**NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ESTABLISHMENT OF A STORM SEWER SPECIAL REVENUE FUND, THE STORM SEWER IMPROVEMENT PROJECT IN THE CITY OF SHELBY, MONTANA; THE PROPOSED 2015 FEES AND ASSESSMENTS TO PROPERTY OWNERS FOR THE STORM SEWER IMPROVEMENT PROJECT AND RELATED COSTS; AND THE ISSUANCE OF STORM SEWER REVENUE BONDS, SERIES 2014**

CITY OF SHELBY, MONTANA

NOTICE IS HEREBY GIVEN that on Monday, August 4, 2014, the City Council of the City of Shelby, Montana (the “City”), adopted a Resolution Relating to Preliminary Items for the Establishment of a Storm Sewer Special Revenue Fund, Storm Sewer Improvement Project, Preliminarily Providing for the Issuance of Storm Sewer Revenue Bonds, and Calling for a Public Hearing with Respect Thereto and the Establishment of Fiscal Year 2015 Assessments and Fees to Property Owners with Respect Thereto (the “Resolution”).

 At the public hearing, the City will consider the proposed storm sewer fees and assessments to property owners in the City for fiscal year 2015 for the annual cost of establishing a Storm Sewer Special Revenue Fund of the City in order to pay for the cost of improvements to the City’s Storm Sewer System, the funding initial operating costs upon all parcels/lots in the City, and related costs. The fees and assessments to the property owners will be levied pursuant to Montana Code Annotated, Title 7 Chapter 13, Part 43, as amended.

The City will issue its Storm Sewer Revenue Bonds, Series 2014 (the “Series 2014 Bonds”), in an estimated amount of approximately $6,500,000, in order to pay for (i) the cost of the installation, construction, and equipping of the improvements to the City’s Storm Sewer System; (ii) necessary capitalized interest on the Series 2014 Bonds; (iii) reserves for the Series 2014 Bonds and beginning operating funds for the Storm Sewer System; and (iv) costs of issuance for the Series 2014 Bonds. Principal of and interest on the Series 2014 Bonds will be payable solely from the revenues of the Storm Sewer System and the Series 2014 Bonds would not be a general obligation of the City and will not be payable from the full faith and credit or taxing power of the City. The Series 2014 Bonds would be issued pursuant to and Montana Code Annotated, Title 7, Chapter 7, Part 44, as amended (the “Revenue Bond Act”). Pursuant to the Resolution, the City Council found it to be in the public interest, and in the best interests of the City to give preliminary approval to the issuance of the Series 2014 Bonds, and authorized the City to enter into undertakings and agreements therefor with respect to the Series 2014 Bonds.

On Monday, August 18, 2014, at or after 7:30 p.m., in the Council Chambers at City Hall, 112 First Street South in the City, the City Council will conduct a public hearing on the issuance of the above-referenced Series 2014 Bonds.

Further information regarding the Improvements, the Series 2014 Bonds or other matters in respect thereof may be obtained from the City Clerk at City Hall, 112 First Street South in the City, or by telephone at (406) 434-5222.

Dated: August 4, 2014.

BY ORDER OF THE CITY COUNCIL

OF THE CITY OF SHELBY, MONTANA

 /s/ Teri Ruff

City Clerk

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