood cross Grand Avenue at 14th Street West. She stated many children use the playing field and track even when school is out.

Commission member Dan Wagner made a motion to recommend denial of Special Review #882 and it was seconded by member Ed Workman. Member Ed Workman stated he would vote to deny the request based on the pedestrian access across Grand Avenue, the testimony from the surrounding property owners and the Planning staff recommendation. Mr. Workman urged the property owners to also attend the City Council hearing since the final decision is made at the Council public hearing. The Zoning Commission voted 4-0 to recommend denial.

### **CONSISTENCY WITH ADOPTED POLICIES OR PLANS**

Before a recommendation of approval or conditional approval can be made, each special review request must demonstrate conformance with three primary criteria; 1) the application complies with all parts of the Unified Zoning Regulations, 2) the application is consistent with the objectives and purposes of the Unified Zoning Regulations and the 2008 Growth Policy, and 3) the application is compatible with surrounding land uses and is otherwise screened and separated from adjacent land to minimize adverse impacts. This application conforms to the first criteria in so far that it is within a zoning district where on-premise consumption of alcoholic beverages may be allowed by special review approval.

The application does not conform to the second and third criteria. The zoning regulations adopted by the City Council have designated several zoning districts where on premise consumption of alcoholic beverages may be allowed. The CC zone is intended to “to accommodate community retail, service and office facilities offering a greater variety than would normally be found in a neighborhood or convenience retail development. Facilities within the classification will generally serve the community, and is commensurate with the purchasing power and needs of the present and potential population within the trade area. It is intended that these business facilities be provided in business corridors or in islands (thirty (30) acres) centrally located in the trade area rather than a strip development along arterials.” This location has 4 existing casinos within 600 feet and a state liquor store. In addition, the Evergreen IGA, Walgreen’s and Albertson’s offer beer and wine for sale for off-premise consumption. The concentration of casinos and venues for on-premise consumption of alcohol is contrary to the purpose of the Community Commercial zoning of offering a greater variety of businesses in the area. The 2008 Growth Policy adopted a goal of predictable land use decisions that are consistent with the neighborhood character and new development that is sensitive to and compatible with adjacent neighborhoods. The policy also adopted a goal of more housing and business choices within each neighborhood. The proposal for a 5th casino location within a small commercial area adjacent to an established residential neighborhood to the west is not a compatible or consistent land use. The addition of another casino location in this area does not contribute to the goal of more business variety within the neighborhood. The proposed location will be fronting 14th Street West and the residential uses along that street. There are no conditions that can be devised to screen or otherwise mitigate the potential impacts of this proposed casino from the adjacent residences.

#### **RECOMMENDATION**

The City Zoning Commission recommends denial of Special Review #882 on a 4-0 vote.

#### **APPROVED BY CITY ADMINISTRATOR**

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#### **Attachments**

Zoning Map

Site photographs

Applicant letter and request for waiver

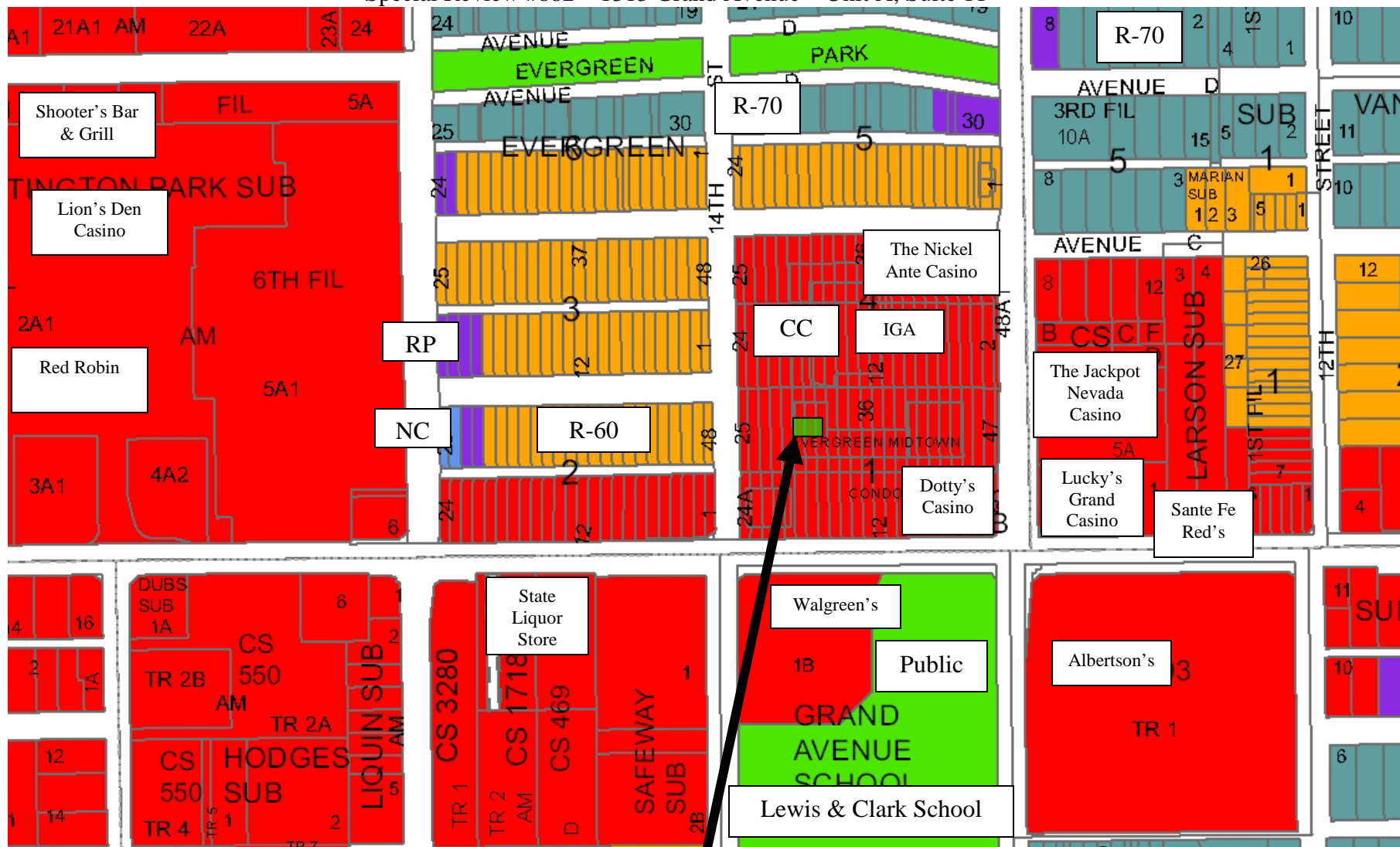
Site plan

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**Attachment A**

**Zoning Map**

Special Review #882 – 1313 Grand Avenue – Unit A, Suite 11



Subject Property – 1313 Grand

**Attachment B**  
Special Review #882 - Site Photographs



Subject Property – 1313 Grand Avenue

**Attachment B, continued**  
Special Review #882 - Site Photographs



Suite 11 adjacent to Wash Time Laundry



View north along 14<sup>th</sup> Street West – residential neighborhood

**Attachment B, continued**  
Special Review #882 - Site Photographs



View south along 14<sup>th</sup> Street West



View south east from 14<sup>th</sup> Street West

**Attachment C**  
Special Review #882 - Applicant Letter

June 7, 2010

Planning and Community Services Department  
510 North Broadway

Subject: Special Review for property located at 1313 Grand Ave. Suite 11

Requirement #1 answers:

- A) Opportunity to lease a retail space in an existing shopping center.
- B) ideal location for the proposed use, excellent fit, Situated between Taco Treat and Laundromat
- C) The location will employ 4 to 5 employees, generate revenue for the City of Billings, Yellowstone County and the State of Montana.
- D) Owners plan to do an up scale build out of the property, install 18 to 20 gaming machines, and operate as a small Casino, there will be very limited bar area, and all the emphasis will be placed on Casino

Thank you for your time:



June 8, 2010

Planning and Community Services Department  
510 North Broadway

Attention: Nichole

Subject: Special Review for the property located at 1313 Grand Ave. Suite 11

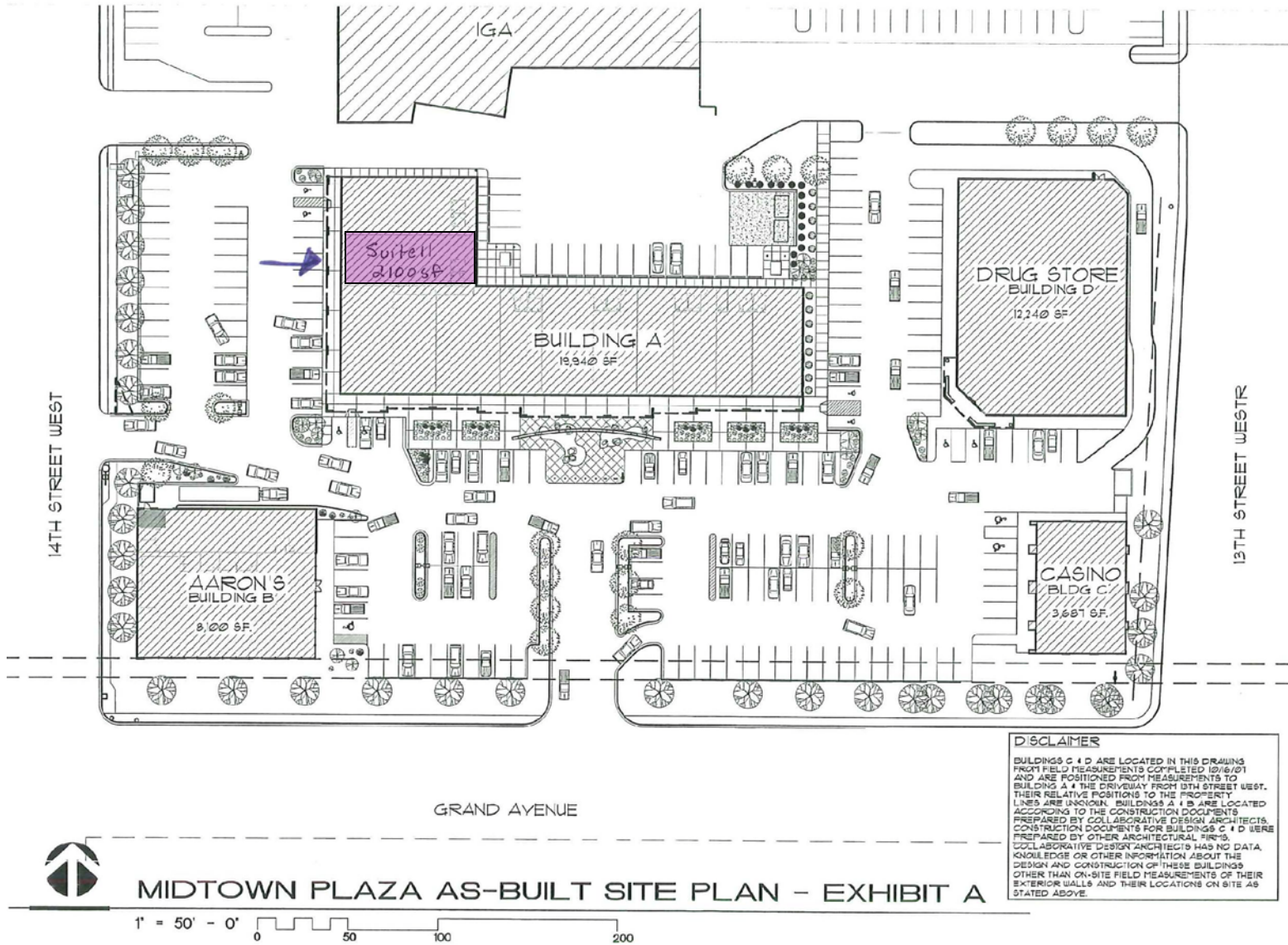
Request a waiver for the 600' buffer zone from Schools and Playgrounds.  
The subject property faces west and cannot be seen from School or playground  
it is also, separated by Grand Avenue.  
Football, and track areas enclosed by an 8' chain link fence.

Dotty's, a Casino, sits on corner directly across Grand Avenue from School  
Play ground and running track. Obtained a waiver.

Please contact Bob Pulley 670-7947 with any questions.

Thank You

**Attachment D**  
Special Review #882 – Site Plan



**DISCLAIMER**  
BUILDINGS C & D ARE LOCATED IN THIS DRAWING FROM FIELD MEASUREMENTS COMPLETED 10/16/01 AND ARE POSITIONED FROM MEASUREMENTS TO BUILDING A & THE DRIVEWAY FROM 13TH STREET WEST. THEIR RELATIVE POSITIONS TO THE PROPERTY LINES ARE UNKNOWN. BUILDINGS A & B ARE LOCATED ACCORDING TO THE CONSTRUCTION DOCUMENTS PREPARED BY COLLABORATIVE DESIGN ARCHITECTS. CONSTRUCTION DOCUMENTS FOR BUILDINGS C & D WERE PREPARED BY OTHER ARCHITECTURAL FIRMS. COLLABORATIVE DESIGN ARCHITECTS HAS NO DATA, KNOWLEDGE OR OTHER INFORMATION ABOUT THE DESIGN AND CONSTRUCTION OF THESE BUILDINGS OTHER THAN ON-SITE FIELD MEASUREMENTS OF THEIR EXTERIOR WALLS AND THEIR LOCATIONS ON SITE AS STATED ABOVE.

**MIDTOWN PLAZA AS-BUILT SITE PLAN - EXHIBIT A**

1" = 50' - 0"  
0      50      100      200

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OR BY ANY INFORMATION  
SYSTEM, WITHOUT THE  
WRITTEN PERMISSION OF  
COLLABORATIVE DESIGN  
ARCHITECTS.



**COLLABORATIVE  
DESIGN  
ARCHITECTS**  
2330 GRAND AVENUE • SUITE C • PO BOX 69667 • BILLINGS, MT. 59109-0467  
(406) 248-3443 • FAX (406) 248-3705 • COLLABORATIVE@CDAARCH.COM

**PROJECT:** EVERGREEN MIDTOWN PLAZA  
**LOCATION:** 15TH and GRAND AVENUE  
BILLINGS, MONTANA  
**PREPARED FOR:**

NO.	REVISION
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**SITE DIAGRAM**

**A1.1**

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Public Hearing for Special Review #883, 1008 St John's Avenue, Bethlehem Lutheran Church

**PRESENTED BY:** Candi Beaudry,  
Planning & Community Services

**Department:** Planning & Community Services

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**Information**

**PROBLEM/ISSUE STATEMENT**

This is a request for a special review for an expansion of a church facility on a 32,810 square foot parcel in a Residential 6,000 (R-60) zone. The subject property is legally described as Lots 8-11, Block 1, Dahl Subdivision. The property is generally located at 40 10th St West and 1008 St John's Avenue. The existing gross floor area of the church is 7,183 square feet and the requested addition is proposed for 1,022 square feet. The Zoning Commission conducted a public hearing on July 6, 2010, and is forwarding a recommendation of conditional approval on a 3-0-1 vote. Member Matt Krivonen recused himself from debate and voting on this matter since he was involved with development of the building plan.

**ALTERNATIVES ANALYZED**

Before taking any action on an application for a special review use, the City Council shall first consider the findings and recommendations of the City Zoning Commission. In no case shall the City Council approve a special review use other than the one advertised. The City Council shall take one of the following actions on these Special Review requests: 1) approve the application; 2) conditionally approve the application; 3) deny the application; 4) allow withdrawal of the application; or 5) delay the application for a period not to exceed thirty (30) days. The Zoning Commission's findings and recommendations are within the Consistency with Adopted Plans section of this report.

**FINANCIAL IMPACT**

There should be no fiscal impact to the city from approval of the requested special review.

**BACKGROUND**

This is a request for a special review to allow the expansion of an existing church, Bethlehem Lutheran Church, at 40 10th St West and 1008 St. John's Avenue. The property is zoned R-60 and is generally located on the southwest corner of 10th Street West and St. John's Avenue. The property on the west is residential property and has single family and two-family dwellings. School District property is to the north and Central Park is to the east. Commercial land uses are across the alley to the south and have frontage on Central Avenue. A majority of the land uses directly adjacent to the church are non-residential.

On May 25, 2010, the Planning Division received building plans for review of the expansion of Bethlehem Lutheran Church. The Planning Division reviewed the plan and noted the proposed expansion was greater than 10% of the existing gross floor area and would require a special review approval to proceed. Section 27-613, BMCC, requires churches to go through a special review if the building addition is more than a 10% increase, if the occupancy increases by more than 10%, or if the parking lot increases by more than 10%.

The existing church has 7,183 square feet of occupied floor area. The proposed expansion is 1,022 square feet. The existing church entry on 10th Street West will be demolished and a new entry with a canopy will be constructed on the northeast corner of the proposed addition. (See Site Plan Attachment C) No additions to the existing parking lot are proposed. The new entryway will make the church more accessible to disabled persons.

## **STAKEHOLDERS**

The Zoning Commission conducted a public hearing on Special Review #883 on July 6, 2010. The Planning staff presented the application and recommendation. The agent for the applicant, Allen Rapacz of Schutz Foss Architects, attended the public hearing and provided testimony. Commission member Matt Krivonen recused himself from debate and voting on the application since he was involved in development of the building plan. Four members of Bethlehem Lutheran Church testified in favor of the application. No one testified in opposition to the special review.

Allen Rapacz, agent for the applicant, testified in favor of the application. He note three errors within the staff report that need correction. The proposed addition will not add worship space to the church. The addition is meant to provide safe access and handicapped accessibility to the existing fellowship area in the basement and to the sanctuary upstairs. The existing building is a split level and handicapped accessibility has been an on-going issue. The other two corrections were spelling or reference errors. Mr. Rapacz stated the church will not add to the existing parking lot but does have a signed parking agreement with School District #2 to the north. Mr. Rapacz stated the church will comply with the proposed conditions of approval.

Sue Johnson of 204 Alderson Avenue, and member of the church, testified in favor of the application. She stated the primary reason for the addition was to provide access to disabled congregation members. An elevator will be installed in the new foyer and everyone will be able to go up to the sanctuary for services or attend fellowship in the basement area.

Paul Hanson of 3333 38th St West, and memembr of the church, testified in favor of the application. He stated the conditions were acceptable. The church has not yet decided on the new location of the cross tower but it will meet the proposed condition for setbacks and clear vision areas.

John Fernelius of 2621 Miles Avenue, and church member, testified in favor of the application. He stated the addition will make the access safer for everyone. Anyone standing in the existing entryway blocks exiting or entry to other people. This could be a safety issue in the case of emergency. The new entryway will be large enough to accommodate people waiting or standing in the doorway.

Connie Butcher of 1920 Howard Avenue, and church member, testified in favor of the application. She stated the church has needed this renovation for a long time and the finances just recently became available for the project. She stated the church has a small congregation and many are elderly or disabled. The current split level has created a barrier to some members. The project would resolve this problem.

Commission member Ed Workman made a motion to recommend conditional approval of Special Review #883 and it was seconded by member Dan Wagner. The Commission voted 3-0-1 to recommend conditional approval. Member Mat Krivonen did not debate or vote since he was involved with development of the building plan.

## **CONSISTENCY WITH ADOPTED POLICIES OR PLANS**

The Planning Division reviewed the application and recommended conditional approval to the Zoning Commission. The Zoning Commission conducted a public hearing and concurred with the recommendation. Before a recommendation of approval or conditional approval can be made, each special review request must demonstrate conformance with three primary criteria: 1) the application complies with all parts of the Unified Zoning Regulations, 2) the application is consistent with the objectives and purposes of the Unified Zoning Regulations and the 2008 Growth Policy, and 3) is compatible with surrounding land uses and is otherwise screened and separated from adjacent land to minimize adverse impacts. This application conforms to the first criteria, in so far, that it meets required setbacks and does not exceed maximum lot coverage. The cross tower will be re-located and the existing and proposed landscaping meets the requirements of the code. The application is conforming to the purposes of the regulations and the 2008 Growth Policy. The addition will allow the existing use to remain in a well established neighborhood in Billings. Churches and other religious land uses are allowed with special review approval in all residential zoning districts.

The application also conforms to the second and third criteria. The submitted drawing with this application appears to meet all zoning requirements for setbacks, lot coverage and landscaping. This is the current location of the Bethlehem Lutheran Church and it is proposing to stay in the neighborhood, build an addition and a well laid out landscape on the property that will enhance the appearance of the area instead of moving to a new location leaving behind an empty building for the neighborhood. The property has been in use as a church in the neighborhood for more than 40 years and does not pose a change in use that would be detrimental to the neighborhood. The proposed expansion of Bethlehem Lutheran Church is consistent with goals of the 2008 Growth Policy specifically the goal of encouraging in-fill and developments that are consistent with neighborhoods and adjacent land uses.

The Zoning Commission recommends conditions for this special review based on the approval criteria for special review uses. Zoning Commission has recommended conditions below to address lighting, safety, and traffic flow.

## **RECOMMENDATION**

The Planning Department recommends conditional approval.

## **PROPOSED CONDITIONS**

1. The special review approval shall be limited to Lots 8-11, Block 1 of Dahl Subdivision generally located at 40 10th St West and 1008 St. John's Avenue.
2. Any expansion of the proposed building, building occupancy, or parking lot greater than 10 percent of what is shown on the submitted site plan will require an additional special review approval.
3. The development of the addition shall be in substantial conformance with the submitted site plan.
4. All site lighting on the building, in parking areas and under the canopy shall have full cut-off shields so lighting is projected to the ground and not on to adjacent properties.
5. The relocated cross tower shall meet required building setbacks and will not be located within a clear vision area of any drive approach or the intersection of 10th St West and St John's Avenue.
6. Pedestrian crossing signs shall be posted at the new drive approach entrance on St. Johns Avenue and at the new drive approach exit on to 10th Street West. These signs will alert drivers entering and exiting to watch for pedestrians on the public sidewalks.

7. These conditions of special review approval shall run with the land described in this authorization and shall apply to all current and subsequent owners, operators, managers, lease holders, heirs and assigns.

8. The proposed development shall comply with all other limitations of Section 27-613 of the Unified Zoning Regulations concerning special review uses, and all other City of Billings regulations and ordinances that apply.

**\*\*NOTE\*\*** Approval of this Special Review does not constitute approval of a building permit, sign permit or fence permit. Compliance with all applicable local codes will be reviewed at the building permit level. This application is for a Special Review as noted above and no other request is being considered with this application. The Planning Division points out that the use and development of the property must be in accordance with the submitted site plan.

### **RECOMMENDATION**

The Zoning Commission recommends conditional approval of Special Review #883 on a 3-0-1 vote. Member Matt Krivonen recused himself from debate and voting on the matter since he was involved in the building plan.

### **APPROVED BY CITY ADMINISTRATOR**

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#### **Attachments**

Zoning Map

Site photographs

Site plan

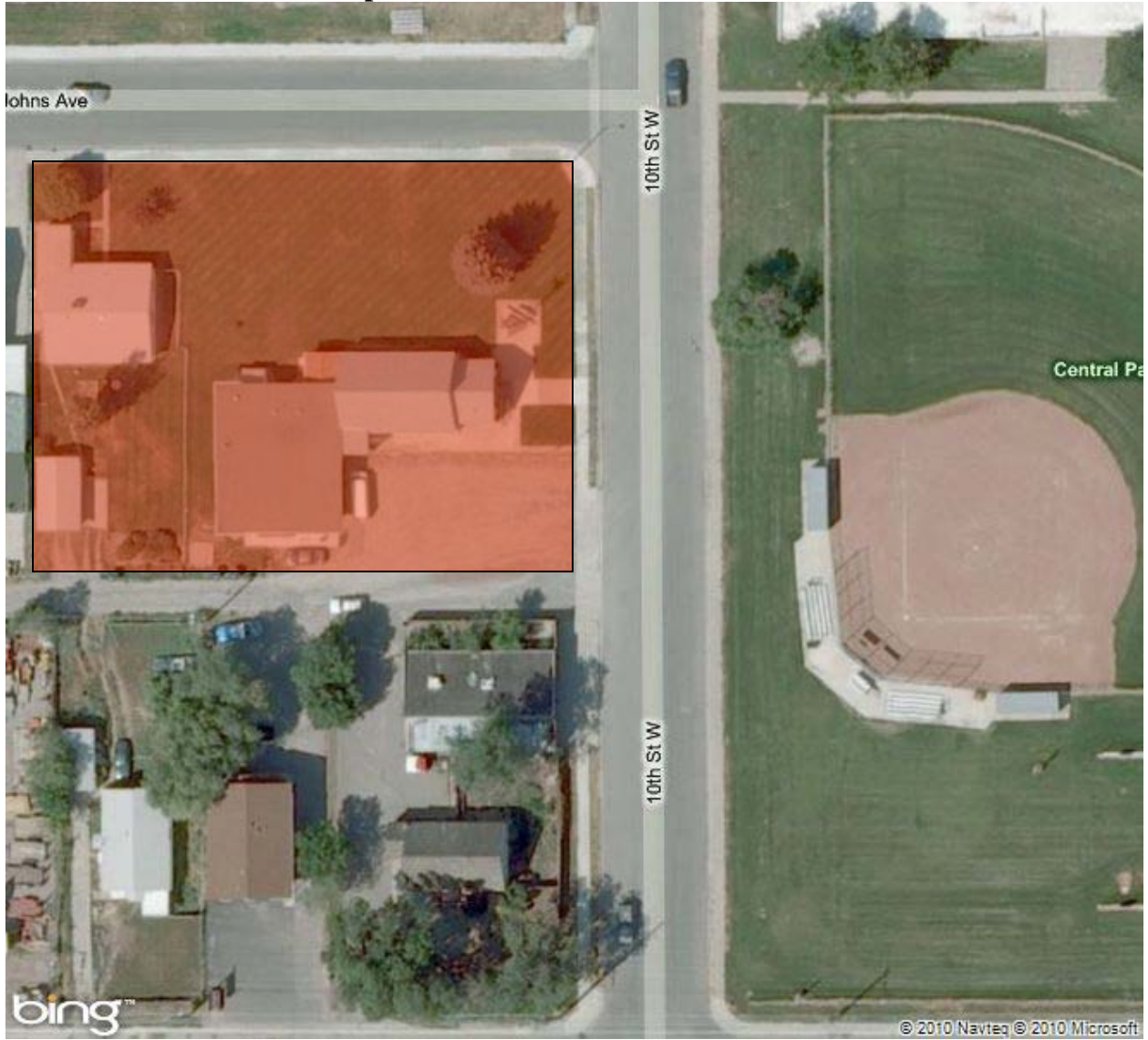
Applicant letter

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**Attachment A**  
**Zoning Map – Bethlehem Lutheran Church**



**Attachment B**  
**Site photos – Bethlehem Lutheran Church**



Subject property

**Attachment B, continued**  
**Site photos – Bethlehem Lutheran Church**

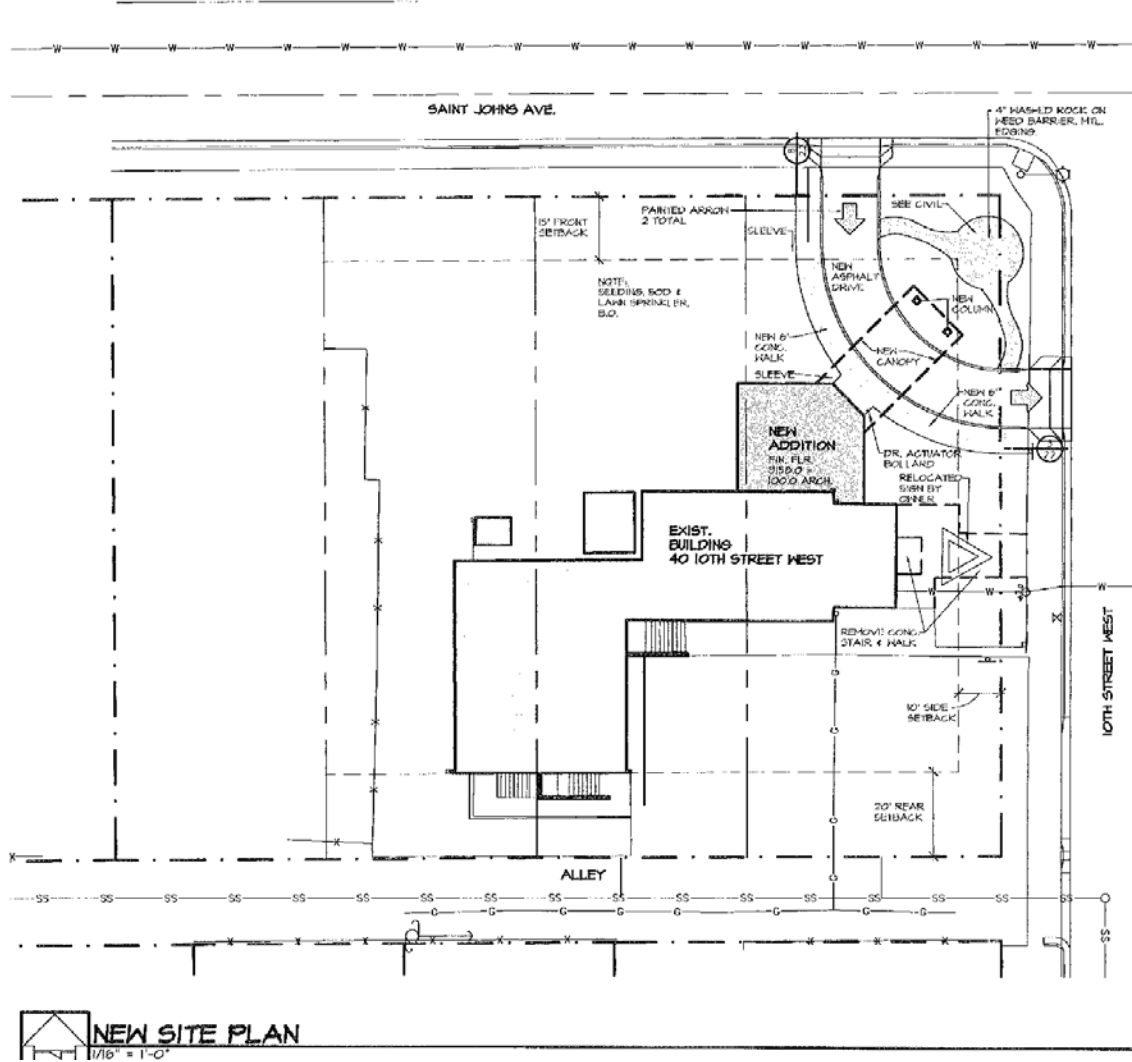


View west of 10<sup>th</sup> St West – existing entry



View northwest from 10<sup>th</sup> St West

**Attachment C**  
**Site Plan – Bethlehem Lutheran Church**



**BETHLEHEM LUTHERAN**  
**ACCESSIBLE VESTIBULE ADDITION**  
 BILLINGS, MT

DATE OF RECORDATION: 11/11/10  
 PROJECT NO.: 1010101010  
 SHEET NO.: 1010101010

REVISIONS

DATE: 9-21-10  
 PROJECT: SMN

DESIGNED BY: [Signature]  
 CHECKED BY: [Signature]  
 DRAWN BY: [Signature]

CONSTRUCTION OF THIS PROJECT IS SUBJECT TO THE APPROVAL OF THE CITY OF BILLINGS, MONTANA.

**Attachment D**  
**Applicant Letter – Bethlehem Lutheran Church**



June 7, 2010

Karen Miller  
Planning & Community Services Department  
510 North Broadway  
Billings, MT 59101

RE: Bethlehem Lutheran Church  
Accessible Vestibule Addition  
Billings, Montana #0865  
Plan Review Number 10-896

Dear Karen,

We are submitting the subject project for Special Review by your department. You will find one full size set of construction documents (Sheet 2-1 – Site Survey, Sheet 2.2 – Site Plan, Sheet 2.3 – Grading Plan and Sheet 5.1 – Showing existing sign to be relocated.) You will also find an 11 x 17 set of the same drawings. Our application and application fee are also enclosed.

Following is our response to the following questions:

**A. In what ways is your proposal consistent with the goals and policies of the adopted Growth Policy?**

*Our proposal first and foremost is presented to provide for an attractive and accessible entry to the existing split-level church building. The project will allow for a more accessible entry to the existing split-level church building. This project will allow for a more fully accessible community.*

*The new addition also allows for a safer covered access for community members entering the facility for worship.*

*We have taken great care for this new addition to be attractive relative to the existing building character, scale and material use. This sensitivity will blend the new addition well into the neighborhood fabric. The new addition and upgrade of the existing church building is compatible with the neighborhood of light commercial and residential occupants.*

*Lastly, the addition supports the use of an infill rather than urban sprawl placing less demand onto city services and infrastructure.*

**B. Why is there a need for the intended use of the property at this location?**

*The Church feels the lack of accessibility is restricting current members as well as new members from becoming active in worship. The title of this campaign – “All Are Welcome”.*

**C. How will the public interest be served if this application is approved?**

*The public will be served by a well-designed and functional project addition. Not only will this allow greater public access, we have designed this project with the interest of smart growth under the adopted policies.*

**D. Prepare a written statement addressing what is intended to be done with the property, including new construction or change in the use of the property, and why the special review is being sought.**

*This project will offer a small lobby entrance with an elevator to allow visitors and guests accessibility to the lower and upper levels of the church building.*

*The Special Review is required when the addition of a church exceeds 10% of the existing gross square footage. Total square footage of both floors of the existing building is 7,183 s.f. Total proposed addition of both floors is 1,022 s.f. plus the drive-up canopy.*

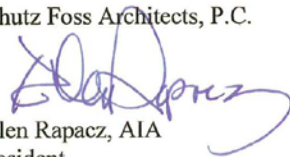
*The Special Review is conducted due to us only exceeding the allowable 10% increase by a mere 303 s.f.*

Please notify this office if you need any further information.

Sincerely,

Schutz Foss Architects, P.C.

by



Allen Rapacz, AIA  
President

AR:ld  
cc:Paul Hanson  
Enclosures

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Public Hearing and First Reading Ordinance Regulating Use of Electronic Communication Devices While Operating a Motor Vehicle

**PRESENTED BY:** Brent Brooks

**Department:** Legal

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**Information**

**PROBLEM/ISSUE STATEMENT**

Pursuant to a City Council Initiative, the City Attorney's Office was directed to research a ban on text messaging and/or cell phone usage while driving an automobile and to draft a proposed ordinance prohibiting varying degrees of cell phone usage while driving. The Council also appointed an Ad Hoc Advisory Committee on Distracted Driving Prevention to provide recommendations as to a draft ordinance that would address distracted driving. The attached ordinance was presented to the City Council by Ad Hoc committee members and Deputy City Attorney Craig Hensel during a Work Session on July 6, 2010. Members of the Ad Hoc Committee also presented statistics and data collected from multiple sources detailing the dangers of distracted driving. The Ad Hoc Advisory Committee unanimously recommended approval of the proposed ordinance.

MCA Sec. 7-1-4123 authorizes cities to enact ordinances required to "preserve peace and order and secure freedom from dangerous or noxious activities" and "secure and promote the general public health and welfare". Distracted driving is becoming an increasing traffic safety concern nationwide, and many jurisdictions have taken steps to limit cell phone usage while driving a motor vehicle. A 2009 Montana Senate bill which would have prohibited using a cell phone while operating a motor vehicle, but the bill died in committee. Missoula currently has an ordinance which prohibits using a mobile telephone or other electronic communications devices to write, read, or send text messages while operating a motor vehicle or riding a bicycle. Butte-Silver Bow County is currently considering a proposal to ban texting while driving an automobile.

The attached proposed ordinance was drafted after the Ad Hoc committee reviewed legislation from multiple other jurisdictions and after extensive debate among the Ad Hoc Committee members. The proposed ordinance would prohibit any use of cell phones while driving an automobile, unless that use was entirely hands-free. The prohibition has some exceptions: it would not apply to passengers, drivers who had parked their cars out of lanes of traffic, or persons reporting a health, fire, safety, or police emergency even while driving. The Ad Hoc Committee is also recommending a delayed effective date of October 1, 2010, to allow time to educate the public about the new ordinance.

**ALTERNATIVES ANALYZED**

The Council may:

- Approve the proposed ordinance prohibiting texting and cell phone usage while driving; or
- Not approve the proposed ordinance prohibiting texting and cell phone usage while driving.

**FINANCIAL IMPACT**

There is no anticipated cost to the City to enact any of these ordinances.

**RECOMMENDATION**

Staff recommends the Council approve the attached ordinance.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Cell Phone Ordinance

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ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF BILLINGS, PROVIDING THAT THE BILLINGS, MONTANA CITY CODE BE AMENDED BY ADDING A NEW DIVISION TO ARTICLE 24-300 OPERATION OF VEHICLES, TITLED “DIVISION 5. USE OF ELECTRONIC COMMUNICATIONS DEVICES WHILE OPERATING A MOTOR VEHICLE”, AND ADDING NEW SECTIONS TO BE NUMBERED 24-360, 24-361.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

Section 1. That the Billings, Montana City Code be amended by adding a new division to Article 24-300 OPERATION OF VEHICLES, titled “DIVISION 5. USE OF ELECTRONIC COMMUNICATIONS DEVICES WHILE OPERATING A MOTOR VEHICLE”, and by adding new sections to be numbered 24-360 and 24-361.

Article 24-300 OPERATION OF VEHICLES

DIVISION 5. USE OF ELECTRONIC COMMUNICATIONS DEVICES WHILE OPERATING A MOTOR VEHICLE

Sec. 24-360. Electronic Communications Device Usage While Driving Prohibited

(a) No person shall use or have in their immediate physical possession a hand held electronic communications device while operating a motor vehicle, motorcycle, quadricycle, or a bicycle on a public highway within the city limits of Billings.

(b) “Hand held electronic communications device” includes wireless or cellular phones, PDAs, Blackberries, smart phones, laptop and notebook computers utilizing VOIP (voice over internet protocol) technology, wireless and cellular phones utilizing push-to-talk technology, GPS systems, navigational systems, and any other mobile communication device that uses short-wave analog or digital radio transmissions between the device and a transmitter to permit wireless communications to and from the user of the device.

(c) “Immediate physical possession” means touching the hand held electronic communications device, or physically holding the device in one’s hand or up to one’s ear. Simply having the electronic communications device on one’s person or in a motor vehicle does not constitute immediate physical possession.

(d) Exceptions.

(1) This provision shall not apply to any person reporting a health, fire, safety, or police emergency.

(2) This provision shall not apply to governmental fire agencies, ambulance services, law enforcement agencies, or any other “Authorized Emergency Vehicle” as defined in Montana Code Annotated Sec. 61-8-102(2)(a).

(3) This provision shall not apply to passengers in a motor vehicle, or persons using a hand held electronic communications device while maintaining a motor vehicle in a stationary position, not in gear, while in a parking lane or space out of moving traffic lanes.

(4) This provision shall not apply to persons using a “hands free device”. A “hands free device” is an external device that connects to a wireless telephone, wireless communications device or electronic communications device that allows use of the device without touching the telephone or wireless or electronic communications device, and includes voice-activated technologies that can be utilized without touching the device. Use of a hands free device is permitted while operating a motor vehicle provided the driver does not touch the wireless telephone or wireless or electronic communications device while operating a motor vehicle.

(5) This provision shall not apply to drivers using two way radios while in the performance and scope of their work-related duties.

(6) This provision shall not apply to drivers holding a valid amateur radio operator license issued by the Federal Communications Commission and using a two way radio.

Sec. 24-361. Penalty.

Persons found to have committed a violation of this division shall be subject to civil penalties as specified in Section 18-1304.

Section 2. EFFECTIVE DATE. This ordinance shall be effective October 31, 2010.

Section 3. REPEALER. All resolutions, ordinances, and sections of the City Code inconsistent herewith are hereby repealed.

Section 4. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions of this ordinance which may be given effect without the invalid provisions or application, and, to this end, the provisions of this ordinance are declared to be severable.

PASSED by the City Council on first reading this \_\_\_ day of \_\_\_\_\_, 2010.

PASSED, ADOPTED and APPROVED on second reading this \_\_\_ day of \_\_\_\_\_, 2010.

CITY OF BILLINGS

By \_\_\_\_\_  
Thomas W. Hanel, Mayor

ATTEST:

By \_\_\_\_\_  
Cari Martin, City Clerk

**Regular City Council Meeting**

**Date: 07/26/2010**

**TITLE:** Approval of Pioneer Park Master Plan Update

**PRESENTED BY:** Mike Whitaker,  
Parks/Rec/Public Lands

**Department:** Parks/Rec/Public Lands

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**Information**

**PROBLEM/ISSUE STATEMENT**

On June 14, 2010, City Council approved the Pioneer Park Master Plan Update with the removal of disc golf from the park by June 1, 2011. During the June 28, 2010, Council Meeting Initiatives, Councilmember Astle moved for reconsideration of the Pioneer Park Master Plan Update at the July 26, 2010, Council Meeting. The motion was seconded by Councilmember McCall and on a voice vote, the motion to reconsider was unanimously approved.

Pioneer Park has been in existence for 92 years, having been originally purchased in 1918 and dedicated in 1932 to the founding pioneers of Billings. Over the years as Billings has grown, Pioneer Park has served as the flagship park for the community, satisfying a wide variety of park and recreational needs. The last Park Master Plan was completed in 1972 and since that time the park has evolved and adapted to host a wide variety of events to meet the changing interests of the community including Saturday Live, Big Sky State Games and Disc Golf. With changes in uses and demographics it is important to periodically assess the uses and events of the park to be responsive to and meet the needs of the citizens of Billings. In April 2009, PRPL sent out a Request for Proposal for master plan consulting services. The Land Group from Eagle, Idaho was selected and on September 14, 2009 Council approved a contract for consulting services. Under the direction of PRPL staff, The Land Group prepared the Pioneer Park Master Plan Update. The plan was presented to the Billings Park, Recreation and Cemetery Board on March 24, 2010 and the Board voted to recommend adoption of the Pioneer Park Master Plan Update to the City Council. The final step is to present the plan to the City Council for consideration and adoption.

**ALTERNATIVES ANALYZED**

The City Council may:

- Do nothing, leaving the current plan in place.
- Modify the master plan update.
- Adopt the park master plan update as the guiding document for future development at Pioneer Park. This is the recommendation of staff and the Parks, Recreation and Cemetery Board.

**FINANCIAL IMPACT**

Pioneer Park development and maintenance has traditionally been funded through the City's General Fund. Future development, maintenance savings operations and Disc Golf management will likely continue to be financed in the same manner. As opportunities arise, alternative funding sources will be sought to offset the General Fund.

**BACKGROUND**

The Billings Park Master Plan Policy was adopted by the PRPL Department in 1980. A park may not be developed until a Park Master Plan has been prepared and adopted by the Billings City Council. All development and proposals for the development of portions of parks or facilities within parks must be consistent with an approved Master Plan. It is prepared by a qualified park planner, and considers surrounding zoning and land uses and local and general park and recreation needs as well as specific requests from interested users. This is to assure the highest quality and most beneficial development of parks and recreation facilities, and to assure adequate public input into the development, sale, or use, of Billings' parkland. A proposed modification to a park that is a significant departure from the approved Master Plan requires a revision of the Master Plan following the above process to determine if the proposed change is acceptable and appropriate for that park. The Pioneer Park Master Plan Update has been reviewed and recommended to the City Council for approval and adoption by the Billings Parks, Recreation, and Cemetery Board.

The master plan:

- Sets forth the guidelines for development and maintenance of Pioneer Park.
- Utilized various public input methods including interviews, a survey and public meetings to identify user needs and desires as valuable information to incorporate in the plan development process.
- Identifies important community partnerships in providing programming and amenities at the park.
- Sets forth guidelines for layout and management of a disc golf course in Pioneer Park.

## **STAKEHOLDERS**

Since Pioneer Park is a community park that serves the entire community, the goal was to inform and engage Billings citizens and stakeholders throughout the entire master planning process to elicit their comments, views, suggestions and concerns. Early in the research phase of the project, staff and the project consultant interviewed over 16 user groups and city department representatives. A statistically valid survey was sent out to 2750 Billings residents, 550 in each Ward. During the Analysis and Schematic Design phases of the master plan, 2 public meetings were held along with a follow up meeting with stakeholders. Public service announcements were sent out to all media outlets to encourage public participation. On March 24, 2010 the final master plan was presented to the Parks, Recreation and Cemetery Board for their review and recommendation. Public comment was encouraged at that meeting. The PRC Board voted to recommend to Council adoption of the Pioneer Park Master Plan Update. On April 5, 2010 the final master plan was presented at a Council Work Session and public comment was given. Throughout the entire master planning process staff posted information and updates on the PRPL website. Three newsletters updating the public on the master plan process were posted on the website and made available in paper form at the PRPL Offices. Paper copies of the survey report and the final master plan were made available to the public at the PRPL Offices, the Library and at the City Clerks Office.

## **CONSISTENCY WITH ADOPTED POLICIES OR PLANS**

The Pioneer Park Master Plan Update follows recommendations consistent in the Parks 20/20 Plan adopted in 1997.

## **RECOMMENDATION**

Staff and the Parks, Recreation and Cemetery Board recommend that the City Council approve and adopt the Pioneer Park Master Plan Update as the governing plan for development of the park.

**APPROVED BY CITY ADMINISTRATOR**

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**Attachments**

Resolution approving Pioneer Park Master Plan 7-26-10

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**RESOLUTION NUMBER 10-\_\_\_\_\_**

**A RESOLUTION ADOPTING AN UPDATED MASTER PLAN  
FOR THE DEVELOPMENT OF PIONEER PARK**

**WHEREAS**, the public interest requires the creation and adoption of an updated Master Plan for Pioneer Park, a Community Park, to control and limit development in accordance with the needs of the community, the limitations and constraints of the park site, and with improvements suited to and appropriate for this Community Park.

**WHEREAS**, it is in the public interest and necessary that the current and future development of the park shall conform to the adopted master plan; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF

BILLINGS:

1. *Master Plan.* The master plan update for Pioneer Park presented for adoption and attached as *Exhibit "A"* is the official Master Plan for the park.
2. *General Character of Improvements Provided for by the Plan.* The general character of the improvements are intended to balance the recreational opportunities and special events hosted at the park which is located North of Senior High School and bounded by Virginia Lane to the West, Parkhill Drive to the North and 3<sup>rd</sup> Street West to the East. The purpose of the plan is to guide development and maintenance of the park and its facilities.
3. *Changes.* Proposed improvements not part of the adopted plan shall not be installed unless a new master plan is adopted through the normal park planning process that finds that the proposed improvement is appropriate as described above and can be incorporated as part of an "amended" park master plan to be presented for adoption at that time.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Billings, Montana, this 26<sup>th</sup> day of July, 2010.

CITY OF BILLINGS

By: \_\_\_\_\_  
Thomas W. Hanel Mayor

ATTEST:

By: \_\_\_\_\_  
Cari Martin City Clerk

Exhibit A

Pioneer Park Master Plan Update

PLEASE NOTE: A paper copy of the master plan is available for public viewing at the City Clerk's Office.