

COMMITTEE OF THE WHOLE

AUGUST 3, 2026

6:00 PM

1. Review of the budget and tax levy

**NOTICE FOR, AND AGENDA FOR, A REGULAR MEETING OF THE CITY COMMISSION,
CITY OF LEWISTOWN, AUGUST 3, 2026 AT 7:00 P.M. AT THE CENTRAL MONTANA
COMMUNITY CENTER LOCATED AT 307 W WATSON**

To participate virtually the options are as follows:

To join by zoom: <https://zoom.us/j/8486275925?pwd=dTVGbndDK253ZUJLMjRuZXU5QVpMdz09>

Meeting ID: 848 627 5925 Passcode: 59457

To participate by phone: dial (253) 215-8782 Meeting ID: 848 627 5925 Passcode: 59457

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF MINUTES – July 20, 2026

COURTESIES

PROCLAMATIONS

BOARD AND COMMISSION REPORTS

CITY MANAGER REPORT

PUBLIC COMMENT -- non-agenda items

CONSENT AGENDA

Acknowledgment of the claims that have been paid for June 30, 2026, in the amount of \$207,035.19.

Acknowledgment of the claims that have been paid from July 1, 2026, to July 30, 2026, in the amount of \$85,735.99

***REGULAR AGENDA – Resolutions, Ordinances & Other Action Items:**

1. Discussion and action on how to proceed with variance appeal (Case DV-14-2026-33) (Action: approve, disapprove or amend proceeding with variance appeal) City Manager Phelps
2. Discussion and action on how to proceed with City Court (Action: approve, disapprove or amend how to proceed with City Court) City Manager Holly Phelps
3. Discussion and action on approving the assignment of the Honda Shop Railroad lease to Three Brothers Holdings LLC (Action: approve, disapprove or amend the assignment of the Honda Shop Railroad lease) City Manager Holly Phelps
4. Discussion and action on approving and authorizing the City Manager to sign the Agreement for Pro Housing 2 grant award (Action: approve, disapprove or amend approving and authorizing the City Manager to sign the agreement) City Manager Holly Phelps

CITIZENS' REQUESTS

COMMISSIONER'S MINUTE

ADJOURNMENT

* All citizens are invited to make comments on any agenda item prior to action being taken by the Commission

AGREEMENT

THIS AGREEMENT is made this 17th day of August, 2020, by and between Fergus County and the City of Lewistown, both duly authorized public entities of the State of Montana, and is meant to set forth the terms and conditions with respect to the Fergus County Justice of the Peace acting for and on behalf of the City as a City Judge. The parties understand, acknowledge, and agree as follows:

1. **INTENT:** Pursuant to Montana Code Annotated § 3-10-101, the City Council of the City of Lewistown (now the City Commission) passed Ordinance 1613 on August 16, 1993 and Resolution 3279 on September 20, 1993 wherein Fergus County was requested to designate a Justice of the Peace Court within the City, whereby the Justice of the Peace of Fergus County has authority to act as a City Judge. The Fergus County Commission, by Resolution 21-93 passed on October 7, 1993, approved the request, and, since that time the parties have entered into several written agreements for the proportionate payment of expenses in accordance with the above-referenced statute. By this Agreement, the parties intend to continue with sharing of costs and expenses of operating the joint court.
2. **EFFECTIVE DATE:** This Agreement takes effect on July 1, 2020, and supersedes previous agreements, including one dated July 1, 2007.
3. **TERM:** The term of this Agreement shall be through June 30, 2021, but shall automatically be extended on a year-to-year basis unless either party provides the other with thirty (30) days written notice prior to June 30 in any given year of their intention not to renew this Agreement or to renegotiate the same.
4. **COST SHARING:**
 - a. As its share of the expenses to operate the joint court on a yearly basis, the City shall pay the County as follows:
 - i. Fiscal 2021 (July 1, 2020 – June 30, 2021) the amount of forty-five thousand dollars (\$45,000.00).
 - ii. Fiscal 2022 (July 1, 2021 – June 30, 2022) the amount of fifty thousand dollars (\$50,000.00).
 - iii. Fiscal 2023 (July 1, 2022 – June 30, 2023) the amount of fifty-five thousand dollars (\$55,000.00).
 - iv. Fiscal 2024 (July 1, 2023 – June 30, 2024), and each year thereafter, the amount of sixty thousand dollars (\$60,000.00).

Payment shall be made in two equal installments by December 30 and May 30 of the following year. The Court shall submit an Invoice to the City as set forth in Exhibit 1.

- b. City fines and surcharges required by law to be collected by the Court shall be distributed as follows:
 - i. All fines collected shall be paid to the city within 30 days of receipt (MCA § 46-17-303)
 - ii. Misdemeanor surcharges shall be paid to the city finance officer (MCA § 46-18-236);
 - iii. Victim surcharges shall be paid to the city finance officer.
 - iv. Court technology fees shall be paid to the department of revenue (MCA § 3-1-317).
 - v. Prosecution costs, if assessed, shall be paid to the city finance officer.
 - c. County fines, penalties, forfeitures and surcharges required by law to be collected by the Court shall be distributed as follows:
 - i. All fines, penalties and forfeitures collected shall be paid to the county treasurer on or before the 5th day of the following month. The county treasurer shall distribute 50% to the department of revenue and 50% to the county general fund (MCA § 3-10-601).
 - ii. Misdemeanor surcharges shall be paid to the county treasurer.
 - iii. Victim surcharges shall be paid to the county treasurer.
 - iv. Court technology fees shall be paid to the department of revenue (MCA § 3-1-317).
 - v. Prosecution costs, if assessed, shall be paid to the county treasurer.
5. TIME PAY: In the event that this Agreement expires, is not renewed, or is otherwise terminated, all time pay accounts for City cases shall be transferred to the City for collection.
6. ACCOUNTING/TIME OF PAYMENTS: At the end of each month, the Justice of the Peace shall prepare an accounting of all money collected as described above. This written monthly accounting shall be provided to the City and County. Such accounting shall include, at a minimum, payment and balance reports printed from the Full Court system.

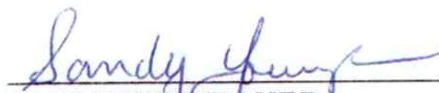
7. AMENDMENTS: This Agreement contains the entire understanding of the parties. Amendments to this Agreement must be made in writing and signed by all parties.

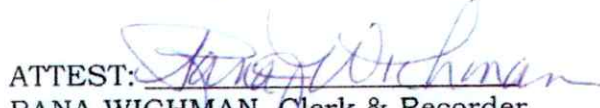
8. BINDING AGREEMENT: This Agreement is binding on the successors/assigns of the parties hereto.

FERGUS COUNTY COMMISSIONERS

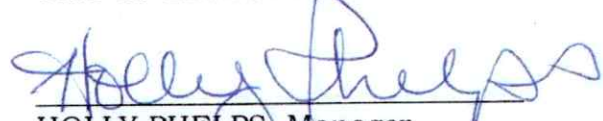

ROSS BUTCHER

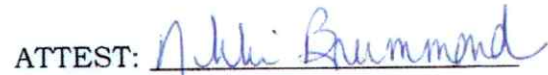

CARL SEILSTAD


SANDY YOUNBAUER

ATTEST: 
RANA WICHMAN, Clerk & Recorder

CITY OF LEWISTOWN


HOLLY PHELPS, Manager

ATTEST: 
NIKKI BRUMMOND, Clerk



**ASSIGNMENT AND ASSUMPTION
OF
LEASE**

This Assignment and Assumption of Lease ("**Assignment**") is by and between RANGER PROPERTIES, LLC, a Montana limited liability company, the successor in interest to Edwin L. Evans and Phyllis L. Evans, ("**Assignor**") and THREE BROTHERS HOLDINGS, LLC, a Montana limited liability company of 302 Truck Bypass, Lewistown, Montana 59457 ("**Assignee**"), and is consented to by CITY OF LEWISTOWN (the "**City**").

1. Lease. This Assignment concerns that Lease, dated May 1st, 2011, by and between Edwin L. Evans and Phyllis L. Evans, as lessee ("Lessee"), and the City (the "**Lease**"), as amended on the 20th day of July, 2026,. Pursuant to the Lease, as amended, Assignor leased from the City that certain parcel of real property, situated in or near the City, particularly described as a parcel located in the SE1/4, SW1/4, Sec. 10, T.15N, R.18E, and more particularly described on Exhibit A to the Lease (the "**Leased Premises**"), on which Assignor maintains a commercial structure. A copy of the Lease, as amended, is attached hereto as Exhibit A, the terms of which, are incorporated herein by this reference.
2. Conveyance of Commercial Structure. Assignor will convey to Assignee, effective as of the 11th day of August, 2026 ("**Effective Date**"), Tract 3 of Certificate of Survey No. 640 filed August 28, 2000, in the office of the Clerk and Recorder of Fergus County, Montana ("**Adjacent Parcel**") and that commercial structure partially located thereon, and partially located on the Leased Premises ("**Commercial Structure**"). In connection with the sale of the Commercial Structure, Assignor desires to assign the Lease to Assignee, and Assignee desires to assume all obligations under the Lease.
3. Assignment of Lease. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in and under the Lease, effective as of the Effective Date.
4. Assumption of Obligations: Assignee hereby assumes and agrees to pay all amounts owing or that become owing under the Lease, to perform all of the obligations of Assignor under the Lease and to comply with all of the covenants, terms and conditions of the Lease, all in accordance with the terms and conditions of the Lease. Assignee shall be substituted for Assignor as "Lessee" under the Lease with the same force and effect as if Assignee had been the original "Lessee" under the Lease.
5. Continuing Liability of Assignor. Notwithstanding this Assignment, Assignor acknowledges and agrees that it remains fully liable for all obligations under the Lease that accrued or arose before the Effective Date, including but not limited to the payment of rent and all other charges, and the performance of all covenants and conditions.

Assignor: RANGER PROPERTIES, LLC

X _____
Jeff Evans, Manager
Date: _____

Assignee: THREE BROTHERS HOLDINGS, LLC

X _____
_____, Manager
Date: _____

CONSENT OF CITY

The City of Lewistown hereby consents to the foregoing assignment of the Lease.

CITY OF LEWISTOWN

By: _____
Its: _____

AGREEMENT FOR PRO HOUSING 2 GRANT AWARD

THIS AGREEMENT is made and entered into by and between the MONTANA LEAGUE OF CITIES AND TOWNS, a 501(c)(4) non-profit association located at 700 West Custer Avenue, Helena, MT 59602, hereinafter referred to as "League," and the City of Lewistown a municipal corporation located at 305 W Watson St, Lewistown, MT 59457, hereinafter referred to as "Subrecipient," collectively referred to as "Parties".

1. Background and Purpose

The League is the pass-through entity for Pathways to Removing Obstacles to Housing 2 (PRO Housing 2) funds awarded by the U.S. Department of Housing and Urban Development (HUD) to the Montana Department of Commerce ("Commerce").

PRO Housing 2 is a federal planning initiative intended to reduce barriers to housing production and preservation through regulatory reform, modernization of planning practices, and policy development.

The League submitted the application for PRO Housing 2 funds on behalf of ten cities subject to the Montana Land Use and Planning Act ("MLUPA") and one additional city that voluntary voted to come into compliance with MLUPA. The Subrecipient was identified, described, and evaluated as part of the original PRO Housing 2 application submitted to and approved by HUD. The League is operating as a pass-through entity to subrecipients identified in the PRO Housing 2 application and will not conduct an open competitive subgrant process.

In fulfillment of its responsibilities under 2 CFR Part 200 and the PRO Housing Notice of Funding Opportunity, the League shall conduct a documented pre-contractual determination and ongoing monitoring process to confirm that the Subrecipient's activities remain consistent with the HUD-approved application, applicable federal and state requirements, and the goals of the PRO Housing program. Such determinations shall be documented for the Subrecipient.

This Agreement shall be administered in accordance with the MLCT PRO Housing 2 Administration Manual, as may be amended from time to time. The Subrecipient agrees to comply with the requirements set forth in that Manual as a condition of receiving funds under this Agreement.

2. Federal Award Information

Federal Program Name: PRO Housing 2 (Planning)

Federal Agency: U.S. Department of Housing and Urban Development (HUD)

Assistance Listing Number: 14.023

Federal Award Identification Number (FAIN): B-24-PH-30-0001
Federal Award Date: 01/14/2025
Total Federal Award (to League): \$4,930,000
Amount Sub awarded to Subrecipient: \$156,508.00
Period of Performance: January 22, 2025, through May 31, 2027

The Subrecipient certifies it maintains a valid UEI and active SAM registration.

3. Term

This Agreement is effective for the period January 22, 2025, through May 31, 2027. All activities and costs eligible for reimbursement with PRO Housing 2 funds must occur within this period.

4. Scope of Work

The Subrecipient shall carry out planning activities consistent with the HUD-approved PRO Housing 2 application; however no construction activities are authorized or will be reimbursed by PRO Housing 2 grant funds. Allowable activities may include any of the below authorized under the PRO Housing 2 Program:

- Finalizing land use plans and maps;
- Collecting data, including housing needs projections, and analyzing impacts of proposed development patterns on local services and facilities, the economy, natural resources, the environment, and any hazards to development;
- Providing public participation and comment on those impacts and necessary mitigation;
- Implementing land use plans through adoption of zoning ordinances and subdivision regulations.

The Subrecipient has identified draft work items as activities and constitute a maximum scope of deliverables eligible to be completed and submitted for reimbursement with PRO Housing 2 grant funds include:

Use of Funds – As stated in the PRO Housing Application	Identified work items –	Maximum deliverables to be provided by the City-
Update zoning and subdivision regulations to come into full compliance with MLUPA.	1. Zoning updates 2. Subdivision regulations update	1. Copy of zoning updates 2. Copy of subdivision regulation updates

5. Program Alignment and Vision

HUD awarded funds based on proposed planning activities. The League confirms continued alignment rather than re-evaluating eligibility. The Subrecipient shall ensure all its activities and deliverables completed under this PRO Housing 2 Program:

- Occur within its jurisdiction;
- Align with PRO Housing 2 strategies and housing supply goals;

- Address identified housing-related barriers;
- Support durable regulatory or policy reforms;
- Include documented stakeholder engagement;
- Demonstrate sufficient administrative and staffing capacity.

League review confirms alignment but does not constitute re-approval.

6. Compliance with Laws

The Parties agree to comply with all applicable federal, state, and local laws, ordinances, rules, and regulations, including but not limited to:

- 2 CFR Part 200, including the Federal Requirements for Pass-Through Entities and Subrecipients
- Fair Housing Act
- The Civil Rights Act of 1964
- Section 504 of the Rehabilitation Act of 1973
- Age Discrimination Act of 1975
- Americans with Disabilities Act of 1990
- The Affordable Care Act,
- Montana Human Rights Act
- Montana Workers' Compensation Act
- The Clean Air Act (42 U.S.C. 7401-7671q)
- The Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387)
- HUD PRO Housing 2 Notice of Funding Opportunity
- Montana Community Development Block Grant Administration Manual
- Applicable state and federal auditing and accounting statutes.

Federal compliance does not supersede state or local requirements.

7. AFFH Certification

The Subrecipient certifies that planning activities are conducted consistent with federal civil rights laws and the Fair Housing Act and that resulting recommendations do not create discriminatory or exclusionary housing barriers.

8. Risk Assessment and Monitoring

The League conducted a documented risk assessment consistent with 2 CFR 200.332. Monitoring may include review of deliverables, reimbursement documentation, procurement documentation, and progress updates. The Subrecipient agrees to cooperate fully. Upon request, the League agrees to provide a copy of the risk assessment and continued monitoring activities to the Subrecipient.

9. Reimbursement

Funds are distributed on an actual cost reimbursement basis. The Subrecipient must submit:

- Local Government Request for Reimbursement and Project Progress Report

- Allowable costs and invoicing documentation
- Procurement documentation and related PRO Housing 2 agreements
- Deliverables
- Other related documentation required under this agreement

Indirect costs are not permitted. Monthly status updates are required on a calendar year basis if no reimbursement is requested during any calendar year quarter.

10. Procurement

The Subrecipient shall comply with 2 CFR 200.318–327 and applicable Montana and local procurement laws.

11. Financial Management

The Subrecipient shall maintain GAAP-compliant accounting, comply with applicable requirements of 2 CFR Part 200, and comply with Montana local government accounting requirements.

Commerce or any other legally authorized governmental entity or their authorized agents may, at any time during or after the term of this Agreement, conduct, in accordance with §§ 2-7-503, 5-13-304, and 18-1-118, MCA and other authorities, audits for the purposes of ensuring the appropriate administration, expenditure of the monies, and delivery of services provided through this MOU. The Parties must provide records and copies of records at no cost to Commerce.

12. Audit Authority

The League, Commerce, HUD, the Montana Legislative Auditor, or other authorized governmental entities may at any time during or after the term of this subaward, conduct, in accordance with §§ 2-7-503, 5-13-304, and 18-1-118, MCA and other authorities, audits for the purposes of ensuring the appropriate administration, expenditure of the monies, and delivery of services provided through this subaward. The Subrecipient shall cooperate and provide access to records and copies of records at no cost to the League or the State pursuant to state law.

13. Access to and Retention of Records

The Subrecipient agrees, subject to the provisions of state law, to provide the League, Commerce, the Montana Legislative Auditor, or their authorized agents, access to any records related to the Project or otherwise necessary to determine contract compliance, at no cost to the League, Commerce, the Montana Legislative Auditor, or their authorized agents. The League may terminate this Agreement, without incurring liability, for the Subrecipient's refusal to allow access as required by this section. The Subrecipient agrees to create and retain records supporting the services rendered during this Agreement for a period of six (6) years after either termination of the Agreement or the conclusion of any claim, litigation, or exception relating to the Agreement taken by the League, Commerce,

State of Montana, or third party, whichever is later. These records will be kept in the Subrecipient's offices.

14. Conflict of Interest and Mandatory Disclosures

The Subrecipient shall maintain written conflict-of-interest policies, disclose potential conflicts, and disclose violations of federal criminal law involving fraud or bribery in accordance with 2 CFR 200.113.

15. Amendment

All amendments, extensions, alterations, or deviations to this Agreement must be in writing and executed by the Parties to this Agreement prior to the completion of any activities authorized in the Agreement.

16. Nondiscrimination Against Firearm Entities

The Subrecipient shall not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, and Subrecipient shall not discriminate during the term of the contract against a firearm entity or firearm trade association. This section shall be construed in accordance with HB 356, Ch. 193, Mont. L. 2023.

17. Insurance

The Subrecipient shall, at its sole cost and expense, maintain general liability and, if applicable, professional liability coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year or as established by statutory tort limits of \$750,000 per claim and \$1,500,000 per occurrence as provided by a self-insurance pool insuring counties, cities, or towns, as authorized under § 2-9-211, MCA.

18. Hold Harmless and Indemnification

To the fullest extent permitted by law, the Subrecipient shall indemnify and hold harmless the League, its agents, directors, and employees from and against all claims, damages, losses and expenses, including the cost of defense thereof, to the extent caused by or arising out of Subrecipient's negligent acts, errors, or omissions in work or services performed under this Agreement.

19. Force Majeure

Neither party shall be liable for delay due to a Force Majeure event. "Force Majeure Event" means an event or circumstance beyond a party's reasonable control, such as natural catastrophes and acts of terrorism or war, and the consequences of that event or circumstance. Force Majeure Events do not include labor unrest, price increases, or changes in general economic conditions. If such event continues for 30 days, either party may suspend or terminate performance or payment while the event continues.

20. Remedies

If noncompliance is identified, the League must inform the Subrecipient within 30 days of the noncompliance and allow reasonable time for the Subrecipient to take corrective action.

If the Subrecipient fails to remedy their noncompliance, the League may, withhold reimbursement, disallow costs, issue stop-work directives, or terminate this Agreement following a written notice to the Subrecipient of its intent to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates stated below.

FOR THE Montana League of Cities and Towns

Signature: _____

Jennifer Olson, Executive Director

Date: _____

FOR THE City of Lewistown

Signature: _____

Name/Title: _____

Date: _____