

RESOLUTION # 1754

A RESOLUTION BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA, AWARDED FINANCING TO GLACIER BANK FOR THE FUNDING OF SPECIAL IMPROVEMENT DISTRICT NO. 38, RIVERWOOD SUBDIVISION IN PRINCIPAL AMOUNT OF \$340,000 AT FIXED RATE OF 4.16% FOR A 20 YEAR TERM

WHEREAS THE City Council (the "Council") of the City of Columbia Falls (the "City") has, pursuant to Title 7, Chapter 12, Part 41 and 42, Montana Code Annotated (MCA), by passage of its Resolution's No. 1744, 1745, 1751, 1752, and 1753 created SID 38 and authorized financing a portion of Special Improvement District No. 38, Riverwood Subdivision (the "District") ; and

WHEREAS the City is authorized by Section 7-12-4204(2)(b), MCA, to obtain funding at a private negotiated sale to a financial institution that is authorized to conduct business in the State of Montana, if this Council determines that such sale is in the best interests of the District; and

WHEREAS debt payments are payable primarily from the collection of a special assessment which is a lien against the assessable real property within the district benefitted by the Improvements. The special assessments are payable in equal, semi-annual installments over a 20-year term; and

WHEREAS the City considers this financing a bank qualified tax-exempt government obligation defined under IRS Code Section 265; and

WHEREAS the City owns the municipal water, sewer, and street systems and intends to file Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) with the IRS on behalf of this borrowing; and

WHEREAS the City has agreed to establish and maintain a reserve in the Sewer Enterprise Fund (Fund 5310) for the life of the debt of 5% of the original principal (\$17,000); and

WHEREAS the City has agreed to fund any delinquency that may arise over and above the reserve amount out of the Sewer Enterprise Fund (Fund 5310) to ensure timely debt payments.

NOW, THEREFORE BE IT RESOLVED:

The City Council of the City of Columbia Falls hereby accepts the terms and conditions of the direct borrowing loan agreement negotiated with Glacier Bank for the principal amount of \$340,000 for 20 years at a fixed rate of 4.16% with principal and interest due semi-annually on January 1 and July 1 of each year, commencing January 1, 2018.

PASSED AND ADOPTED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 7<sup>th</sup> DAY OF AUGUST, 2017. THE COUNCIL VOTING AS FOLLOWS:

AYES: Shepard, Fisher, Lovering, Petersen, Piper and Barnhart

NOES: None

ABSENT: Karper

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

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA, THIS 7<sup>th</sup> DAY OF AUGUST 2017.

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Mayor

ATTEST:

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City Clerk