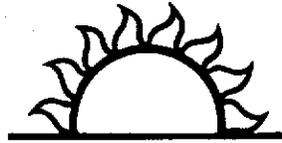


Mayor
BRET SMELSER
Aldermen:
First Ward
CAL ORAW
PAUL GROSHART
Second Ward
DEBRA GILBERT
TERRY SIVERTSON
Third Ward
WAYNE SWIGART
JANET SERGENT

City of Sidney



Montana's Sunrise City
115 Second Street Southeast
Sidney, MT 59270
406-433-2809

City Clerk
BRENDA THOGERSEN
Director of Public Works
TERRY L. MELDAHL
City Attorney
LEE ARMSTRONG
City Treasurer
LOUISE CHRISTENSEN
Water Commissioner
GREG ANDERSON

EXHIBIT 3
DATE 3.4.05
HB 758

March 2, 2005

Representative Karl Waitschies
Montana House of Representatives
P O Box 200400
Helena, Montana 59620

Dear Representative Waitschies:

On Friday, March 4th, the House Taxation Committee will hear comments on HB758 which is sponsored by Representative Walt McNutt. This bill will provide temporary relief to 74 impacted cities and towns in 32 oil and gas producing counties.

As we gear up for our second major oil boom in 25 years in Sidney, we are feeling the pressure. The City Police Department needs additional manpower. Our City Court system is overwhelmed. Our Public Works Department needs additional manpower for increased garbage, sweeping, and street maintenance as well as additional water and sewer demands. Our local Fire Department is responding to increased calls. On top of that, we need to increase employee wages to stay competitive with the oil industry's \$20 per hour wages.

Over half of the city's water lines are 1915 cast iron. Half of our sewer mains are turn of the century clay. Our current replacement schedule does not keep up with the present demand. The city's mill value is down 40% since the last boom.

Our parks and participant recreation programs are being stretched beyond capacity. I would also mention the city is just now starting to recover from SID's that went sour from the last "boom and bust" cycle. We continue to look at ways to reduce the budget and yet maintain the salaries and benefits of our employees along with providing the services our community expects.

These are just some of the factors that lead us to believe that cities and towns should be considered for impact funds. House Bill 758 would go a long ways toward alleviating the pressure on cities and towns in oil and gas impacted counties. We hope the House Taxation Committee would consider supporting HB758. Thank you for your time.

In Your Service,

Bret Smelser
Mayor, City of Sidney