

City Commission Member Dan Morrison moved to adopt the following resolution:

RESOLUTION NUMBER 1039

A RESOLUTION OF THE POLSON CITY COMMISSION CALLING FOR A NEGOTIATED SALE OF \$400,000 CITY OF POLSON MUNICIPAL GOLF REVENUE REFUNDING BONDS, SERIES 2013 AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF.

BE IT RESOLVED by the City Commission of the City of Polson, Montana as follows:

WHEREAS, it is in the best interest of the City of Polson to refund the City of Polson Municipal Golf Course Revenue Bonds, Series 1998 to obtain the lowest, most reasonable interest rate for the benefit of the Polson Municipal Golf Course; and

WHEREAS, the proceeds from the negotiated sale of City of Polson Municipal Golf Revenue Refunding Bonds, Series 2013 will be utilized to refund the Polson Municipal Golf Revenue Bonds, Series 1998; and

WHEREAS, the City is authorized by Section 7-7-4433(1) MCA to sell bonds at a private negotiated sale to a financial institution authorized to conduct business in the State of Montana.

NOW, THEREFORE BE IT RESOLVED, by the City Commission of the City of Polson, Montana (the "City") as follows:

Section 1. Authorization to Sell and Issue Bonds. This Commission is authorized under Title 7, Chapter 7, Part 44 and Part 45, MCA to issue revenue bonds and to refund existing revenue bonds. Pursuant to such authorization, the Council previously issued and sold municipal golf course revenue bonds of the City denominated Municipal Golf Course Revenue Bonds, Series 1998, in the original aggregate principal amount of \$1,600,000 (the "Series 1998 Bonds"). The Series 1998 Bonds are currently outstanding in the aggregate principal amount of \$530,000. All remaining maturities on the Series 1998 Bonds are subject to redemption prior to their stated maturities, without penalty, at the option of the City. The City Commission intends to utilize the existing Golf Course Fund Revenue Bond Reserve combined with the issuance of the City's \$400,000 Municipal Golf Course Revenue Refunding Bonds, Series 2013 (the "Refunding Bonds") to fully redeem the remaining principal on the Series 1998 Bonds. The Commission hereby authorizes the issuance of the Refunding Bonds for the purpose of refunding the remaining principal balance of the Municipal Golf Revenue Bonds, Series 1998.

Section 2. Authorization for Private Sale. The City is authorized by Section 7-7-4433(1), MCA and Section 7-7-4503(1) to conduct a private negotiated sale of the Refunding Bonds and pursuant to that authorization shall negotiate with financial institutions, as the term is used in Title 32, MCA, authorized to conduct business in the State of Montana. Pursuant to Section 7-7-4502, MCA, the Refunding Bonds are to be sold at an average annual interest rate of at least 3/8ths of one percent (0.375%) less than the average annual interest rate of the Series 1998 Bonds being refunded, or if the issuance of the Refunding Bonds (including costs) results in a reduction of total debt service costs to the City.

Section 3. City Treasurer to Negotiate Sale. The City Treasurer is hereby authorized to negotiate the sale of the Refunding Bonds at par. The bids will be presented to the City Commission at a special meeting February 22, 2013 at City Hall at 7:30 a.m. to consider final negotiated bid and award the sale of the Refunding Bonds.

Section 4. Source of Funds. The Refunding Bonds shall be a special, limited obligation of the City payable by the City solely out of the Net Revenues of the City's Golf Course Enterprise Fund generated by the operation of the Polson Municipal Golf Course. The Refunding Bonds are not a general obligation and will not constitute a debt of the City within the meaning of any constitutional or statutory limit or provision and is not a charge against the general credit or taxing power of the City.

Section 5. Terms and Sale of Refunding Bonds. Pursuant to the authority described above, the Commission shall issue and sell the Refunding Bonds in the aggregate principal amount of \$400,000 for the purpose described in Section 1 hereof. The Refunding Bonds shall be dated as of April 1, 2013. The Refunding Bonds shall have the maturities, bear interest, be secured, have the redemption provisions and payment dates and be registered, offered for sale and delivered as indicated on Exhibit A. Exhibit A is attached and made a part hereof. The City Commission hereby adopts the terms and conditions set forth in Exhibit A as of the terms and conditions of the sale of the Refunding Bonds.

Passed by the City Commission of Polson, Montana this 20th day of February, 2013.

Pat DeVries, Mayor

ATTEST:

Cindy M. Dooley, City Clerk

APPROVED AS TO FORM:

James Raymond, City Attorney

City Commission Member Mike Lies seconded the Motion for adoption of the Resolution.

City Commission roll call vote:

	<u>FOR</u>	<u>OPPOSED</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
John Campbell				X
Todd Erickson	X			
Mike Lies	X			
Stephen Turner	X			
Fred Funke	X			
Dan Morrison	X			
Pat DeVries			X	

EXHIBIT “A”
NOTICE OF PRIVATE NEGOTIATED BOND SALE OF \$400,000 PRINCIPAL
AMOUNT CITY OF POLSON MUNICIPAL GOLF REVENUE REFUNDING BONDS,
SERIES 2013
CITY OF POLSON, MONTANA

Notice is hereby given by the Polson City Commission of the City of Polson, Montana (the “City”) that the City will sell by a private negotiated sale to a financial institution authorized to do business in the State of Montana, the above-described Refunding Bonds issued by the City of Polson and payable from the City’s Municipal Golf Course Enterprise Fund in the principal amount of \$400,000.

The bids will be negotiated and analyzed by the City Treasurer. The City Commission will meet on February 22, 2013 in the council chambers at 7:30 a.m. to consider the negotiated bid and award the sale of the Refunding Bonds.

Purpose and security:

The Refunding Bonds will be issued for the purpose of refunding the remaining principal balance of the Polson Municipal Golf Revenue Bonds, Series 1998 in order to capture a reduced interest rate for the benefit of the Polson Municipal Golf Course. The Refunding Bonds will be a special limited obligation of the City and do not constitute a general obligation of the City. The Refunding Bonds are payable from the net revenues of the City’s Golf Course Enterprise Fund generated by the operation of the Polson Municipal Golf Course. There will be no reserve fund established for the payment of the Refunding Bond.

Date and Type of Bonds:

The Refunding Bonds shall be delivered and dated April 1, 2013. The Refunding Bonds will be issued as negotiable investment securities in registered form as to both principal and interest.

Maturities and Form:

The payment schedule will provide for semi-annual payments of principal and interest for a term of four years to the registered owner of the Refunding Bonds as such appears in the Bond Register as of the close of business on the 15th day of the immediately preceding month. The semi-annual payments are payable on each April 1 and October 1, commencing October 1, 2013 and concluding April 1, 2017, unless prepaid in full at the option of the City. The prepayment option will not constitute a penalty. The Refunding Bonds shall consist of one or more fully-amortized bonds maturing on April 1, 2017.

Interest payment date and calculation:

Interest will be payable each April 1 and October 1, commencing October 1, 2013. The Refunding Bond payment amortization schedule will have the same interest rate for all semi-annual payments. No additional interest certificates are permitted. Interest will be calculated on the basis of a 365-day year consisting of actual days elapsed.

Bond Registrar, Transfer Agent and Paying Agent:

The City Treasurer will act as Bond registrar, transfer agent and paying agent. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Refunding Bonds will be paid by the Registrar. The City reserves the right to remove the Registrar and appoint a successor.

Legal Opinion:

An opinion as to the validity of the Refunding Bonds and the exclusion of the interest thereon from gross income for federal income tax purposes and Montana individual income tax purposes will **not** be provided by the City. The financial institution awarded the sale must fully understand the implication of and agree to this provision.

Tax Matters:

The City intends to file form 8038-G *Information Return for Tax Exempt Government Obligations* with the Internal Revenue Service and follow rules relating to the continued tax exemption of the Refunding Bonds. However, the City is not guaranteeing the tax exempt status of the Refunding Bonds.

Delivery:

The Refunding Bonds shall be delivered and dated April 1, 2013 to the original purchaser. On April 1, 2013, the City will furnish to the purchaser a tax certification and a certificate stating that no litigation in any manner questioning the validity of the Refunding Bonds is pending or, to the knowledge of officers of the City threatened. Payment for the Refunding Bonds will be at par and received in immediate available funds, a bank cashier check or electronic wire for immediate credit.

Continuing Disclosure:

Participating purchasers need not comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The aggregate principal amount of the Refunding Bonds and any other bond issues of the City required to be integrated with the Refunding Bonds is less than \$1,000,000. Consequently, the City will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Refunding Bonds. The City does not intend to provide an Official Statement relating to the Refunding Bonds. The City Treasurer will assist prospective purchasers to provide information for the offering.

Dated this 20th day of February, 2013

By order of the Polson City Commission
City of Polson

Cindy M. Dooley, City Clerk