

William E. Hunt, Jr.

From: Brian Lee <brian@leelawofficepc.com>
Sent: Thursday, August 02, 2018 4:37 PM
To: William E. Hunt, Jr.
Subject: Re: storm drain assessment

Categories: Green Category

OK. Let me know the next steps and whether or not you need me to send a demand letter or do something else to initiate the appeals process.

Brian

On Thu, Aug 2, 2018 at 1:13 PM, William E. Hunt, Jr. <huntlaw@3rivers.net> wrote:

I think that it's not that simple. The storm drain is a municipal utility. And municipal utilities are, by definition, a can of worms. Our rates have to be reasonable and rational. If we lower the rate for one user, then it affects the rights (constitutional due process stuff) of other users.

When we first started looking at establishing the storm drain utility, we put quite a bit of resources into the methodology of the charges and rates. This included consideration of the physical properties of lots (dirt, pavement, gravel, vegetation, buildings, etc.).

So, if we change anything, we have to have good reason and apply it to the whole rate structure.

From: Brian Lee [mailto:brian@leelawofficepc.com]
Sent: Thursday, August 02, 2018 11:43 AM
To: William E. Hunt, Jr. <huntlaw@3rivers.net>
Subject: Re: storm drain assessment

Thanks Bill. What I told Jade I would like to do is settle with the City so that the only portion of my property in the industrial park that is being assessed storm drain taxes is the 40x80 building. That's all I'm trying to achieve here. If we could accomplish that the matter is resolved and I will go away. What do you think?

Brian

On Thu, Aug 2, 2018 at 11:30 AM, William E. Hunt, Jr. <huntlaw@3rivers.net> wrote:

Brian-

I'm working on your storm water system issue and spent some time this week. I don't have an answer for you at this time as it's more complicated than I originally thought. It's pretty high on my radar. It also has the attention and prodding of Gary and Jade. I just want you to know that it hasn't slipped to the bottom of the pile and I had forgotten about it again.

Thanks,

Bill

William E. Hunt, Jr.

Attorney at Law

PO Box 569

201 Main Street

Shelby MT 59474

(406) 434-3900

Fax (866) 868-8943

huntlaw@3rivers.net

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Brian D. Lee
Lee Law Office PC
158 Main Street
PO Box 790

Shelby, Montana 59474
(406) 434-5244

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RESOLUTION NO. 1950

RESOLUTION OF THE CITY OF SHELBY, MONTANA TO
ESTABLISH A BASIS ON WHICH STORM WATER
DRAINAGE SYSTEM CHARGES ARE DETERMINED AND
CHARGED AND APPROVING RATES AND CHARGES
FOLLOWING A PUBLIC HEARING

RECITALS

WHEREAS, the City of Shelby, Montana (the "City") presently owns and operates a sanitary sewerage system for the collection and disposal of sewerage (the "Sanitary Sewer System") and into which storm and other surface waters are being discharged; and

WHEREAS, a piecemeal and undersized storm water drainage network (the "Existing Storm Water Drainage Improvements") has been assembled that directs surface and storm water into the Sanitary Sewer System; and

WHEREAS, the Sanitary Sewer System also takes on storm water that seeps underground and infiltrates pipes and conduits; and

WHEREAS, the surface and storm water entering the Sanitary Sewer System is reducing the life expectancy of and the capacity of the sanitary treatment plant to treat wastewater; and

WHEREAS, the City has been forced to place a moratorium on future subdivisions and connections to the Sanitary Sewer System because of the treatment issues caused, at least in part, by surface and storm water; and

WHEREAS, because of the inadequacy of the Existing Storm Water Drainage Improvements, water events cause property damage and health concerns and interrupt and complicate the affairs of persons in the City; and

WHEREAS, accordingly the City has determined that it is necessary and desirable to establish a separate and distinct storm water drainage system and rules and regulations relating to storm water and drainage and construct improvements for the collection and disposal of storm and surface waters separate and distinct from the Sanitary Sewer System; and

WHEREAS, the City passed Ordinance No. 827 on August 22, 2016 which established the storm water drainage system and set forth regulations for the system; and

WHEREAS, until a new storm water drainage system is constructed and placed in service, the City will continue operating, performing work on, and improving the Existing Storm Water Drainage Improvements, including, without limitation, by flushing out sedimentation and debris with sewer jets; and

WHEREAS, the City has not to date established storm water drainage rates and charges, and thus has no revenue from the Existing Storm Water Drainage Improvements to pay for or

obtain financing to pay the costs of contemplated new construction of and improvements to its storm water drainage system; and

WHEREAS, pursuant to Montana Code Annotated, Title 7, Chapter 7, Parts 42 and 43, and Title 7, Chapter 7, Part 44, M.C.A., the City is authorized to construct, better, improve and extend a storm water drainage system and issue revenue bonds to finance in whole or part the costs thereof; and

WHEREAS, the City Council (the "Council") of the City is further authorized and required by Title 7, Chapter 13, Parts 42 and 43, Title 7, Chapter 7, Part 44, and Title 69, Chapter 7, Part 1, M.C.A., to establish just and equitable rates, fees and charges and rentals for the services and facilities provided by a storm and surface water drainage system so as to make a storm water drainage system self-supporting; and

WHEREAS, the City has committed to establishing a separate and distinct storm and surface water drainage system that will initially consist of the Existing Storm Water Drainage Improvements, which will, to the extent practicable, ultimately be incorporated into and form a part of the new and more expansive storm and surface water drainage system (the "System"), owned and operated by the City; and

WHEREAS, the City is contemplating issuing storm water drainage system revenue bonds in the amount of approximately \$3,850,000 (the "Bonds") to fund improvements to the System, to establish appropriate reserves, and to pay the costs associated with the issuance of the Bonds; and

WHEREAS, it is necessary to collect sufficient revenues to repay the Bonds, pay costs associated with the operation and maintenance of the System, and establish appropriate reserves; and

WHEREAS, under Section 69-7-101, Montana Code Annotated, the City has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the municipal systems. Rates, charges, and classifications must be reasonable and just; and

WHEREAS, rates, charges, and classifications for the use and availability of the System will be charged to properties in the City that are benefited by or that burden the System (collectively, the "Properties"; each, a "Property"); and

WHEREAS, the City conducted a public hearing on August 1, 2016 to consider establishing the System and a methodology to establish rates and charges and took public comment, and on August 1, 2016, the City approved on first reading Ordinance No. 827 to establish the System and adopted Resolution No. 1941, regarding the intention to establish bases for charging for the use and availability of the System, as existing and to be constructed; and

WHEREAS, notice of public hearing was published on August 3, 2016, August 10, 2016, and August 17, 2016, and was mailed to all users of the City's System on August 3, 2016, notifying the public and users of the System that pursuant to Resolution No. 1941, adopted August 1, 2016, it was the intention of the City to set forth rules and regulations for the use and

availability of the System and to establish the basis upon which charges for the use and availability of the System will be imposed by the City and notice of public hearing was published as required by Section 69-7-111, Montana Code Annotated. A public hearing was held on August 22, 2016, commencing at 7:30 p.m. at the City Hall, 112 1st Street South, Shelby, Montana for the purpose of hearing comments from the public on establishing the System and the proposed establishment of System charges; and

WHEREAS, following the public hearing on establishing the System, the Council approved on second reading Ordinance No. 827; and

WHEREAS, based on public comment at and relating to the public hearing on August 22, 2016 regarding establishing bases for charging for the use and availability of the System, the Council determined to continue the public hearing to its meeting on September 19, 2016, at 7:30 p.m., Council Chamber, Shelby City Hall, 112 1st Street South, Shelby Montana; and

WHEREAS, a notice of the continued public hearing regarding establishing the bases for charging for the use and availability of the System, and setting forth the modified bases as a result of prior public comment, was published on August 31, 2016, September 7, 2016, and September 14, 2016, and mailed to all users of the System on September 8, 2016; and

WHEREAS, the continuation of the public hearing was held on September 19, 2016, 2016 commencing at 7:30 p.m. at the City Hall, 112 1st Street South, Shelby, Montana, and all persons appearing were given an opportunity to speak at the public hearing; and

WHEREAS, that public hearing was finally closed on September 19, 2016; and

WHEREAS, the Council subsequently conducted additional public meetings and hearings on the System and rates and charges related thereto; and

WHEREAS, the Council determined it was in the best interests of the City to reduce the initial scope of the System to be constructed; and

WHEREAS, following a determination to reduce the initial scope of the System, a notice of public hearing was mailed to all persons who own property in the City and to all customers of the System, notifying them that pursuant to Resolution No. 1949, adopted February 13, 2017, it was the intention of the City to establish a basis on which storm water drainage system charges are determined and charged and proposing rates and charges, and notice of public hearing was published as required by Section 69-7-111, Montana Code Annotated; and

WHEREAS, a public hearing was held on March 13, 2017 at 6:30 p.m. at the City Hall, 112 1st Street South, in Shelby, Montana, for the purpose of hearing comments from the public on the establishment of the proposed rates and charges for the System; and

WHEREAS, all persons appearing were given an opportunity to speak at the public hearing; and

WHEREAS, the Council, having received ample public comment, having afforded the opportunity for ample public comment, and having made adjustments to the System and the

proposed rates and charges, now desires to approve the bases on which rates and charges for the use and availability of the System will be imposed consistent with the most recent notices relating to the public hearing on March 13, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City as follows:

Section 1. Rates and Charges.

1.1. Storm Water Drainage Charge. To pay the costs of operating and maintaining the System and to finance or reimburse the City for costs of designing, constructing, and repairing or replacing the System and to establish necessary or appropriate reserves, effective as of the June 2017 billing, the City hereby establishes rates, charges, and classifications for the use and availability of the System (the "Storm Water Drainage Charge"), with the amount of the Storm Water Drainage Charge determined as follows:

<u>Property Type</u>	<u>Storm Water Drainage Charge Per Property¹</u>
Residential Metered Property	\$95.00/year
Non-Residential Metered Property	\$95.00/year per ERU (1 ERU = 3000 sq. ft. impervious area)
Undeveloped Non-Metered Property	\$0.0025/sq. ft. per year capped at \$625.00 per parcel

¹Billed as described in Section 2 below.

Section 2. Billing. The City will charge owners of Properties that receive a monthly water and/or sewer bill (i.e., a metered Property) the Storm Water Drainage Charge by including with such bill the applicable Storm Water Drainage Charge. For undeveloped Properties that are not connected to the municipal water or sewer system and that therefore do not receive a water or sewer bill (i.e., a Non-Metered Property), for administrative convenience only, the Storm Water Drainage Charge will be placed on the property tax statements applicable to such Properties. The amount of such charge will equal each year the dollar amount determined by multiplying \$0.0025 by the square footage of such Property for the Storm Water Drainage Charge, and approximately one-half of such amount (up to \$625 per parcel per year) will be due with the November 30 property tax payments and approximately one-half of such amount will be due with the May 31 property tax payments.

Section 3. Late Charges. The City contemplates imposing a reasonable, just, and appropriate late fee following the approval of the Storm Water Drainage Charge by adjusting its late fee currently applicable to other of its municipal utilities.

Section 4. Amount of Increase. The monthly flat rate based on classification of the Properties and applicable to metered Properties and Non-Metered Properties are new charges in conjunction with segregating the Existing Storm Water Drainage Improvements as the initial part of the System and establishing and constructing the new System. Accordingly, all of the Storm Water Drainage Charge will be an increase over current utility bills, recognizing that in the absence of the new System, rates and charges relating to the Sanitary Sewer System would need to be increased more rapidly to deal with the deleterious effects that storm and surface waters are having on the Sanitary Sewer System.

Section 5. Determination of Annual Budget for System. Each year the Council of the City shall determine the amount of money needed to pay the costs of the System including but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the System; (b) administration of the System; (c) the payment of principal and interest on any bonded or other indebtedness of the System; and (d) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Council or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the System. Based on the annual needs of the System, the Council will establish monthly or semi-annual rates and charges for the use or availability of the System.

Section 6. Further Rate Increases. Subsequent adjustments to the Storm Water Drainage Charge or adoption of a new charge may be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 7. Effective Date of Resolution. This resolution shall be immediately filed with the City Finance Officer and shall become effective 10 days after filing with the City Finance Officer.

Passed and approved this 20th day of March, 2017.

Larry J. Bonderud, Mayor

ATTEST:

Jade Goroski, Finance Officer











CIRCULAR DEQ-8

MONTANA STANDARDS FOR SUBDIVISION STORM WATER DRAINAGE

2017 Edition

- 1.2.5. **Detention Facility** means an area or structure where excess storm water is stored or held temporarily and then drains through a designed outlet. Compare to “retention facility.”
- 1.2.6. **Discharge** means the amount of flow, in volume per unit time, from any structure that is used for collecting and conveying storm water, often expressed in units of cubic feet per second or acre-inches per hour.
- 1.2.7. **Duration** means the length of time over which a storm event occurs (e.g., one hour, 24 hours, etc.).
- 1.2.8. **Frequency** means the rate of recurrence of a storm event, usually expressed in years.
- 1.2.9. **Flow rate** means a volume, or quantity, of water conveyed over a specified unit of time, often expressed in units of cubic feet per second or acre-inches per hour.
- 1.2.10. **Hydrograph** means a graphical representation of the time distribution of runoff from a watershed.
- 1.2.11. **Intensity-Duration-Frequency (IDF) Curve** means a graphical representation of the relationship between rainfall or rainfall intensity and duration for different frequencies.
- 1.2.12. **Impervious area** means a hard surface area that prevents or retards the entry of water into the soil. Impervious areas include, but are not limited to, rooftops, traditional asphalt, concrete and gravel parking lots, driveways, roads, and sidewalks.
- 1.2.13. **Infiltration Facility** means a structure or feature that captures and temporarily stores storm water runoff so that it may permeate over time into underlying or surrounding soils.
- 1.2.14. **Initial Storm Water Facility** means an area or structure sized to capture and infiltrate or evapotranspire the volume of storm water runoff generated from the first 0.5 inches of rainfall on impervious areas.
- 1.2.15. **Landscaping** means grass, foliage, shrubbery, and/or trees.
- 1.2.16. **MS4** means municipal separate storm sewer systems.
- 1.2.17. **Offsite Basin** means any storm water basin located outside the subdivision boundaries.
- 1.2.18. **Onsite Basin** means any storm water basin located within the subdivision boundaries.

CITY OF SHELBY

PAYROLL EXPENSE BY DEPARTMENT - 8/2018

CITY HALL	25,317.41
ELECTED OFFICIALS (Mayor & Council)	7,803.74
PARK & RECREATION	8,995.83
PUBLIC WORKS	66,537.72
VOLUNTEERS (Animal Shelter & Firemen)	174.56
- Workers Comp expense only	
TOTAL PAYROLL EXPENSE	\$ 108,829.26

Payroll, Reports, Payroll Register, Preview, Pay Date: whole month, Select a Group: Yes, check Select by Dept box ,double click on individual department (City Hall, Elected, Park & Rec, Public Works and Volunteer), Sequence: Dept/Emp, Enter Total Payroll Expense (Gross Pay + Employer Contributions) above

Superintendent's Report

Paving:

They were back Aug 29 and 30 and did about 5 blocks and started on landfill road.

Landfill:

Barry Damshin did the testing in the landfill and were waiting for the results.

Water:

We have the meter pit at the Clearwater tank installed and the meter will be installed this week

Pool:

The Splash Park will be open till weather turns colder. The pool is drained and we are getting it ready for the new gutter to be installed

Sewer:

The 4th Cell is progressing really good. They are placing the pipe down the 3rd cell dike this week

Lorette Carter

From: Lorette Carter <shbcdc@3rivers.net>
Sent: Thursday, August 23, 2018 10:47 AM
To: 'Luke LaLiberty'; mike.obrien@tdhengineering.com
Cc: Jade Goroski (jade@shelbymt.com); garym@3rivers.net
Subject: City of Shelby CIP update/revision
Attachments: CIP update work copy.doc

Good Morning Luke and Mike,

The City of Shelby is considering the update/revision of our Capital Improvements Plan (attached). We have done some updates in the last year, but are wondering if the document can be more efficient, less cumbersome and more user-friendly, especially for council budgeting purposes.

Can you give us a cost estimate for this project please? If Mayor McDermott and Council approves, I will write a CDBG planning grant for the work.

Thank you for your consideration.

Lorette

Lorette Carter
City of Shelby
112 1st St. South
Shelby, MT 59474
(406) 434-5222
shbcdc@3rivers.net



2969 Airport Road, Suite 18
Helena, MT 59601-1201
406 449 7764
KLJENG.COM

August 28, 2018

Lorette Carter
Community Development
City of Shelby

Re: 2018 City of Shelby Capital Improvements Plan update/revision

Dear Lorette:

A capital improvements plan (CIP) is one of the most important documents a municipality should have available to them. CIPs are budgeting documents and an effective CIP will be referred to on a regular basis as the Council plans their capital expenditures for future years.

KLJ has extensive CIP experience and we are eager to help the City of Shelby by preparing a CIP that is user-friendly, comprehensive, and effective. Most importantly, we'll be able to leverage our many years of experience designing and implementing infrastructure upgrades in Shelby to help the City identify priorities and provide accurate budgeting data. This experience allows us to be efficient when preparing the CIP because we already have a strong understanding of the City's needs and we'll spend less time on background information and more time listening to what the City wants to accomplish.

Our process starts with the City identifying the threshold for capital projects. We'll then meet with department heads individually to gain a full understanding of department priorities and wish list items. We'll consolidate this list and present it to public through the Council for feedback and additional direction. Once the priority list is finalized by department, KLJ carefully evaluates each purchase from an economic and budgetary standpoint to determine feasibility. We'll also analyze potential funding sources and match projects to existing budgets to create a final recommended priority list. We'll use this information to prepare a well-supported and easy to use document for the Council to refer to during budget season and throughout the year.

KLJ seeks to provide an exceptional customer experience to the City of Shelby, so I will be personally responsible for preparing the CIP if we are selected. I will be supported by Forrest Sanderson, who has over 30 years of experience as a planner for municipalities in Montana. Forrest fully understands the benefits of a strong CIP and will ensure Shelby receives a document that meets and hopefully exceeds your needs.

Our estimated fee for preparation of the document is based upon project completion by October 31st, 2018. If the City would like the CIP earlier, please let me know and I will update the timeline. The total estimated fee for a completed document is **\$15,500**.

I truly appreciate the opportunity to provide a cost estimate for this project and I hope KLJ can continue to support Shelby and contribute to the continued success of a historic and exciting community in our beloved Montana.

Sincerely,

KLJ

A handwritten signature in black ink, appearing to read 'Luke LaLiberty'.

Luke LaLiberty, PE, PMP
Project Manager

Lorette Carter

From: Wade DeBoo <Wade.DeBoo@tdhengineering.com>
Sent: Thursday, August 30, 2018 11:35 AM
To: Lorette Carter
Cc: Mike OBrien
Subject: Re: FW: Shelby CIP

Lorette,

Thanks for allowing us the opportunity to submit our fee estimate for this work. We would love the opportunity to work for the City of Shelby again.

As I mentioned on the phone, Mike and I reviewed the sample Blaine County CIP document and agree that it is more concise and organized than Shelby's previous CIP. Consolidating, reorganizing and updating the information into something similar to the Blaine County example would likely take some additional time and effort. We could complete that level of effort for an estimated fee of \$12,500.

We have assumed that Mike would attend 3 planning meetings with City staff through the course of the CIP update. We would give the City one draft CIP for your review, feedback and comments. Then, we would incorporate any requested changes into a final document. The CIP would be provided electronically or in hard copy print. We have assumed 5 hard copies, 50 pages in length. I'm not sure if Mike discussed schedule with you, but I would anticipate this process to take anywhere from 4 weeks to 3 months depending on a number of factors. We can expedite the process if the City desires. Since Mike mentioned that you may be applying for a planning grant, we are assuming that the work would not be starting immediately. Rather, it would likely start sometime later this year or in 2019 depending on grant funding.

Let me know if you have any questions or need any additional information.

Thanks,

Wade DeBoo, PE | President/ CEO

TD&H Engineering

1800 River Drive N. | Great Falls, MT 59401

t:406.761.3010

www.tdhengineering.com

>>> "Lorette Carter" <shbcdc@3rivers.net> 8/30/2018 11:18 AM >>>

From: Mike OBrien [mailto:Mike.OBrien@tdhengineering.com]
Sent: Thursday, August 30, 2018 7:03 AM
To: shbcdc@3rivers.net
Subject: Re: Shelby CIP

I'm on vacation for the next couple of days Lorette but I can ask Wade to send if that would be helpful. Mike

On Aug 29, 2018 7:53 PM, Lorette Carter <shbcdc@3rivers.net> wrote:

Hi Mike,
I would appreciate the additional information if possible.
Thanks so much
Lorette

Sent from my iPhone

On Aug 29, 2018, at 4:53 PM, Mike OBrien <Mike.OBrien@tdhengineering.com> wrote:

Hi there Lorette,
We can do the CIP update for \$10,000. This would be for the update of the existing only. To expand the CIP would require additional scope and of course fees. Please let me know if you would like a proposal letter with a scope of work listed.
Let me know if you have any questions.
Thank you for the opportunity to quote this proposed project.
Mike

Michael O'Brien, PE

Civil Engineer

TD&H Engineering

1125 Oilfield Ave. | Shelby, MT 59474

t:406.424.8280 | c:406.470.2293 |

www.tdhengineering.com

>>> "Lorette Carter" <shbcd@3rivers.net> 8/27/2018 1:17 PM >>>

Hi Mike,

Here is the Blaine County CIP. Very tidy at 48 pages. The City hopes to create a living document that the council use as a planning tool.

Thanks so much,

Lorette

Lorette Carter

City of Shelby

112 1st St. South

Shelby, MT 59474

(406) 434-5222

shbcd@3rivers.net

CDBG PLANNING GRANT APPLICATION FORM

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
MONTANA DEPARTMENT OF COMMERCE – COMMUNITY DEVELOPMENT DIVISION

ACCEPTANCE OF CDBG PROGRAM REQUIREMENTS

The Applicant hereby certifies that:

It will comply with all applicable parts of Title I of the Federal Housing and Community Development Act of 1974, as amended, which have not been cited herein, as well as with other applicable federal laws and regulations.

It will comply with all requirements established by the Montana Department of Commerce and applicable State laws, regulations, and administrative procedures.

It accepts the terms, conditions, selection criteria, and procedures established by the Montana Community Development Block Grant (CDBG) Program and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of CDBG funds.

APPLICANT- CERTIFICATION

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

Signature _____
Chief Elected Official or Authorized Representative

Name Gary McDermott **Title** Mayor of Shelby

Date _____

Eligible Applicant's Information [See Guidelines, page 3]	
1. Name of Local Government and Chief Elected Official	City of Shelby, Montana Gary McDermott, Mayor
Phone #/email address	(406) 434-5222/gary@shelbymt.com
Mailing Address	City of Shelby 112 1st St. So. Shelby, MT 59474
Federal Tax ID #	81-6001308
DUNS Number	098708688
2. Name of Sub-recipient or Assisted Business (if applicable) and primary contact	
Phone #/email address	

Mailing Address	
DUNS #	
North American Industrial Classification System (NAICS) Code	
Primary Contact Person/Grant Administrator (if not already listed above)	
Name	Lorette Carter
Affiliation	City of Shelby
Job Title	Community Development Director
Phone #/email address	(406) 434-5222/shbcddc@3rivers.net
Mailing Address	City of Shelby 112 1st St. So. Shelby, MT 59474

CDBG Planning Grant Funds Requested: \$ _____

- Community Benefit – 1:3 match required
 Site-Specific/Private Entity Benefit – 1:1 match required
 (Note: Required matching funds and amounts must be included in this preliminary budget)

BUDGET	AMOUNT	STATUS OF COMMITMENT (Pending or Firm)
OTHER FUNDING SOURCES:		
CDBG Requested Funds	\$	
Local match (required; see above)	\$	
{Name of Matching Funds, if not local}	\$	
	\$	
TOTAL ESTIMATED PROJECT COST	\$	

PROVIDE A BRIEF DESCRIPTION OF THE PROPOSED PLANNING ACTIVITY AND COMMUNITY/ENTITY BENEFIT: (Describe what the final work product will be and provide a description of the items that make up the work scope. A more thorough description may be necessary if the planning activity is for a product other than a CCIP, growth policy or PAR/PER. Include a discussion regarding the schedule including when key project milestones will be started and completed, see Exhibit 1.) Please limit the response to this description of the proposed planning activity to a maximum of two pages,

The City of Shelby would like to request funding to revise and update the Capital Improvement Plan. The City has added information through the years, creating a bulky, inefficient CIP that is not user-friendly. Mayor McDermott and Shelby City Council would like a better planning document that can be used readily for council planning and decision making, particularly during the budget process.

As a new mayor and newer council membership, the group is finding the current CIP heavy with old information and engineering reports associated with infrastructure that is already provided within PERs. The group would like a lean, planning document that can be used for planning purposes throughout the year. This document will better serve the community in efficient use of council time and energy providing project priorities, timelines and estimated costs.

REQUIRED DOCUMENTATION TO BE SUBMITTED WITH APPLICATION (AS APPLICABLE):

- I. WAIVER OF MATCH REQUESTED? If waiver of match is requested, provide supporting documentation and narrative justification as part of the budget narrative. *[See Guidelines, page 5.]*
- II. LETTER(S) OF COMMITMENT *[For funds or resources to be provided by a non-profit agency, water and sewer district, or similar organization; see Guidelines, page 5.]*
- III. PROJECT IMPLEMENTATION SCHEDULE *[Provide a project implementation schedule using Exhibit 1 attached. Include a brief narrative to explain your proposed project schedule.]*
- IV. PROPOSED PROJECT BUDGET AND BUDGET JUSTIFICATION NARRATIVE *[Use Exhibit 2 attached to list your project budget and to provide a detailed narrative that explains and justifies each line item of your proposed budget.]*
- V. DETERMINATION OF ENVIRONMENTAL EXEMPTION *[Provide a resolution or letter, signed by the chief elected official, documenting determination of environmental exemption, using Exhibit 3-A and 3-B]*

PROJECT PROPOSAL

Using separate sheets, applicants must address each of the questions below. Applicants are encouraged to review community development objectives outlined within the Annual Action Plan for Montana's Consolidated Plan; Community Planning staff will be reviewing all applications to determine that the proposed project meets the objectives of the Annual Action Plan for Montana's Consolidated Plan.

If a question is not applicable to the proposed planning project, the applicant must briefly address why it is not applicable. Links to supplemental documents or community – specific data and related information are encouraged to help support or illustrate the planning activity that funding is being requested for. Please limit the responses to the questions (A.1 through A.5 and B) below to a maximum of two pages each.

- A. Address the following elements as they relate to the proposed planning project, providing references and supplemental documentation as necessary to adequately illustrate a response:
 1. The need for financial assistance to complete the planning project;
 2. The fiscal capacity of the applicant to meet the grant conditions required by the Department, including but not limited to its ability to manage the planning project and demonstrate the use of generally accepted accounting principles;
 3. Past efforts to ensure sound, effective, long-term community wide planning;
 4. The demonstrated importance of, and the community's current support for, the planning project.
 5. Relation of planning project to business expansion or retention, specifically the number of potential jobs created or retained as a result of the proposed planning effort.
- B. Describe the intended outcome of the proposed planning project; how will the receipt of planning grant funds have a positive impact on the applicant community, and what steps will be taken following the conclusion of the planning activity (additional grant funds sought, implementation, construction, etc.)?

Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2770, TDD (406) 841-2702, or the Relay Services number, 711.

The Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operations of its program, services, or activities. Individuals, who need aids or services for effective communication or need other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

**EXHIBIT I
CDBG COMMUNITY PLANNING GRANTS
PROJECT IMPLEMENTATION SCHEDULE**

<u>TASK</u>	<u>MONTH</u>
<u>PROJECT START UP</u>	
Preparation of MDOC Contract	October, 2018
<u>PROCUREMENT OF PROFESSIONAL ASSISTANCE</u>	
<i>Including professional engineers, architects, and planning consultants, etc.</i>	
Submit Request for Proposals (RFP) to DOC for review <i>(Architectural and engineering services must be procured in compliance with Section 18-8-201, MCA)</i>	October, 2018
Publish RFP or RFQ/Conduct limited solicitation	October, 2018
Select professional	October, 2018
Execute agreement with professional	October, 2018
<u>PROJECT IMPLEMENTATION</u>	
Prepare draft plan/report	November, 2018
Submit interim Request for Funds, and 50% draft of final product (digital copy)	November, 2018
Public review and comment	November ~ December, 2018
Finalize plan/report	December, 2018
<u>PROJECT CLOSEOUT</u>	
Submit final product, both in digital and printed formats Submit final Request for Funds and Project Completion Report	January, 2019

**EXHIBIT 2
CDBG COMMUNITY PLANNING GRANTS
PRELIMINARY PROJECT BUDGET & NARRATIVE**

APPLICANT NAME				
	SOURCE: CDBG	SOURCE: Match (Specify)	SOURCE:	TOTAL
Status of non-CDBG funds (Pending or Firm)		City of Shelby		
Professional Planning Activities				
Professional Architectural/Engineering Services				
Other (Describe)				
TOTAL PLANNING PROJECT	\$	\$	\$	\$

Note – Because the amount of funding is limited, applicants will be expected to absorb most costs associated with the administration of the CDBG Planning Grant.

The budget justification narrative must thoroughly explain the rationale or basis for all proposed budget costs for each line item. Quotes from qualified professionals may be requested by MDOC to justify the proposed budget; applicants are encouraged to provide estimates from qualified contractors as part of the application package, in support of the amount of funds requested. The thoroughness of the budget justification will be a consideration in the review of the application. **The budget for the planning project must be accompanied by a detailed narrative that explains:**

- 1) The justification for each budget line item for the CDBG funds requested;
- 2) Local matching funds; and
- 3) Other sources and amounts of local, state, federal, or private funds to be involved.

Reminder: Planning grants may not be used for reimbursement of activities undertaken or completed prior to the date of announcement of grant award by the Department of Commerce.

Budget Justification Narrative Response (response below or attached):

PROJECT PROPOSAL

- A. Address the following elements as they relate to the proposed planning project, providing references and supplemental documentation as necessary to adequately illustrate a response.**

1. The need for financial assistance to complete the planning project.

Shelby, population 3,326, is like other communities in our region, relying heavily on agriculture and oil and gas production for economic viability. In past years and again this year, crop prices have been low and oil and gas activity stagnant, leaving the community to feel the tremendous impact. At the same time, large commercial enterprises have protested taxes leaving the county, city and school district in financial limbo. Lastly, the City of Shelby has had to initiate several critical infrastructure projects further straining financial resources of the city and its citizens. These factors weigh heavily in the city's ability to afford the cost of professional services to complete, revise and update planning documents.

The City of Shelby is diligent in its efforts toward job growth, tax base expansion, community revitalization, infrastructure and public facility improvements and increasing safe, affordable housing stock - setting a course of action to address these needs. The revision of the City of Shelby Capital Improvements Plan is critical in the process to positively impacting the quality of life for all citizens now and for generations to come.

- 2. The fiscal capacity of the applicant to meet the grant conditions required by the Department, including but not limited to its ability to manage the planning project and demonstrate the use of generally accepting accounting principles.**

The City of Shelby management plan is as follows:

I. ADMINISTRATIVE STRUCTURE

The City of Shelby is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City of Shelby's Community Development Block Grant (CDBG) grant.

Mayor Gary McDermott, as the City of Shelby's chief elected official will have responsibility for all official contacts with the Montana Department of Commerce and

ultimate authority and responsibility for the management of project activities and expenditure of CDBG funds.

The Clerk-Treasurer, Jade Goroski, as the City of Shelby's chief financial officer, will be responsible for management of, and record keeping for, the CDBG funds involved in the financing of this project.

Gary McDermott, Mayor, will be designated as *Project Manager* and be responsible for overall project management and reporting and for assuring compliance with applicable requirements.

The City of Shelby Attorney, William H. Hunt, as the City of Shelby's legal counsel, will provide legal guidance as requested.

The Project Architect/Engineer team will be responsible for activities including direction from city officials and community input; draft of the planning document; CDBG approval and final completion of CIP document.

II. PROJECT MANAGEMENT

A. The *Project Manager* with assistance from *Community Development Director* will be responsible for:

1. Familiarity with the current *Grant Administration Manual* and its requirements and for assuring compliance with the CDBG contract and with CDBG policies for project activities and administration.
2. If necessary, preparing any additional environmental review to assure full compliance with the National and Montana Environmental Policy Acts, including meeting any applicable environmental requirements and documenting any mitigating actions or additional consultation is completed pursuant to the findings of the environmental review.
3. Documenting compliance with applicable civil rights requirements.
4. Assisting the City of Shelby with all requirements related to effective project start-up and maintaining compliance with the implementation schedule attached to the contract.
5. Assisting the City of Shelby with procuring professional services.
6. Monitoring and enforcing compliance with labor standards requirements.
7. Documenting compliance with URA requirements, as applicable.
8. Preparing all required performance reports and closeout documents.

B. The *Project Architect/Engineer* will be responsible for:

1. Community outreach to gather input and direction.
2. Creation of a first draft in which to secure CDBG approval before project completion.

3. Completion of all revisions and additional information as directed by CDBG.
4. Project submission for final approval and pay request.

III. FINANCIAL MANAGEMENT

A. The *Clerk-Treasurer* will be responsible for:

1. Establishing the CDBG bank account and transferring CDBG funds from that account to the City of Shelby's treasury for disbursements, based on claims and supporting documents.
2. Ensuring a separate non-interest bearing account required by CDBG will be established and used for CDBG funds. Balances in that account will not exceed \$5,000 for a period of three days, to comply with CDBG requirements.
3. Entering all project transactions into the City of Shelby's existing accounting system, and preparing checks/warrants for approved expenditures.
4. Ensuring all Requests for Reimbursement are signed by authorized representative.

B. The *Project Manager and the Clerk-Treasurer* will be responsible for:

1. The review of all proposed expenditures of CDBG funds. The Project Manager and Clerk-Treasurer will prepare requests for reimbursement, which will be signed by authorized representatives.
2. All disbursements are handled in accordance with the City of Shelby's established procedures for reviewing claims.

3. Past efforts to ensure sound, effective, long-term community wide planning.

The City of Shelby has made substantial past efforts to ensure sound, effective long-term community wide planning through a long-term commitment to capital improvement planning and budgeting. The city completed its first Comprehensive Land Use Plan in 1971 with a section for capital improvements. Since that time a Growth Policy and Capital Improvements Plan have been adopted and updated through the years. The City of Shelby Growth Policy was updated in 2012 and 2014. The Capital Improvements Plan is reviewed annually as part of a general needs assessment public meeting to gather community input and direction. Sections of the CIP were updated in 2017 and 2018.

4. The demonstrated importance of, and the community's current support for the planning project.

The City of Shelby continually relies on citizen engagement in planning efforts that address community development and revitalization. The city is pro-active in

soliciting community input through the public hearing process as well as open council meetings where citizens always have the opportunity to ask questions, offer input and seek solutions to community issues. Mayor McDermott and city department heads also communicate through bi-monthly radio programs, in newspaper articles and presentations given at community meetings and gatherings. Citizens are also updated through the city's newsletter which is mailed to every Shelby household bi-monthly. Most important, citizens are free to speak directly to Mayor McDermott and city staff at any time.

Citizens have been positive in approval of the current administration/council and transparency in all city matters. They understand the need for an updated planning document and have not demonstrated negative reaction to the proposed city expenditure.

5. Relation of planning project to business expansion or retention, specifically the number of potential jobs created or retained as a result of the proposed planning effort.

The City of Shelby has been proactive in encouraging and supporting existing businesses and new business start-ups. Within the last decade, the city has purchased several aging and decaying Main Street properties. Through grant funding and assistance from Toole County, one of the properties is now the home of the Northern Transit Interlocal (public transportation) and Subway Restaurant. A second property has underwent extensive remodeling and is now home to several businesses and 2 apartments as part of a mixed-used property on Main Street. The historic Rainbow Hotel was also purchased and a Brownfields grant award utilized to address mold and lead-based paint in the 1923 structure. The Rainbow is now waiting private investment. These projects created new job opportunities as well as retained and expanded the local workforce within Shelby.

At the same time, the Port of Northern Montana ~ a Toole County economy development entity has welcomed several commercial agriculture operations in the Port's multi-modal facility. These projects relied on the city's infrastructure outlined within the CIP.

All these projects were part of the city's Capital Improvements Plan in an effort to address community revitalization, economic vitality and increasing housing stock particularly for those of low-to-moderate income. The CIP is an invaluable tool, critical to new business starts, business expansion and retention. A new, user-friendly CIP will serve the current administration in continued planning activities that positively impact the community.

B. Describe the intended outcome of the proposed planning project; how will the receipt of planning grant funds have a positive impact on the applicant community, and what steps will be taken following the conclusion of the planning activity.

The City of Shelby relies on the Capital Improvements Plan as a long range community planning tool in its effort to review needed projects, the associated Preliminary Engineering Reports related to CIP proposed projects and community and professional input to determine the critical nature; priority of a project; and potential funding sources to complete projects in a timely, efficient manner for the benefit of the community.

City infrastructure is a first priority of the community in addressing critical needs. The Capital Improvements Plan is reviewed on an annual basis to analyze projects; priorities; and current issues. The city has sought funding for water, waste water and storm water projects in the last several years as they co-mingle in causing system deficiencies and negative impact to the community. These vital projects are in development to meet critical needs of the community. The Capital Improvements Plan is a critical component in investing in vital public infrastructure, enhancing our economic diversification, improving Main Street and residential neighborhoods, safeguarding our rural landscape and natural resources and positively impacting citizen's quality of life now and for generations to come.

The new user-friendly CIP will be a constant planning tool for Mayor Gary McDermott and the Shelby City Council. It will provide critical information in an efficient manner allowing the mayor and council to plan efficiently and effectively - positively impacting the community of Shelby.