COMMITTEE OF THE WHOLE

SEPTEMBER 8, 2026

6:00 PM

No official Committee of the Whole

Staff will be available to answer any budget questions.

NOTICE FOR, AND AGENDA FOR, A REGULAR MEETING OF THE CITY COMMISSION, CITY OF LEWISTOWN, SEPTEMBER 8, 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 – August 17, 2026 & Special Meeting August 31, 2026
COURTESIES
PROCLAMATION – Day to Remember
BOARD AND COMMISSION REPORTS
CITY MANAGER REPORT
PUBLIC COMMENT – non-agenda items

CONSENT AGENDA

Acknowledgment of the claims that have been paid from August 15, 2026, to August 31, 2026, in the amount of $76,360.66

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

1. Discussion and action on approving the placement of a sign on the City trail property for the Central Montana Shooting Complex

2. Discussion and action on approving amendment #2 to the Honda Shop Railroad lease (**Action: approve, disapprove or amend amendment #2 to the Honda Shop Railroad lease)** City Manager Holly Phelps

3. Discussion and action on approving Resolution No. 4233, a resolution redefining the boundaries of Street Maintenance District No. 1 in the City of Lewistown **(Action: approve, disapprove or amend Resolution No. 4233)** City Manager Holly Phelps

4. Public hearing on the cost of maintenance of Boulevard District No. 12, cost of maintenance reserve and administration for Lighting Districts and cost of maintenance in Street Maintenance District No. 1.

5. Discussion and action on approving Resolution No. 4234, a resolution of the City Commission of the City of Lewistown levying and assessing a special tax to cover the cost of maintenance of Boulevard District No. 12, in the City of Lewistown, Montana for the fiscal year beginning July 1, 2026 and ending June 30, 2027 **(Action: approve, disapprove or amend Resolution No. 4234)** City Manager Holly Phelps

6. Discussion and action on approving Resolution No. 4235, a resolution levying and assessing the cost of maintenance reserve and administration, and supplying of electrical current for the streetlights within the City of Lewistown, to properties within particular lighting districts **(Action: approve, disapprove or amend Resolution No. 4235)** City Manager Holly Phelps

7. Discussion and action on approving Resolution No. 4236, a resolution estimating the cost of maintenance in Street Maintenance District No. 1, specifying the assessment option and levying an assessment on properties for Street Maintenance **(Action: approve, disapprove or amend Resolution No. 4236)** City Manager Holly Phelps

8. Public hearing on the 2026-2027 budget for the City of Lewistown

9. Discussion and action on approving Resolution No. 4237, a resolution relating to final budgets, budget authorities and annual appropriations for the fiscal year beginning July 1, 2026, and ending June 30, 2027 **(Action: approve, disapprove or amend Resolution No. 4237)** City Manager Holly Phelps

10. Public hearing on Resolution No. 4238, a resolution authorizing an increase in the City of Lewistown's mill levy in order to fund increases in premium contributions for medical group benefits for City employees and exempting the same from the mill levy calculation limitation provided for by law

11. Discussion and action on approving Resolution No. 4238, a resolution authorizing an increase in the City of Lewistown's mill levy in order to fund increases in premium contributions for medical group benefits for City employees and exempting the same from the mill levy calculation limitation provided for by law **(Action: approve, disapprove or amend Resolution No. 4238)** City Manager Holly Phelps

12. Discussion and action on approving Resolution No. 4239, a resolution providing for the annual tax levy mills for fiscal year beginning July 1, 2026, and ending June 30, 2027 **(Action: approve, disapprove or amend Resolution No. 4239)** City Manager Holly Phelps

CITIZENS' REQUESTS

COMMISSIONER'S MINUTE

ADJOURNMENT

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

CITY OF LEWISTOWN, MONTANA
"A Day To Remember"

PROCLAMATION

WHEREAS, the unprovoked attacks of Sept. 11, 2001, upon America by foreign terrorists have thrust the United States, and other countries, into a war it never envisioned, militarily or diplomatically; and

WHEREAS, the challenges facing all the civilized people of the world as they relate to the war on terrorism will not end until those responsible are eliminated, or brought to justice, and

WHEREAS, America is fully committed to ensuring our freedoms remain unfettered and sovereign for all generations, now and forever; and

WHEREAS, world opinion needs to remain focused upon the eradication of these inhuman acts perpetrated around the globe; and

WHEREAS, one way to accomplish this is to NEVER FORGET that those innocent victims did not die in vain; and

WHEREAS, America can fight back by reminding the world that the deaths of these people will always be remembered and that they will be forever loved; and

WHEREAS, a noble and appropriate way to accomplish this is through the annual celebration of their living; and

WHEREAS, this commemoration should be conducted each Sept. 11 throughout the land to include:
• The promotion of global peace and goodwill;
• The demonstration of America's resolve and perseverance to win the war on terrorism;
• The advancement of responsible citizenship;
• The encouragement of patriotism and love of country; and
• The poignant remembrance of those innocent victims who died Sept. 11, as heroes, one and all; now therefore be it

RESOLVED, as the Commissioners of Lewistown, Montana this Proclamation is to memorialize those men, women, and children who lost their lives; and be it further

RESOLVED, that this proclamation be publicized for all to see and know that the citizens of Lewistown, Montana remember with eternal respect those whose lives were suddenly, without cause and pointlessly taken from them on September 11th, 2001.

May they forever rest in peace and abide in our memories.

Respectfully Submitted and Approved, on this (#) day of September, 2026.

RECEIVED
SEP 02 2026

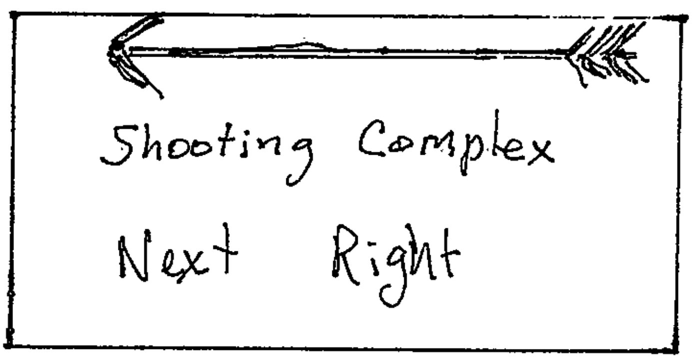
9/2/26

The Central Montana Shooting Complex would like permission to place a sign on city trails property. Said sign would be located north of town, off Highway 191, 2 tenths of a mile from LimeKiln. Rd., on the east side of highway.

Sign would be approx. 200 ft from the property leased by Central MT Propane, about 250 ft north of the double concrete culvert.

I have spoken to the State and CMP, and both are in favor of the project.

The sign would be 8 ft x 4 ft in size, about 15 ft down from the walking path. Simple wording --- Shooting Complex next right, with an arrow; situated as to be seen from north or southbound lanes.



We appreciate the commisson's time and attention to this matter, and await your decision.

CMTSC board Pres.,

John Walling

Second Amendment to Lease

This Second Amendment to Lease (the "Second Amendment") is entered into as of the date of full execution set forth on the signature page below (the "Second Amendment Effective Date"), by and among City of Lewistown, as lessor ("Lessor"), and Three Brothers Holdings, LLC, a Montana limited company ("Lessee").

WHEREAS, Lessor and BNSF Railway Company ("BNSF") entered into that certain Railbanking and Bargain Sale Contract (Salvage of Rail Facilities and Materials by BNSF) dated December 11, 2006 (the "Railbanking Contract") under which BNSF sold to Lessor all of BNSF's right, title, and interest to real property and attachments and improvements thereon intended for use as a rail corridor (the "Rail Corridor"), all subject to certain reservations of rights under the Railbanking Contract and applicable federal law;

WHEREAS, the Rail Corridor includes the Premises (as that term is defined herein below);

WHEREAS, under the Railbanking Contract and applicable federal law, Lessor (a) agreed that the use of the Rail Corridor, including the Premises, shall be subject to and not impair future restoration of rail service through and over the Rail Corridor, (b) acknowledged BNSF's reserved right to reactivate and restore rail service on the Rail Corridor; and (c) agreed to reconvey the Rail Corridor to BNSF upon notice of BNSF's intent to restore rail services and that the Rail Corridor be free and clear of all liens and encumbrances not in effect at the time of the closing on the Railbanking Contract;

WHEREAS, Lessor and Ranger Properties, LLC, the successor in interest to Edwin L. Evans and Phyllis L. Evans, as lessee ("Predecessor Lessees"), are parties to that certain Lease dated May 1st, 2011, as amended by that certain Amendment to Lease entered into by Lessor and Lessee as of the date of full execution set forth on the signature page thereto (collectively, as previously amended, supplemented, or otherwise modified, the "Lease"), concerning the premises described in the Lease (the "Premises");

WHEREAS, the Lease is subject to Lewistown City Resolution No. 3820, Section 8(d) of the National Trail Systems Act, 16 U.S.C. Section 1247(d), other applicable federal laws and regulations (including without limitation 49 CFR § 1152.29), and Railbanking Contract;

WHEREAS, pursuant to that certain Assignment and Assumption of Lease dated August [ ], 2026 (the "Assignment"), the Predecessor Lessees assigned to Lessee all of Predecessor Lessee's right, title, interest, duties, obligations, and liabilities under the Lease, and Lessee assumed those rights, duties, obligations, and liabilities;

WHEREAS, Lessee is purchasing, or has purchased, adjacent lands that include an improvement that extends onto and is partially located upon the Premises;

WHEREAS, in connection with Lessee's financing of that purchase, First Interstate Bank (the "Primary Lender") is making or may make a loan to Lessee (the "Loan"); and

WHEREAS, the parties wish to amend the Lease to permit the leasehold estate and Lessee's interest in the Lease to secure the Loan, and to provide the protections customarily required by Lender in connection with the Loan, in each case subject to Lessor's continuing obligations under Lewistown City Resolution No. 3820, Section 8(d) of the National Trail Systems Act, 16 U.S.C. Section 1247(d), other applicable federal laws and regulations (including without limitation 49 CFR § 1152.29), and the Railbanking Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1) **Incorporation of Recitals; Defined Terms.** The foregoing recitals are true and correct and are incorporated into this Second Amendment and the Lease as if fully set forth herein. Capitalized terms used but not defined in this Second Amendment have the meanings given to them in the Lease. If there is a conflict between this Second Amendment and the Lease, this Second Amendment controls.

   For purposes of the Lease:

   (i) "Leasehold Mortgage" means the specific mortgage, deed of trust, assignment of leases and rents, security agreement, collateral assignment, or other instrument encumbering or securing Lessee's leasehold estate, interest in the Lease, Lessee Improvements, or related rights as security for payment and performance of the Loan. Leasehold Mortgage does not mean, and shall not be construed to mean, any mortgage, deed of trust, assignment of leases and rents, security agreement, collateral assignment, or other instrument that is not associated with the Loan at the time of the Loan's origin, including without limitation any amendment, modification, refinance, renewal, extension, replacement, modification, consolidation, or advance not approved in advance and in writing by Lessor;

   (ii) "Leasehold Mortgagee" means Lender to the extent Lender is the mortgagee under a Leasehold Mortgage securing payment and performance of the Loan and Lender's permitted successors and assigns under such Leasehold Mortgage; and

   (iii) "Lender" means the Primary Lender and any guarantor of the Loan, including without limitation the Small Business Administration, and any permitted successors and assigns. Lender does not mean, and shall not be construed to mean, any third party who provides any loan, credit advance, or other financial accommodation to Lessee other than the Loan.

2) **Amendment.** The parties agree to Amend the Lease as follows:

   a) Section 16 shall be deleted and replaced in its entirety as follows:

   Section 16. <u>Liens</u>.

   A. Except as expressly provided herein to the contrary, Lessee shall promptly pay, discharge, and release any and all liens, charges, and orders arising out of any construction, alterations, or repairs suffered or permitted to be done by Lessee on the Premises or on other property owned by Lessee. Lessor is authorized to post any notices or to take any other action upon or with respect to the Premises that is or may be permitted by law to prevent the attachment of any lien to the Premises; provided, however, that Lessor is not obligated to take any action with respect to any lien and the failure or delay in Lessor's taking any action shall not relieve Lessee of any obligation or liability under this Section or any other Section of this Lease.

   B. Notwithstanding the provisions of Subsection 16.A. to the contrary, Lessee may, without obtaining Lessor's further consent, mortgage, pledge, collaterally assign, or otherwise encumber Lessee's leasehold estate and interest in the Lease, the Lessee Improvements, Lessee's personal property located on or serving the Premises to the extent Lessee owns an interest therein, and Lessee's rights under the Lease, in each case in favor of Lender, to secure the Loan; provided, however, that Lessee shall not have the right to refinance, renew, extend, replace, modify, or consolidate or to additional advances under the Loan without Lessor's express written consent, which consent Lessor may withhold in its sole discretion.

C. Lessee will provide Lessor with a copy of the recorded Leasehold Mortgage and the name and notice address of the Leasehold Mortgagee promptly after execution or recording, as applicable. The Leasehold Mortgage shall not impose, and shall not be construed to impose, any personal obligation, responsibly, duty ,or other liability on Lessor or encumber Lessor's fee interest in the Premises. Lessor shall not have any obligation of any kind to agree or otherwise consent to any obligation, duty, or other liability to Lender or any third party with regards to the Loan or any Leasehold Mortgagee. Lessee agrees to indemnify and hold harmless Lessor and its councilors, managers, board members, officers, employees, representatives, and agents from and against all claims, damages, liabilities, losses, and expenses, including but not limited to reasonable attorney's fees, court costs, and other costs actually incurred, that arise out of or are related to in any way the Loan or the Leasehold Mortgage, including without limitation the Lessor's acts taken to reconvey the Premises free and clear of all liens upon receipt of a notice of intent to restore rail services on the Rail Corridor. This indemnification shall survive expiration and termination of this Lease.

b) Section 20 "Termination", as amended, shall be deleted in its entirety and replaced with the following:

Section 20. <u>Termination.</u>

A. Notwithstanding anything in this Lease to the contrary, including any provision that purports to permit Lessor to terminate this Lease in its discretion, for convenience, or without cause, upon sale, upon redevelopment, upon change in Lessor's business plans, or upon notice alone, Lessor may terminate this Lease before expiration of the Term only for Cause (as defined herein).

B. For Purposes of this Lease, "Cause" means only the occurrence of one or more of the following events by Lessee:

(i) An Event of Default under Subsection 19.A. that remains uncured for any applicable cure period set forth in Subsection 19;

(ii) Lessee fails to pay timely any rent or other undisputed monetary amount due under the Lease, which payment default continues for thirty (30) days after Lessor gives written notice of default specifying the amount due;

(iii) Lessee breaches any material non-payment obligation under the Lease, and that breach continues for thirty (30) days after Lessor gives written notice from Lessor describing the breach in reasonable detail; provided, however, that if the breach is not reasonably capable of cure within that thirty (30)-day period, it will not constitute Cause if Lessee commences cure within that thirty (30)-day period and thereafter diligently and continuously prosecutes the cure to completion, so long as completion occurs no later than ninety (90) days after the original notice date;

(iv) Lessee becomes the subject of a voluntary bankruptcy proceeding, makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due, and in each case the applicable event materially impairs Lessee's ability to perform its material obligations under the Lease; provided, however, that no involuntary bankruptcy or similar proceeding will constitute Cause unless it remains undismissed for ninety (90) days; or

(v) Lessor is required to terminate the Lease to maintain compliance with Section 8(d) of the National Trails System Act, 16 U.S.C. Section 1247(d), Lewistown City Resolution No. 3820, and the Railbanking Contract.

C. Lessor may exercise its right to terminate for Cause only by giving a written notice of intent to terminate for cause to Lessee that:

(i) identifies the specific basis for the alleged Cause;

(ii) cites the applicable Lease provision or provisions;

(iii) describes the facts constituting the alleged default in reasonable detail;

(iv) states the action required to cure the alleged default, if any; and

(v) states that the Lease will terminate only if the alleged default is not cured within an applicable cure period.

If Lessee timely cures the Cause within the applicable cure period or timely commences and diligently completes a cure where a longer cure period is permitted under Section 20 to the Lessor's satisfaction, then the notice of intent to terminate will be deemed withdrawn and Lessor will have no right to terminate the Lease based on that matter. If Lessee fails to cure a Cause within the applicable cure period, Lessor may terminate the Lease by giving a written notice of termination to Lessee after expiration of the applicable cure period expressly stating that the Lease is terminated. Such termination will be effective no earlier than ten (10) days after Lessor gives notice of termination to Lessee.

D. Upon termination of the Lease, the Lessor shall have the immediate right to possession of the premises, as set forth in Sections 19.B. and 20 of the Lease . In addition, upon termination of Lessee's tenancy under this Lease in any manner provided herein, Lessee shall remove any Lessee Improvements and shall restore the Premises to substantially the state and environmental condition in which the Premises was prior to Lessee's taking possession and use of the Premises ("Restoration Obligations"). If Lessee shall fail within thirty (30) days after the date of termination of this Lease to complete the Restoration Obligations, then Lessor may, at its sole discretion, either (i) remove the Lessee Improvements or otherwise restore the Premises at the sole cost and expense of Lessee, (ii) upon giving written notice to Lessee take and hold any Lessee Improvements and personal property left on the Premises as its sole property without obligation or liability to Lessee therefore and may pursue any remedy in contract, at law, or in equity to quiet title to such property in Lessor, or (iii) specifically enforce Lessee's Restoration Obligations and pursue any remedy in contract, at law, or in equity against Lessee for failure to restore the Premises. In the event that Lessor and Lessee have agreed to Lessee Improvements remaining on the Premises following termination of this Lease, then Lessee agrees to cooperate fully to transfer such Lessee Improvements to Lessor and will provide the appropriate documentation in a form acceptable to Lessor conveying such property to Lessor.

E. Without the prior written consent of Lender, Lessor may unilaterally terminate the Lease upon notice of the intent to restore rail service across the Premises or to use the Premises in any way for restored rail service along the Rail Corridor and such termination (i) shall be binding on

Lender and all Leasehold Mortgagees without further consent or approval and (ii) shall automatically terminate and discharge the Leasehold Mortgage as it relates to the Premises. Subject to and without limiting the preceding sentence in any way, during the period in which Lender holds the Leasehold Mortgage, Lessor and Lessee will not amend, modify, terminate, cancel, surrender, rescind, or accept a surrender of the Lease, or waive any material Lessee default under the Lease, if the action would materially and adversely affect Lender's security interest in the Lease or the leasehold estate. This restriction does not prevent Lessor from complying with the Railbanking Contract or any applicable laws, or enforcing the Lease following the notices and cure periods required under the Lease as amended.

F. Without limiting and subject to Subsection 20.E., Lessor will have no right to terminate the Lease before expiration of the Term for convenience, business judgment, sale or transfer of the Premises or Lessor's interest, redevelopment plans, anticipated higher-value use, operational restructuring, a change in property management, or any reason other than Cause. Any successor or transferee of Lessor's interest in the Lease or the Premises will take such interest subject to the Lease as amended by this Amendment, including the limitations on termination set forth herein.

c) Section 24 shall be deleted and replaced in its entirety with the following:

Section 24. <u>Damage; Destruction; Condemnation</u>.

A. <u>Lessor's Duty to Restore</u>. If at any time during the Term of this Lease the Premises are damaged or destroyed by fire, flood, storm, or other casualty, then Lessor, in its sole discretion may either terminate this Lease or repair and restore the Premises to substantially the same condition that existed prior to the casualty; provided, however, that Lessor shall have no obligation, duty, or liability whatsoever to repair, restore, or reconstruct any Lessee Improvements or any other fixtures, furniture, equipment or other personal property located on the Premises.

B. <u>Casualty and Hazard Insurance Proceeds</u>. To the extent Lessee is required or elects to maintain hazard, casualty, property, or similar insurance covering Lessee Improvements or other improvements on the Premises or Lessee's leasehold interest, Leasehold Mortgagee may be named as mortgagee, loss payee, or additional insured, as applicable, under the insurance policy. Lessor will execute reasonable acknowledgments or consents required by the insurer or Lender to effectuate that status, provided that no such acknowledgment or consent increases Lessor's obligations or liability under the Lease. All insurance proceeds payable as a result of damage to or destruction of Lessee Improvements or other improvements on the Premises in which Lessee has an interest will be paid to and held by Lender or a mutually acceptable escrow agent, subject to Lender's security interest, if any, and Lessor's rights under the Lease. The proceeds will be applied, as required by the Loan documents, to restoration of the Lessee Improvements or other improvements or to payment of the indebtedness secured by the Leasehold Mortgage. Lessor will be entitled to receive and apply proceeds to the extent necessary to repair damage to Lessor-owned property or to cure any condition for which Lessor is responsible under the Lease, and Lessee's and Lender's rights to proceeds will be subject to that entitlement. If the Lease requires restoration following a casualty, Lender may use insurance proceeds to perform or complete the restoration, and Lessor will reasonably cooperate with that restoration. If the Lease is terminated following a casualty in accordance with its terms, any remaining insurance proceeds will be distributed in accordance with the parties' respective ownership interests, the Lease, and the Loan documents, with Lender receiving the portion attributable to Lessee's leasehold interest and Lessee Improvements or other improvements, subject to any superior rights of Lessor under applicable law or the Lease.

C. Condemnation Proceeds. If all or any portion of the Premises, the leasehold estate, Lessee Improvements, or other improvements is taken, condemned, or transferred in lieu of condemnation by a governmental authority or other condemning authority, Lender will have the right to receive and share in any award or proceeds attributable to Lessee's leasehold estate, Lessee Improvements, loss of Lessee's leasehold interest, and any other interest of Lessee pledged to Lender under the Loan documents. Lessor will be entitled to the portion of any award or proceeds attributable to the Premises, Lessor-owned property, and any other interest of Lessor. Lessor and Lessee will reasonably cooperate with Lender to identify and allocate condemnation proceeds among their respective interests. No allocation under this Subsection 24.C. will reduce Lessor's entitlement to compensation for its own property interests or obligations, or grant Lessee or Lender a right to compensation for an interest it does not own. Lender may apply any proceeds payable to Lessee or its leasehold estate in accordance with the Loan documents, including to restoration, replacement, or repayment of the indebtedness secured by the Leasehold Mortgage. If the Lease is terminated due to condemnation, Lessor will pay or cause to be paid to Lender the portion of condemnation proceeds allocated to Lessee's leasehold interest and Lessee Improvements, subject to Lender's perfected security interest and applicable law.

D. No Taking. The parties expressly acknowledge and agree that the restoration of rail service across or through the Premises or along the Rail Corridor that results in the surrender and transfer of the Premises does not constitute, and shall not be deemed to constitute, a taking, condemnation, to transfer in lieu of condemnation hereunder and any proceeds payable to Lessor for such surrender and transfer shall be the sole property of Lessor.

d) The Lease omitted Section 35. The Lease shall be amended by adding the following as a new Section 35:

Section 35. Lender and Leasehold Mortgagee Rights.

A. Right to Cure. If Lessee defaults under the Lease, Lender will have the right, but not the obligation, to cure the default. Lessor will accept performance by Lender as if performed by Lessee. Lessor will not terminate the Lease for a Lessee default unless Lessor has given the notice required under Section 4 and the applicable Lender has failed to cure, or failed to cause to be cured, the default within the following periods:

(i) for a payment default, thirty (30) days after the Lessor serves notice of default on Lender. ; and

(ii) for a default other than payment default, thirty (30) days after the applicable Leasehold Mortgagee receives Lessor's notice of default; provided that if the default is not reasonably capable of cure within that period, Lender will have an additional period reasonably necessary to cure the default if it commences cure within the initial thirty (30)-day period and diligently pursues the cure to completion.

B. No Termination During Cure. Subject to Lessor's right to terminate unilaterally the Lease and as otherwise provided by the Railbanking Contract and applicable law, Lessor will not terminate the Lease while Lender is timely and diligently exercising its rights under this Section 35. Lessor will not be required to cure any default that is personal to Lessee or that cannot reasonably be cured by Lender; provided that Lender will remain responsible for monetary obligations accruing under the Lease while it is in possession of the leasehold estate or is exercising rights as Lessee under the Lease.

C. New Lease. Upon any termination of the Lease following an uncured default, Lessor may enter into a new lease of the Premises with Lender provided, however, that such new lease: (a) will be on the same terms and conditions as this Lease immediately before termination; (b) shall be for the balance of the Term, including any renewal rights or options then available under the Lease; and (c) shall be subject to Lender curing all then-existing defaults and paying all unpaid rent and other amounts then due under the Lease. Without limiting the foregoing in any way, such new lease shall include and be subject to the following terms and conditions:

(i) Lessor's unilateral right to terminate the Lease upon Lessor's receipt of notice of the intent to restore rail service across the Rail Corridor or to use the Premises in any way for restored rail service along the Rail Corridor;

(ii) Lessor's unconditional right to prior approval of and consent to any mortgage, pledge, collaterally assignment, or other encumbrance of the Premises;

(iii) The new lease being subject to the Railbanking Contract and all applicable federal laws, statutes, regulations, and rules and subject to Lessor's rights, duties, responsibilities, and obligations thereunder, including without limitation the duty and obligation to surrender the Premises free and clear of all liens upon restoration of rail service over and across the Premises or within the Rail Corridor; and

(iv) Lender's accepting all Lessee's obligations to indemnify and hold Lessor harmless under the Lease.

D. Right to Acquire. In the event of a default under the Loan documents, Lender may acquire Lessee's leasehold estate and interest in the Lease by foreclosure, deed in lieu of foreclosure, transfer in enforcement of the Leasehold Mortgage, purchase at a foreclosure or other judicial or nonjudicial sale, or other lawful means, all subject to the terms of this Lease and Lessor's rights hereunder and subject to the Railbanking Contract; to all applicable federal laws, statutes, regulations, and rules; and to Lessor's duties, responsibilities, and obligations thereunder, including without limitation Lessor's right to terminate the Lease and duty and obligation to surrender the Premises free and clear of all liens upon Lessor's receipt of notice of the intent to restore rail service over and across the Premises or within the Rail Corridor. Any such acquirer may exercise all rights, options, renewal rights, extension rights, and other privileges of Lessee under the Lease, subject to the terms of the Lease.

E. Right to Transfer. Lender may, with Lessor's prior written consent, assign, transfer, sell, convey, or otherwise dispose of the leasehold estate and interest in the Lease, including to a purchaser at foreclosure or to a transferee following a deed in lieu of foreclosure, subject to the terms of this Lease and Lessor's rights hereunder and subject to the Railbanking Contract; to all applicable federal laws, statutes, regulations, and rules; and to Lessor's duties, responsibilities, and obligations thereunder, including without limitation Lessor's right to terminate the Lease and duty and obligation to surrender the Premises free and clear of all liens upon Lessor's receipt of notice of the intent to restore rail service over and across the Premises or within the Rail Corridor. Lessor will not unreasonably withhold, condition, or delay its consent to any such assignment, transfer, sale, conveyance, or other disposition. Any assignment, transfer, sale, conveyance, or other disposition without Lessor's prior written consent shall be null and void ab initio.

F. Limitation on Liability. Lender and any Leasehold Mortgagees will not be liable for Lessee's obligations under the Lease solely because it holds a Leasehold Mortgage. Lender, any Leasehold Mortgagees, or their permitted successors or assigns that acquire Lessee's leasehold estate will be liable for Lessee's obligations under the Lease only for the period during which it owns, possesses, or controls the leasehold estate, and will have no liability for obligations accruing after it transfers the leasehold estate to a transferee approved under this Section 35.

G. NDA. Lender may request that Lessor execute a non-disturbance agreement (an "NDA") in favor of Lender and their permitted successors and assigns to confirm and effectuate Lender's security interest in Lessee's leasehold estate and rights under the Lease. Lender shall prepare the proposed NDA and provide the proposed NDA to Lessor for review and approval, which approval Lessor shall not withhold unreasonably. Any proposed NDA will be consistent with this Lease as amended and will include, at a minimum, the following: (i) Lessor acknowledges the Leasehold Mortgage and Lender's security interest in Lessee's leasehold estate; (ii) Lessor will not disturb Lender's rights under the Leasehold Mortgage while Lessee is not in default of any term or provision of the Lease, while Lender is not in default of its obligations under the NDA, and so long as Lessor has not received a notice of intent to restore rail service on the Real Corridor and/or the Premises; (iii) Lender will receive the notices and have the cure, acquisition, insurance-proceeds, condemnation-proceeds, and post-default rights set forth in the Lease; (iv) Lender or a purchaser or transferee approved or deemed approved pursuant to the terms of this Lease will attorn to Lessor and perform each and every Lessee's obligations under the Lease from and after acquiring the leasehold estate; and (v) notwithstanding anything in the NDA to the contrary, acknowledging and agreeing that the Lender's security interest, rights under the Loan documents and Leasehold Mortgage, and in the Lessee's leasehold estate and the rights under the Lease are all subordinate and subject to the Railbanking Contract and all applicable federal laws, statutes, regulations, and rules and Lessor's rights, duties, responsibilities, and obligations thereunder, including without limitation the duty and obligation to surrender the Premises free and clear of all liens upon notice of the intent to restore of rail service over and across the Premises or within the Rail Corridor. The NDA shall not impose duties, obligations, or other liabilities on Lessor greater than those expressly set forth in this Second Amendment. If any provision in the NDA conflicts with this Lease, this Lease controls.

e) Section 36 "Notices" shall be amended by adding the following at the end of the paragraph after the address disclosures:

If Lessor is required to provide any notice under this Lease to Lessee, then Lessor will also provide such notice to each Leasehold Mortgagee whose name and notice address have been delivered to Lessor as required under this Section 36 with a copy of every such notice of default at the same time the notice is delivered to Lessee. Notice to a Leasehold Mortgage shall be given and deemed given in the same manner as notice given to Lessee.

The initial notice information for Lender is:

To Primary Lender:

First Interstate Bank
Attn: ______________________
____
____

With copy to (if applicable):

Small Business Administration
Attn: ______________________

____

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Lender may change its notice addresses by written notice to Lessor and Lessee.

3) **Continuing Compliance; Limitations.** Nothing in this Second Amendment, any Leasehold Mortgage, any NDA, or any other document will be interpreted or applied in a manner that prevents Lessor from complying with Lewistown City Resolution No. 3820; Section 8(d) of the National Trail Systems Act, 16 U.S.C. Section 1247(d); the Railbanking Contract; or any other applicable federal law, statute, regulation, or rule. This Second Amendment, any Leasehold Mortgage, any NDA, or any other document shall be interpreted and applied in a manner that effectuates, as the circumstances may arise, Lessor's rights, duties, responsibilities, and obligations under Lewistown City Resolution No. 3820; Section 8(d) of the National Trail Systems Act, 16 U.S.C. Section 1247(d); the Railbanking Contract; or any other applicable federal law, statute, regulation, or rule, including without limitation Lessor's duty and obligation to surrender the Premises free and clear of all liens upon notice of the intent to restore of rail service over and across the Premises or within the Rail Corridor. Except as expressly amended by this Second Amendment, the Lease remains unmodified and in full force and effect, and Lessor and Lessee ratify and confirm the Lease.

4) **Representations and Authority**. Each party represents and warrants to the other parties that: (a) it has full power and authority to enter into this Second Amendment and perform its obligations under this Second Amendment; (b) this Second Amendment has been duly authorized, executed, and delivered by that party; and (c) this Second Amendment constitutes a legal, valid, and binding obligation of that party, enforceable against that party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights generally and general principles of equity.

5) **Further Assurances.** Each party will execute and deliver additional documents and take additional actions reasonably necessary to carry out the intent of this Second Amendment, including reasonable estoppel certificates, notices, consents, and acknowledgments requested by Lender or SBA Lender in connection with the Loan, the Leasehold Mortgage, or an SNDA; provided that no party will be required to execute a document that expands its obligations beyond those expressly set forth in the Lease as amended by this Second Amendment.

6) **Counterparts; Electronic Signatures**. This Second Amendment may be executed in counterparts, each of which will be deemed an original, and all of which together will constitute one instrument. Signatures delivered electronically or in PDF format will be deemed effective as originals.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Lease as of the Second Amendment Effective Date.

LESSOR: City of Lewistown, municipal corporation

By: ____________________________ Date: ________________, 2026

____________________________ as ____________________________

LESSEE: Three Brothers Holdings, LLC, a Montana limited company

By: ______________________________ Date: __________________, 2026

Devlyn Warren as Manager

ACKNOWLEDGED AND AGREED FOR PURPOSES OF THE PROVISIONS EXPRESSLY APPLICABLE TO LENDER AND SBA LENDER:

LENDER: ______________________

By: ______________________________ Date: __________________, 2026

______________________________ as ______________________________

RESOLUTION NO. 4233

A RESOLUTION REDEFINING THE BOUNDARIES OF STREET MAINTENANCE DISTRICT NUMBER ONE IN THE CITY OF LEWISTOWN, MONTANA

WHEREAS, the City of Lewistown has previously created by Ordinance 1599, a city-wide district for the maintenance of all of the streets and avenues of the City such district designated as Street Maintenance District No. One; and,

WHEREAS, Resolution 3216 adopted June 27, 1991 defined the boundaries of Street Maintenance District Number One, which boundaries were subsequently altered by Resolution No. 3386 adopted on July 21st, 1997; and,

WHEREAS, Montana Code Annotated section 7-12-4403 allows the boundaries of a maintenance district to be changed by resolution in any succeeding year;

THEREFORE, BE IT RESOLVED by the City Commission of the City of Lewistown that the boundaries of Street Maintenance District Number One shall henceforth be defined as follows:

BOUNDARIES OF STREET MAINTENANCE DISTRICT NUMBER ONE

The exterior boundaries of Street Maintenance District Number One shall be the City Limits of the City of Lewistown as defined by the map entitled "Street Maintenance District Number One, 2027 which map is attached hereto and incorporated herein by reference and which map is also on file with the Department of Public Works, Lewistown, Montana.

Dated the 8th day of September 2026

City of Lewistown

By: ______________________________

Loraine Day, Commission Chairman

ATTEST:

____

Nikki Brummond, City Clerk

RESOLUTION NO. 4234

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LEWISTOWN LEVYING AND ASSESSING A SPECIAL TAX TO COVER THE COST OF MAINTENANCE OF BOULEVARD DISTRICT NO. 12, IN THE CITY OF LEWISTOWN, MONTANA FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027;

WHEREAS, Boulevard Maintenance District No. 12, has heretofore been duly and legally created by the City Commission of the City of Lewistown, Montana with boundaries and provisions therein contained and set forth by resolution creating said district to which reference is hereby made for a more definite description hereto and the City of Lewistown will maintain and preserve the improvements within said district, during the current fiscal year, excepting the lots and parcels of land within said district maintained by the property owners thereof.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEWISTOWN, MONTANA:

Section 1: That in order to defray the cost of maintaining and preserving the improvements in front of the respective lots and parcels of land thereinafter in EXHIBIT "A" hereof mentioned and set for the within the boundaries of said Boulevard Maintenance District No. 12, during the current fiscal year, the City Commission of Lewistown does hereby make and levy a special assessment in the sum of $3,759.25 said sum being the cost of maintaining and preserving the improvements in front of the respective lots and parcels of land hereinafter in EXHIBIT "A" hereof, mentioned and set forth, said Boulevard Maintenance District No. 12 and contained within the boundaries thereof, effected and benefited by the said work of maintaining and preserving the improvements, said lots and parcels of land being thereafter in EXHIBIT 'A" hereof particularly described and each of said respective lots and parcels of land in said District No. 12 being hereby assessed said sum constitutes and is the proper and proportionate share of the total cost of maintaining and preserving said improvements, each such lot and parcel of land should legally bear.

Section 2: That a description of each lot or parcel of land within the boundaries of said Boulevard Maintenance District No. 12, effected and benefited by the work of maintaining and preserving said improvements in said district together with the name of the owner of each lot or parcel of land marked EXHIBIT "A" and made a part hereof.

Section 3: The objections to final adoption of the Resolution will be heard by the Commission at a meeting hereof to be held in the Central Montana Community Center, 307 W. Watson, Lewistown, Montana, the 8th day of September, 2026.

Section 4: That the Finance Officer of the City of Lewistown, Montana, do cause a notice signed by her to be published in the manner required by law in one issue of the Lewistown News Argus, a newspaper printed and published in the City of Lewistown, Montana, stating that this Resolution is on file in the office subject to inspection for a period of five days.

Section 5: That a copy of this Resolution duly certified by the Finance Officer of the City of Lewistown, shall be on file at the City Offices, 305 W Watson, Lewistown, Montana, within two days after the final passage and adoption thereof.

Section 6: That the preservation and safety of the said improvements and the ability of said City of Lewistown to care for and pay for maintaining and preserving the same, demands the immediate passage of the Resolution, the end that funds may be forthcoming with which to pay for said work in said Boulevard Maintenance District No. 12, during the current fiscal year.

Section 7: That this Resolution shall take effect and be in full force and effect from the final passage and approval.

Dated this 8th day of September 2026.

Loraine Day, Commission Chairman

ATTEST:

Nikki Brummond, City Clerk

Boulevard District #12
Fiscal Year 2026-2027
Exhibit A

Tax ID	Address	Area	Amount
00010	223 E Boulevard	50.00	37.50
00047	115 E Boulevard	50.00	37.50
00058	220 W Boulevard	100.00	75.00
00065	217 E Boulevard	50.00	37.50
00119	404 W Boulevard	100.00	75.00
00125	514 E Boulevard	100.00	75.00
00189	323 E Boulevard	100.00	75.00
00259	216 7th Ave N	90.00	67.50
00313	314 4th Ave N	100.00	75.00
00347	424 W Boulevard	100.00	75.00
00355	City Trails	20.00	15.00
00372	520 E Boulevard	50.00	37.50
00395	615 3rd Ave N	88.00	66.00
00410	124 W Boulevard	50.00	37.50
00423	310 W Boulevard	50.00	37.50
00462	415 W Boulevard	60.00	45.00
00490	414 W Boulevard	50.00	37.50
00587	704 W Broadway	90.00	67.50
00819	412 W Boulevard	50.00	37.50
00970	316 W Boulevard	25.00	18.75
00985	123 E Boulevard	50.00	37.50
01047	302 W Boulevard	50.00	37.50
01147	310 7th Ave N	90.00	67.50
01223	314 7th Ave N	90.00	67.50
01367	302 E Boulevard	70.00	52.50
01402	215 7th Ave N	90.00	67.50
01458	314 N Elm	100.00	75.00
01534	515 E Boulevard	50.00	37.50
01662	320 W Boulevard	63.00	47.25
01717	509 E Boulevard	50.00	37.50
01739	315 7th Ave N	90.00	67.50
01756	318 W Boulevard	37.00	27.75
01829	503 E Boulevard	100.00	75.00
01835	306 W Boulevard	50.00	37.50
01845	210 W Boulevard	75.00	56.25
01853	319 W Boulevard	50.00	37.50
01942	215 W Boulevard	100.00	75.00
01978.	624 W Washington	90.00	67.50
02006	119 E Boulevard	50.00	37.50
02126	313 Daw St	50.00	37.50
02147	120 W Boulevard	75.00	56.25
02202	314 W Boulevard	25.00	18.75
02322	313 E Boulevard	100.00	75.00
02399	624 W Broadway	90.00	67.50
02416	316 3rd Ave N	150.00	112.50
02417	315 W Boulevard	50.00	37.50
02455	411 W Boulevard	50.00	37.50
02462	508 E Boulevard	100.00	75.00
02463	508 E Boulevard	50.00	37.50
02482	206 W Boulevard	125.00	93.75
02507	419 W Boulevard	80.00	60.00
02556	116 E Boulevard	50.00	37.50
02593	City - Trails	620.00	465.00
02606	123 W Boulevard	125.00	93.75
02633	214 E Boulevard	102.65	76.99
02647	203 W Boulevard	112.00	84.00
10023	220 E Boulevard	83.34	62.51
10042	230 E Boulevard - Unit 1	39.67	29.75
10043	234 E Boulevard - Unit 2	39.67	29.75
10046	vacant lot next to 116 E Boule	50.00	37.50
1000140	Substation	127.00	95.25
	Totals	5012.33	3,759.25

RESOLUTION NO. 4235

A RESOLUTION LEVYING AND ASSESSING THE COST OF MAINTENANCE RESERVE AND ADMINISTRATION, AND SUPPLYING OF ELECTRICAL CURRENT FOR STREET LIGHTS WITHIN THE CITY OF LEWISTOWN, TO THE PROPERTIES WITHIN PARTICULAR LIGHTING DISTRICTS;

WHEREAS, the City of Lewistown has duly created or recreated various lighting districts within the City of Lewistown, such districts being identified by the numbers 1, 2, 3, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20; and

WHEREAS, each of the foregoing established districts have identifiable boundaries and consist of identifiable particular lots and tracts of land; such boundaries, lots and tracts being described in the resolutions of creation or recreation of such districts; and

WHEREAS, the City of Lewistown has caused maintenance and electrical current to be supplied to all of the street lights within all of the re-created districts; and

WHEREAS, the total cost of maintaining such lights and supplying electrical current therefore, and establishing a reserve and administrative account is estimated to be $110,428.95 for all of the districts for the fiscal year; and

WHEREAS, the total estimated cost for each individual district is as follows:

DISTRICT	**COST**
1	$1,750.78
2	$4,540.07
3	$4,017.43
6	$1,400.06
10	$30,295.45
11	$7,426.11
12	$26,147.87
13	$2,216.22
14	$1,499.97
15	$628.86
16	$2,040.07
17	$3,100.14
18	$15,512.52
19	$2,911.74
20	$6,941.66

WHEREAS, the assessment for each individual property within each district shall be assessed for the number of square feet it contains in relation to the total area of the individual district; and

WHEREAS, a complete list, which describes each individual lot or parcel, the total area of each in square feet, and the amount levied against each lot or parcel exists in the form of a computer-generated printout which is on file in the office of the Finance Director, and by this reference incorporated therein.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Lewistown;

Section 1: That in order to defray the cost of maintenance, administration and reserve, and supplying electrical current to the lighting system of the City of Lewistown for the 2026-2027 fiscal year, the City Commission of the City of Lewistown does hereby make and levy a special assessment in the total amount of $110,428.95 with each individual district to bear a portion of the total as indicated above, and with each individual lot or parcel to bear a portion of the district cost wherein such property is located, and at the rate and amount as specified in the computer generated printout incorporated herein.

Section 2: The objections to the final adoption of this Resolution will be heard by the City Commission at a meeting thereof, to be held in the Central Montana Community Center, 307 Watson Street, Lewistown, Montana on the 8th day of September 2026.

Section 3: That the Finance Officer of the City of Lewistown shall cause a notice signed by her to be published in the manner required by law, in one issue of the Lewistown News Argus, a newspaper published in the City of Lewistown, Fergus County, Montana, stating that this Resolution is on file in her office subject to inspection for a period of five days.

Section 4: That a copy of this Resolution duly certified by the Finance Officer of the City of Lewistown shall be on file in the City Offices of the City of Lewistown within two days after the final passage and approval thereof.

Section 5: That this Resolution shall take effect and be in full force and effect from and after its final passage and approval.

Dated this 8th day of September 2026.

____
Loraine Day, Commission Chairman

ATTEST:

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Nikki Brummond, City Clerk

RESOLUTION NO. 4236

A RESOLUTION ESTIMATING THE COST OF MAINTENANCE IN STREET MAINTENANCE DISTRICT NO. 1, SPECIFYING THE ASSESSMENT OPTION AND LEVYING AN ASSESSMENT ON PROPERTIES FOR STREET MAINTENANCE.

WHEREAS, the City of Lewistown previously passed Resolution No. 3216 which created Street Maintenance District No. 1 for the purpose of maintaining streets, alleys and other public places; and

WHEREAS, the boundaries of Street Maintenance District No. 1 were redefined by Resolution 4201; and,

WHEREAS, the City is required by City Code Section 9.12.3 to pass and adopt a resolution annually, no later than the second Monday in August, specifying the district assessment option and levying and assessing all the property within each established district with an amount equal to not less than seventy-five percent (75%) of the entire cost of such work; and

WHEREAS, a notice of intent to adopt this Resolution has been published as provided by law, such notice stating that the Resolution levying the special assessment to defray the cost of maintenance in Street Maintenance District No. 1 is on file in the City Office and subject to inspection for a period of at least five days; and further stating that objections to the final adopting of this Resolution will be heard by the City Commission on the date specified in the notice;.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of Lewistown, Montana as follows:

1. LIST OF PARCELS ASSESSED

   A description of the lots or parcels of land to be assessed in Street Maintenance District No. 1, along with the name of the owner thereof, if known, and amount levied thereon is on file with the Lewistown Finance Director which list is incorporated herein by reference.

2. METHOD OF ASSESSMENT OF AREAS WTHIN DISTRICT NO.1:

   A. Every lot occupied by not more than one single family residence and permitted accessory uses shall be assessed for every square foot therein of the actual area or 15,000 square feet, whichever is less. Every lot occupied by not more than one single family residence and permitted accessory uses which is not adjacent to an established publicly maintained road right of way shall be assessed for every square foot therein of the actual area or 10,000 square feet, whichever is less.

B. All other Areas:

All other lots shall be assessed for each square foot of the actual area therein.

B.1 Exceptions: Lots which meet all of the following criteria shall qualify to have a portion of that parcel excluded from the area of assessment:

B.11 The total area of the lot exceeds 60,000 sf; and,

B.12 The portion of area proposed to be excluded is undeveloped and does not lie within the Public Right of Way Area as defined below; and,

B.13 The portion of area described in B.12 represents at least 25% of the total area of the lot.

B.2 That area meeting the above criteria shall be excepted from the total area of the lot for assessment purpose.

B.3 Notwithstanding the above, all lots shall be assessed for a minimum of the Actual lot size of 15,000 sf, whichever is less.

C. For purpose of this Resolution, the following terms are defined as follows:

C.1 "Lot for Single Family Residence" means a lot occupied, or allowable to be occupied by a dwelling designated for occupancy by one family, which contains living facilities, including provisions for sleeping, eating, cooking and sanitation for not more than one family; or a vacant lot (s) in those areas, which are predominately occupied by other single-family residences.

C.2 "Undeveloped" means that buildings do not occupy the land, roads or parking lots. A building shall be to include appurtenances such as sidewalk, ramp or dock and any lands enclosed by 3 or more walls. "Undeveloped" does not include horizontal surface within a developed area with any dimension less than 20 feet.

C.3 "Lot," means a distinct unit of land such as a parcel, tract or certificate of survey, or a group of such units owned by a single owner if the units in the group have a property line which is also the property line of an adjacent included unit.

C.4 "Area" means horizontal surface area measured in square feet. area may be determined from physical measurement on the ground, recorded surveys, city maps or aerial photos with a scale of at least 400 feet per inch. An accurate measure is +or- 4% of actual for excepted portions.

C.5 "Public Right of Way Area" means that area within 140 feet from a public right of way platted as a street or alley which any portion thereof touches, fronts or is adjacent to the lot. If more than 2 sides of a lot are within this public right of way area, then only the one longest and one shortest side shall be included in the area.

3. RATE OF ASSESSMENT

A rate of assessment against each lot or parcel of land is estimated to be $.04000000 per square foot of assessable area.

4. ESTIMATED COST

The estimated cost of maintenance within the district is $1,325,103.61

5. PUBLIC HEARING

A public hearing was duly held on the street maintenance assessment on the date of the adoption of this Resolution as required by law at which time the City Commission received and considered all objections and comments from the public and the City Commission adopted and approved this Resolution after having considered the same.

6. The assessments levied shall be placed upon the tax roll in the same manner as other taxes and assessments.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF LEWISTOWN, THIS 8th day of September 2026.

Loraine Day, Commission Chairperson

ATTEST:

Nikki Brummond, City Clerk

RESOLUTION NO. 4237

A RESOLUTION RELATING TO FINAL BUDGETS, BUDGET AUTHORITIES AND ANNUAL APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027

WHEREAS, Section 7-1-114, MCA provides that "A local government with self-governing powers is subject to . . . (g) any law regulating the budget, finance, or borrowing procedures and powers of local governments; . . ." and

WHEREAS, the 2001 Legislature has acknowledged that appropriation adjustments are sometimes integral to other business actions, and that in those situations separate budget amendment procedures are not purposeful. To carry out this intent, the 2001 Legislature passed the Local Government Budget Act; and

WHEREAS, the Local Government Budget Act provides for flexibility in authorizing adjustments to certain appropriations in the following sections:

A. Section 7-6-4006(3), MCA, states:

"Appropriations may be adjusted according to procedures authorized by the governing body for:
(a) debt service funds for obligations related to debt
(b) trust funds for obligations authorized by trust covenants;
(c) any fund for federal, state, local, or private grants and shared revenue
(d) any fund for special assessments;
(e) the proceeds from the sale of land;
(f) any fund for gifts or donations; and
(g) money borrowed during the fiscal year."

B. Section 7-6-4012, MCA, states:

"(1) In its final budget resolution, the governing body may authorize adjustments to appropriations funded by fees throughout the budget period.
Adjustable appropriations are:
(a) proprietary fund appropriations; or
(b) other appropriations specifically identified in the local government's final budget resolution as fee-based appropriations.

(2) Adjustments of fee-based appropriations must be:
(a) based upon the cost of providing the services supported by the fee; and
(b) fully funded by the related fees for services, fund reserves, or nonfee revenue such as interest."

WHEREAS, Sections 2-7-504, 7-6-609 and 7-6-611(1) (a), MCA, require the City to maintain its accounting systems in accordance with Generally Accepted Accounting Principles (GAAP).

Changes to accounting systems will be made during the fiscal year in accordance with GAAP. Appropriations authorized in the annual, or properly amended budget, will not change if restructured in such accounting system changes.

Section 7-6-609, MCA, states:

"(1) It is the policy of the state of Montana that all governmental accounting systems be established and maintained in accordance with generally accepted accounting principles that are nationally recognized as set forth by the governmental accounting standards board or its generally recognized successor.
(2) The codifications, pronouncements, and interpretations of the governmental accounting standards board or its generally recognized successor must be recognized as the primary authoritative reference for governmental accounting."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEWISTOWN, MONTANA:

Section 1. Legal Spending Limits: Appendix A, Balances & Changes by Fund, of this resolution sets forth per fund:

A. the estimated, July 1, beginning balances;
B. the estimated revenues;
C. the interfund transfers in and transfers out;
D. the authorized appropriations; and,
E. estimated, June 30, ending balances.

The authorized appropriations as stated in Appendix A, Balances & Changes by Fund, establish the legal spending limits of the municipality at the fund level.

Section 2. Budget Implementation Authority: Management plans in the budget document and in the City's, accounting records which detail revenues, expenditures and balances below the fund level are designated management tools. It is declared necessary for management to be able to adjust to changing circumstances while adhering to goals and objective principles. The purpose of this section is to retain budgetary control while providing effective operational flexibility.

As provided in Section 7-6-4006(3), MCA, the City Manager is hereby delegated appropriation adjustment authority for the expenditure of funds from any or all of the following:

i. debt service funds;
ii. trust funds;
iii. federal, state, local or private grants accepted and approved by the governing body;
iv. special assessments;

v. proceeds from the sale of land;

vi. any fund for gifts or donations; and

vii. money borrowed during the fiscal year.

B. As provided in Section 7-6-4012, MCA, the City Manager, is hereby delegated authority to adjust volume-related appropriations, excluding personnel and capital equipment appropriations, funded by fees throughout the fiscal year in any or all of the following:

i. proprietary funds (enterprise and internal service funds);

ii. general fund for fee supported services;

iii. building fund for fee supported services;

iv. community facilities fund for fee supported services;

v. police training / overtime fund for fee supported services; and

vi. storm drain utility fund for fee supported services.

C. The City Manager is hereby delegated the authority to make transfers or revisions within or among line items which total the individual appropriations as provided in this resolution and any budget amendment resolutions (consistent with Sections 7-6-4030 and 7-6-4033, MCA, legal spending limit).

D. The City Manager may delegate to his Department Directors the authority to make transfers or revisions within or among appropriations of specific operations within a fund, limited to the Division level of accountability (consistent with Sections 7-6-4030 and 7-6-4033, MCA, legal spending limit).

E. Joint operating agreements approved by the governing body, insurance recoveries or dividends, hazardous material recoveries, and refunds or reimbursements of expenditures shall automatically amend the annual appropriations or reduce recorded expenditures, whichever is correct in accordance with Generally Accepted Accounting Principles (GAAP).

Section 3. Appropriation Carry-overs: Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received.

A. Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof, are hereby declared authorized appropriations in addition to the appropriations set out in Appendix A, provided they meet the following criteria:

i. related financing was provided in the prior fiscal year;

ii. the appropriations were not obligated by year end;

iii. the purpose was not included, or rejected, in current budget financing or appropriations; and

iv. the City Manager determines the appropriation is still needed.

B. Outstanding purchase orders and other obligations, representing a City obligation to pay the claim after receipt of the goods or services, are recognized as "claims incurred." They are hereby declared authorized "carryover" appropriations in addition to the appropriations set out in Appendix A, provided they meet the following criteria:

i. related financing was provided in the prior fiscal year;

ii. the appropriations were not otherwise obligated by year end;

iii. the purpose was not included, or rejected, in current budget financing or appropriations; and

iv. the City Manager determines the appropriation is still needed.

<u>Section 4. Appropriated Reserves:</u> Reserves which have been established for specific purposes, are hereby declared to be appropriations available for expenditure according to the reserve purpose. They shall be acknowledged as current appropriations upon the determination by the City Manager that they are currently needed to serve their intended purpose. Unexpended reserves shall be carried forward to meet future needs in accordance with their purpose.

<u>Section 5. Contingency Accounts:</u>

A. Contingency account appropriations are provided by the City Commission as flexible appropriations. They intend to provide the City Manager with an effective management tool for adjusting to changing circumstances throughout the budgetary year.

B. The City Manager is delegated the authority to transfer part or all of any contingency appropriation and related financing, after advising the City Commission of his intent at a City Commission meeting or work session. Use of contingency appropriations is restricted to transfers of that appropriation authority to specific operating budgets. Proper classification of expenditures to specific operations is required. Accordingly, charging of expenditures directly to Contingency accounts is prohibited.

PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF LEWISTOWN, MONTANA, THIS 8th DAY OF SEPTEMBER 2026.

____

Loraine Day, COMMISSION CHAIRMAN

ATTEST:

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CITY CLERK

RESOLUTION NO. 4238

A RESOLUTION AUTHORIZING AN INCREASE IN THE CITY OF LEWISTOWN'S MILL LEVY IN ORDER TO FUND INCREASES IN PREMIUM CONTRIBUTIONS FOR MEDICAL GROUP BENEFITS FOR CITY EMPLOYEES AND EXEMPTING THE SAME FROM THE MILL LEVY CALCULATION LIMITATION PROVIDED FOR BY LAW.

WHEREAS, Section 2-9-212(1) Montana Code Annotated provides that a political subdivision may levy an annual property tax in the amount necessary to fund the premium for insurance for employee group benefits; and

WHEREAS, Section 2-9-212(1) Montana Code Annotated provides that the increase in a political subdivision's property tax levy for premium contributions for group benefits beyond the amount of contributions in effect at the beginning to the last fiscal year, is not subject to the mill levy calculation limitation provided for in Section 15-10-420 Montana Code Annotated;

WHEREAS, the City of Lewistown has determined that the premiums for group benefits for fiscal year 2027 have increased $2250.989.87 since July 1, 2000, which represents approximately 26.72 mills.

WHEREAS, on September 8, 2026 after public notice was provided, a public hearing was held, and comment received, concerning the City's intention to exclude the proposed increases in group insurance premiums from the mill levy limitation provided for in Section 15-10-420 for fiscal year 2027.

NOW THEREFORE, BE IT RESOLVED that the City may levy a property tax assessment to fund group insurance premiums for City employees;

BE IT FURTHER RESOLVED that the increase of $250,989.87 since July 1, 2000 in the City's property tax levy for premium contributions for group benefits shall not be subject to the mill levy calculation limitation provided for in Section 15-10-420 Montana Code Annotated for fiscal year 2027.

PASSED this 8th day of September 2026.

Loraine Day, Commission Chairman

ATTEST:

Nikki Brummond, City Clerk

RESOLUTION NO. 4239

RESOLUTION TO FIX ANNUAL TAX LEVY

A RESOLUTION PROVIDING FOR THE ANNUAL TAX LEVY IN MILLS FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027

WHEREAS:

A. 7-1-114, MCA states "A local government with self-governing powers is subject to ...(g) Any law regulating the budget, finance, or borrowing procedures and powers of local governments, except that the mill levy limits established by state law shall not apply".

B. The City of Lewistown, Montana adopted a self-governing charter in 1996. Article I, Section 1.03 of the Charter of the City of Lewistown, Montana states: "The mill levy shall be limited to that of Montana municipal governments with general government powers...."

C. 7-6-4232, MCA, requires the City Commission to set a tax rate, per fund, no higher than is required to meet budget balancing needs.

D. MCA 15-10-420 provides: ***(emphasis added)***

(1) A governmental entity that is authorized to impose mills may impose a mill levy sufficient ***to generate the amount of property taxes actually assessed in the prior year, even if that levy is greater than the levy established by law.*** The maximum number of mills that a governmental entity may impose is established by calculation the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the value of newly taxable property.

(2) ...plus, any additional levies authorized by the voters....

(6) In determining the maximum number of mills in subsection (1) the governmental entity shall take into account any change from the prior year in the amount of statutory reimbursements for changed in the property tax laws. It may increase the number of mills to account for a decrease in reimbursements and shall decrease the number of mills to fully account for any increase in reimbursements.

E. MCA 15-10-201 requires the City Commission to fix its tax levy in mills and tenths and hundredths of mills.

F. The Department of Revenue's certified taxable value for the City of Lewistown is $10,335,601. The value of the mill for fiscal year 2026-2027 is $9,393

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEWISTOWN, MONTANA:

Tax Levy Required and Set

a. The City Commission has determined a $1,763,222 tax levy, requiring a 187.72 mill levy, is necessary to balance the General Fund Budget.

b. The City Commission has determined that a $250,989.87 permissive medical tax levy requiring a 26.72 mill levy is required to fund the increase in premium contributions for group insurance benefits.

c. The City Commission of the City of Lewistown, Montana hereby fixes the tax levy for the fiscal year July 1, 2026 through June 30, 2027 at 214.44 mills.

PASSED by the Commission of the City of Lewistown, Montana, on this 8th day of September, 2026.

Loraine Day, Chairman of the Commission

ATTEST:

Nikki Brummond, City Clerk

(SEAL OF CITY)

State of Montana
County of Fergus
City of Lewistown

I, Nikki Brummond, City Clerk of the City of Lewistown, Montana, do hereby certify that the foregoing Resolution No. 4239 was approved on its final passage and passed by the Commission of the City of Lewistown, Montana, at a meeting thereof held on the 8th day of September, 2026 and signed by the Chairman of the Commission of said City on the 8th day of September, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this 8th day of September, 2026.

Nikki Brummond, City Clerk

(SEAL OF CITY)