



City of Helena

ADMINISTRATIVE MEETING

July 16, 2025 - 4:00 PM

City - County Building Room 326 / Zoom Online Meeting; <https://zoom.helenamt.gov/c/36053471/publicmeetings>

AGENDA

1. **Call to Work Session, introductions**
 - a. Meeting Rules of Procedure
2. **Communications from the Helena Citizens Council**
 - a. ArtWalk Public Engagement Feedback
3. **City Manager's Report**
4. **Commission comments, questions**
5. **Department Reports**
 - a. Personnel Policies
 - b. Discussion on a Resolution for the Commission to authorize the Execution and Delivery of a GO Bond for \$7,000,000 and to levy taxes for the payment thereof for the purpose of acquiring land and building a fire station and training center.
6. **Public Comment**
7. **Commission discussion and direction to the City Manager**
8. **Adjourn**

The City of Helena is committed to providing access to persons with disabilities for its meetings, in compliance with Title II of the Americans with Disabilities Act and the Montana Human Rights Act. The City will not exclude persons with disabilities from participation at its meetings or otherwise deny them the City's services, programs, or activities.

Persons with disabilities requiring accommodations to participate in the City's meetings, services, programs, or activities should contact the City's ADA Coordinator, Anne Pichette, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following:

Phone: (406) 447- 8490

TTY Relay Service 1-800-253-4091 or 711

Email: citycommunitydevelopment@helenamt.gov

Mailing Address & Physical Location: 316 North Park Avenue, Room 445, Helena, MT 59623.

Rules of Procedure:

Good evening and welcome to the City of Helena City Commission Meeting. We appreciate your attendance and participation. To ensure our meetings are productive and respectful, we ask everyone to adhere to the following guidelines:

Decorum and Expectations:

- Please maintain respect towards the Commission, presenters, and other participants. All participants are expected to avoid using profanity or hostile language. Inappropriate behavior or continued disruptions may result in action by the Commission.

Zoom Participation Decorum:

- Please keep your microphone muted unless you are speaking to minimize background noise.
- Use the “Raise Hand” feature if you wish to speak and wait to be recognized by the chair.
- If available to you, please ensure your video is on if you are speaking, to maintain transparency and engagement.
- Participants joining by telephone may raise their hand by pressing *9 and mute/unmute themselves using *6.

Public Comment:

- Public comments will be recognized only during designated periods by the presiding officer.
- State your name for the record when recognized to speak.
- **Each speaker will be given two minutes to make their comments. At two minutes, you will be asked to begin wrapping up. Please keep comments respectful, concise, and non-repetitive.**
- Individuals may speak once per agenda item and during the general comment period at the end of the meeting.
- **Comments will first be taken from people present in the room, followed by online participants.**
- Online participants may also use the Q&A feature to submit written comments.
- **If you ask a question during public comment, it will be recorded but you likely will not receive an answer. The purpose of public comment is for you to share your thoughts on a topic, not ask questions to City staff.**
- Members of the Commission may ask clarifying questions during the comment period.
- **All comments will be recorded in the permanent record. Formal statements can be submitted via the General Public Comment form on the City’s website. Comments on public engagement pages and media are public records under MCA 2-6-1003.**

Montana’s Right to Participate and Right to Know Laws:

- In accordance with Montana’s right to participate law (MCA 2-3-103), the public is encouraged to engage in the decision-making process.
- The right to know law (MCA Article II Section 10) ensures that all meetings are open to the public and that records are accessible. We strive to maintain transparency and accountability in all our proceedings.

Public Meetings and Recordings:

- **Please be aware that all public meetings and recordings are considered public records. These records are accessible to the public at any time.**
- **By participating in this meeting, you acknowledge that your comments and participation will be part of the public record.**

Thank you for your cooperation and for contributing to a respectful and effective meeting.



Update to the City Commission

Date: July 16, 2025

Subject: ArtWalk Public Engagement Feedback

To: Mayor and City Commission

From: Helena Citizen's Council

Dear Mayor Collins and City Commissioners:

We are sharing with you the results of a delightful collaborative effort between the HCC Outreach Committee and the Helena Area Chamber of Commerce (see attached)

On May 9, 2025 members of the HCC Outreach Committee asked participants in the Art Walk to write "Love Notes to the City of Helena". The response was enthusiastic! Residents and visitors of all ages were invited to write what they love best about Helena and also notes about what they think Helena could be doing better. HCC members posted the notes on two sides of a sandwich board installation prepared by the Helena Area Chamber of Commerce.

As you can see from the transcribed "Love Notes" (transcribed by Callie herself!) , many participants took the assignment very personally and wrote as if they were addressing a living being. As you will see, even in suggesting perceived needs for improvement, many people just want more of what we already have.

We feel very grateful to have been able to elicit and record so many heartfelt messages about what residents and visitors love about Helena and want to see preserved as the city grows. As representatives of the HCC and the Helena Area Chamber of Commerce, we plan to continue to collect and display more "Love Notes to the City of Helena." We hope that you will enjoy reading them as much as we have! Feel free to suggest future venues and other creative ways of keeping the "Love Notes" coming.

Sincerely,

Anne Stites Hausrath, HCC Outreach Committee, District 2

Callie Aschim, President/CEO Helena Area Chamber of Commerce

Helena – Here's Why I Love You!

Comments from May 9 Art Walk, Location: Birds & Beasleys

- I love that you love and embrace the outdoors & protect public lands
- I love the friendly people in the small businesses. Oliver, age 12
- Love you, Helena! Thank you for having such an open and inviting community!
- My colleagues who work for the state, the lack of traffic and beautiful architecture.
- Downtown has really revitalized!
- LOVE the trails and access to so many great places around here.
- Love the parks! Love the people! Love the shops!
- I love the Catholics in Helena! I love seeing the Bishop on the walking mall!
- Keep the Public Land Public! How caring & Giving People in Helena are!
- When someone needs help, Helena is there. Helena loves the arts.
- Trails are amazing!
- Awesome neighborhood schools!
- I love the trails and access to public land.
- I love hiking. I love the nature and I love the merc. Lyra, age 7.
- Love our beautiful views!
- I love your hiking trails, lakes, land and friendliness
- I love panning for gold! It is super fun for all ages. Lula, 7th grade.
- Trails & woods and national parks
- THIS! Art walk & downtown
- The trails in and out of Helena
- I love Helena! I have been here for 25 years. I love the festivals and gatherings. I wish I knew my neighbors better though. I keep meaning to have a block party!
- Our trail system
- Helena, I love your community and your beautiful downtown!
- I love how much city activities have grown

- I like Helena because of the ski hill. Wyatt, age 12.
- I love Fridays downtown! Sophia, almost 13.
- I love your safe & friendly community. I love your beautiful mountains and lakes. I love the walking mall. I love small businesses and non-commercialism.
- We love Helena's public lands and awesome multi-use trails. Keep preserving those!
- I love your downtown. Keep the arts and stay progressive!
- I love the summer here. I love downtown and I love the people in Helena. Mara, 5th grade.
- I like the walking mall and how kind people are!
- The trails! The friendly people! The awesome bakeries!
- I love all the parades and events in our city. Ruby, 4th grade.
- What I love about Helena is the Helena Middle School. 6th grade.
- Hiking trails
- Amazing Biking trails
- Love the walking mall and the trails! Public art and murals!
- I love that the parks are always clean. Thank you! 4th grader.
- I love the community events that are always organized for the public to join.
- Love our public lands!
- The people! It is such a warm city. We need to expand and grow the community.
- Our community is AMAZING!
- We love all the close walking and hiking trails!
- From Seattle-we love the waterway in downtown and outdoor Friday evenings atmosphere! Love Centennial Park.
- Mt Helena & Walking Mall
- Dear Helena, I love your history, your welcoming nature and your natural beauty. Don't change a thing!
- Love Alive @ 5 and all other outdoor events and festivals.
- I love the walking mall and the activities, music, and people that happen there.

- We love that there are always family friendly activities.
- Love the library, farmers market, walking mall, old architecture...so much!
- I love that the city is committed to preserving its past
- I love all of the walking malls and the views/mountains that we have, I love are community that we have, also our parks, I see something beautiful everywhere I look.
- Dearest Helena, I love the hills, walking mall and my family that come to visit.
- I love the access to trails for biking, running and hiking! I love the sense of community and the commitment to fostering it!
- We love our public lands! Keep them public!
- I love Helena's historic buildings and downtown
- We love the public lands!
- The easy access to hiking and the well-maintained trails. The art scene, downtown events, friendly people
- Public lands, not super developed, welcoming communities
- I really like Game Stop. Sol, 4th grade.
- Love the community, love the public land access, love the dogs
- Your city is awesome. I am visiting to participate in a trail run. Keep public lands open!
- I love your LGBTQIA+ community!
- I love art walks, walking blocks and all the accessible nature
- We love the local food, the mountains, surrounding lakes, the old buildings.
- Dear Helena, Keep doing you!
- The downtown walkable street (From Missoula)
- Public land and people
- Thanks for welcoming me from Minnesota! I hope you preserve your green spaces, public lands and local artists.
- We love the Farmers market and that the community rallies together against the "bad guys"
- Love native plants and parks

- Prickly Pear Land Trust (Missoula)
- I love how much space there is to hike, bike, gather, etc. Keep public land public. Thanks for being awesome!
- Helena is so pretty! I love living here and on Fridays, downtown is a great place to go! I am 10 btw!
- I love our green spaces, wet lands, wild areas and arts!
- The arts
- Downtown Helena is magical. The support for local artists and businesses makes it that way. Also maintaining all the little and big pieces of historic architecture. We love the local live music and any excuse to get outside and get downtown. Thank you, Helena!
- The Mayor!
- I love school! I love the people! I love the history! Age 10.
- Helena! You are the best! I love how many different kinds of adventures you have. Stay strong Helena! Age 10.
- I love Big Dipper and the walking mall. 4th grade.
- Helena, Thank you for being proactive with elementary schools. Kids feeling loved makes my heart happy.
- I love our embrace of the outdoors and our culture history – that we’re coming to terms with the good and bad of our past and learning to do better.
- Always festivals and farmers markets. Age 8
- Alive at 5!
- Birds & Beasleys!
- Love Live Music, Art Walk, Open Space, Friendly People, Great Historic Buildings, Big Dipper Ice Cream!
- Library & Art Walk, Love the parks, love the outdoors
- Celebrations, Town Parties, enjoy participating. Age 7.
- Love access to parks & hiking. Very dog friendly.
- Love the community garden that we have. Age 8.

Helena – I wish you would...

Comments from May 9 Art Walk, Location: Birds & Beasleys

- We wish there was more shopping and activities for young adults.
- We wish there was more kindness.
- Bring back conventional parking meters
- I love everything about Helena – except the parking meters
- Change the parking meters!
- Need better public transportation
- I wish you would promote more free community events for open minded people.
- More live music!
- Please take care of the homeless outside of city limits.
- Please address the recent police shootings by police officers. The use of force is over the top. Peace over brutality. Police reform is needed. Look around the state. Billings commissioners want change. Get ahead of Billings! Police reform now.
- We need a mall! I looove malls! We need one. I am in 4th grade. PS We have too many banks.
- I think should have more options for public transportation. It would decrease DUIs and support local businesses. We need buses!
- You could perhaps improve the parking situation.
- More \$\$ for public schools
- Public investment in Helena's historic buildings and downtown.
- Support public schools!
- Reduce Light pollution and keep our lands from being sold
- The five way intersection downtown works better now than ever. Please don't waste taxpayer money putting another ridiculous roundabout down there. The lights may be broken, but the intersection is not. Cars, bikers and pedestrians are better services as it is right now.
- Use on of the many office buildings and/or banks for a small-ish mall. That would be so fun! I do love the walking mall. Sophi, Age 13

- I wish City of Helena would focus on customer service and better communication between departments.
- More LGBTQIA+ support groups
- More sidewalks for accessibility (6th ward) and more bike friendly. Bike shuttle, Great Divide Shuttle, and involve youth more in public activities.
- I love you, but the bike lanes suck! Let's do better!
- We need a mall. Oliver, age 12
- More open community meeting spaces not centered around alcohol.
- More small businesses downtown.
- Need more affordable housing.
- I don't like paying for downtown parking.
- Deer crossing sign on South Montana Avenue where it curves into Virginia Dale.
- Better downtown parking
- Improve creative study opportunities in Helena's schools
- I wish we would improve our sustainability. I love our shared community.
- Please stop wasting tax payers money with unnecessary roundabouts. Life is good! It all works just great as is and will continue to do so if you just spruce up the area and leave those intersections as is!
- I wish there were more restaurants and/or parks on the water. Like Lakeside on Hause and Spring Meadow.
- More community gardens. Age 8
- Always keep the farmers market. Age 10.
- I would love to see more variety in the small-owned restaurants. More Helena history events/tours. More small business events.
- We need more fun events to encourage people to be in the walking mall.
- The walking mall needs to be more accessible and should be upgraded.
- More bike lanes, non-motorized options, re-use the Ming Opera House.
- More dog parks
- Preserve the walking trail on Mt Ascension and Mt Helena

- More art museums and opportunities for artists like me. Ruby, 4th grade.
- I wish you had a complete trail and/or sidewalk along Lincoln Road from Green Meadow to Montana
- Continue to support our open lands and trails for hiking and biking
- Improvements could sidewalks and easier to create change. Community groups. Bike lanes, mixed use downtown buildings.
- Please repair streets.
- More walking opportunities in the winter.
- Would like to see an indoor place for community and especially developmentally disabled to come together in winter evenings – bowling lanes, play equipment, ping pong, etc.
- Be more kind and compassionate
- BIKE LANES!!!
- Have all free parking.
- I wish we had a department store.
- I want more alive at five events and keep farmers markets and more indoor kid activities in the winter like Lazer tag, mini golf.

Love Letters to Helena Summary

From 5/8/25 Art Walk (Birds & Beasleys)

♥ What People Love About Helena

1. Nature & Outdoor Access

- Widespread appreciation for Helena's **trails, parks, mountains, and public lands**.
- Many mentioned **hiking, biking, and outdoor events** as highlights.
- Visitors and locals alike praised the **clean, accessible green spaces**.

2. Community & Culture

- Strong sense of **community spirit**, friendliness, and support.
- Enthusiasm for **community events** like Art Walk, Alive at Five, and festivals.
- Love for **local businesses**, the **walking mall**, and **historic architecture**.

3. Family & Youth-Friendly

- Children and families enjoy **safe neighborhoods, schools, and family-friendly activities**.
- Several young voices expressed love for **ice cream shops, school, and downtown Fridays**.

4. Arts & Local Identity

- Deep appreciation for **public art, live music, and support for local artists**.
- Pride in Helena's **history, architecture, and progressive values**.

💡 What People Want Helena to Improve

1. Infrastructure & Accessibility

- **Parking issues** (especially meters) were a common concern.
- Requests for **better public transportation, bike lanes, and sidewalks**.
- Suggestions to **repair streets** and improve **winter walking options**.

2. Community Services & Spaces

City of Helena, Montana

06/23/2025

To:

Tim Burton, City Manager

From:

Renee McMahon, Human Resources Director

Subject:

Personnel Policies

Present Situation:

Personnel policies are very important since they make clear what the expectations of the City of Helena are of our employees, serve to define the culture for our employees, and outlines expectations from the public for our employees. Personnel policies are continually evaluated, and modifications will continually be brought to the Commission for approval. Some of the revisions brought today are very minor, clarifying changes; one policy with more substantive changes.

Background Information:

Some of the revisions brought forward today are very minor, clarifying changes. The Travel policy has more substantive changes.

Proposal/Objective:

The objectives for the proposed policy updates include:

Travel and Expense Approval Processes: Updates the policy to reflect provisions in the new credit card policy, clarifies per diem rates, references established Montana Code and General Services Administration regulations regarding travel and meal reimbursements, and clarifies and increases the travel advance provisions.

Sick leave: Clarifies that maternity leave is pro-rated for eligible part-time employees.

Overtime/Compensatory Time: Clarifies that comp time is paid out when an employee is reclassified from a non-exempt position to an exempt position.

Time Reporting/Pay Periods: We continue to adjust to the Tyler Technologies time keeping module. This policy changes the time that adjustments need to be made to timekeeping corrections to 1:00 p.m. of the Monday following the last day of the pay period (instead of by 5:00 p.m.).

Advantage:

Clarifies and updates policies and procedures.

Notable Energy Impact:

N/A

Disadvantage:

N/A

Quasi-Judicial Item:


False

Notice of Public Hearing:

False

**Staff Recommendation/
Recommended Motion:**

Staff recommends direction and feedback from the Commission to bring forward to a Commission meeting for formal approval.

	<h1 style="text-align: center; color: blue;">City of Helena</h1> <h2 style="text-align: center; color: blue;">Personnel Policy</h2>	Policy number	10-1
		Original Adoption	02-09-1987
		Revision #	10
		Last revision date	November 2016
Section Title	General		
Subject	Travel Expense and Approval Processes		

This section outlines the process for paying the expenses of employees who are required to travel on City business.

Approval for Travel

All employees traveling on City business shall fill out a “Request for Travel and/or Training” form if reimbursement is requested for the travel. The department head and City Manager must approve reimbursement requests. In-state travel must be approved by the department head prior to leaving. Employees traveling on City business out of state must have travel approved by both the department head and City Manager prior to leaving. All department head travel, both in and out of state must be approved by the City Manager. The request shall include the estimated number of hours spent in training as well as the estimated number of hours spent in a travel status.

Employees traveling on City business not requiring a reimbursement are not required to complete the “Request for Travel and/or Training” form but must notify their supervisor of the travel.

The supervisor and the employee shall discuss the number of compensable hours prior to the employee receiving the supervisor’s approval and authorization to travel. Examples of compensable travel are located on the back of the “Request for Travel and/or Training” form. Clarification may be obtained from the Human Resources Office. Supervisors will make every attempt to schedule travel and training time during the employee’s normally scheduled hours. If an employee must travel or attend training outside of his/her normal schedule, the work week may be adjusted.

Payment for Travel Expenses

In general, time spent in a travel status is considered work time for wage payment purposes. Time spent actually in transport /travel to and from special events, such as training or conferences, whether for a day, or for periods of overnight duration, is also work time.

Normal home-to-work travel is not considered travel time and will not be compensated. This includes the employee returning to work for after-hour meetings.

A copy of the approved request form must be attached to the timesheet for the pay period in which the travel occurred.

Approved claims for reimbursement of travel expenses will be submitted to the Finance Department. Expenses incurred by the employee will be reimbursed upon approval and processing of the claim through the normal requisition payment process and deadlines.

Lodging, airfare and miscellaneous expense receipts are required to be attached to the claim before reimbursement will be paid. Receipts for meals are not required and will be paid per the per diem policy

Reimbursable Expenses

- One-day travel expenses:

Travel and return in the same day: Mileage if personal vehicle is used. Expense for meals if the criteria described in Meals below is met.

- Multiple-day travel expenses:

Mileage, meals, actual lodging costs, airfare, tips and taxi or other transportation for the employee only.

Any miscellaneous expense directly related to work or business travel.

- Registration or tuition fees.
- .
- Hotel accommodations shall be reasonable and shall be reimbursed at actual and necessary cost. Accommodations should be near the location of the conference or business meeting.

Meals

IN-STATE TRAVEL

In state meal per diem rates will be reimbursed at the same rate for meal allowances passed by the Montana State Legislature for State of Montana employees. Rates are subject to change when a new a State Per Diem Schedule is passed by the Montana State Legislature.

If meals are included in tuition or registration fees, reimbursement will be reduced per the State Per Diem Schedule referenced above.

Eligibility for reimbursement for individual meals during travel will be as follows:

Breakfast: Employee must be in travel status at least two (2) hours before start of scheduled workday.

Lunch: While attending approved meetings or conferences within the city of Helena, lunch will generally be at the employees' expense. With the following exception, lunch is paid for when meetings involve speakers and/or are scheduled through lunch and for which a charge is made.

Dinner: Employee must be in travel status at least one (1) hour after end of scheduled workday.

NOTE:

OUT-OF-STATE TRAVEL

Meal allowances for out-of-state travel (including U.S. territories and possessions) are equal to the maximum standard federal rate per meal, as established in MCA 2-18-501(2). The federal schedules are available on the [Travel resources | GSA](#) website and may change annually beginning on October 1st of each year. Although the federal schedules provide for higher meal allowances in specific locations, MCA 2-18-501 (2)b), and the City of Helena allows only the standard federal rate for meals. Per MCA 2-18-501, Montana does not recognize the \$5.00 incidental charge as a reimbursement expense when submitting receipts for out-of-sate meals, nor does the City of Helena.

Using a Personal Vehicle on City Business

Employees are required to use a City-owned vehicle when traveling via automobile unless a City-owned vehicle is not available or such use is in the best interest of the City. When using a personal vehicle, a rate equal to the current business mileage allotment allowed by the United States Internal Revenue Service shall be paid.

When an employee is authorized to operate a privately-owned vehicle even though a City-owned or leased vehicle is available, the employee will be provided a gas credit card to supply the fuel necessary for the required mileage or be reimbursed for fuel costs. No other reimbursement will be allowed.

On long (extended mileage) trips, when an employee requests, and is authorized, to use a privately owned vehicle, they will be reimbursed an amount equal to the lesser of mileage/fuel costs (as stated in either 1 or 2 above) or the airfare costs to and from the destination.

Travel Advance Payments

Requests for advance payment of hotel, airfare, and/or conference fees may be made prior to the travel through the Finance Office. Advance payments for direct costs relating to hotel, airline, and/or conference expenses will be issued to the employee or by using a city-issued credit card no sooner than 30 days prior to the travel dates. Detailed quotes or invoices for accommodation, transportation, and registration costs will be required prior to issuing a travel advance for these costs.


Requests for advance payments of per diem may be made through the Finance Office. Advances will be calculated based on the travel status on the approved Request for Travel and/or Training form, not to exceed \$100.00.

Travel advances for personal mileage will be allowed within 30 days of travel and calculated based on the travel status approved on the Request for Training and Travel form noting an advance is requested.

A fully approved Request for Training and Travel form and a claim must be submitted to the Finance Office at least one week prior to the advance being required.

Personal vehicle mileage reimbursement will be based on map mileage at the current IRS business reimbursement rate.

If an employee receives a travel advance and the travel is cancelled, the employee must immediately return the advance to the Finance Office.

	City of Helena Personnel Policy	Policy number	3-2
		Original Adoption	02-09-1987
		Revision #	11
		Last revision date	March 25, 2024
Section Title	Employee Leave Administration		
Subject	Sick Leave		

Eligible Employees

- Regular Full-Time
- Regular Part-Time (hours earned pro-rated)
- Temporary Full-Time
- Temporary Part-Time (hours earned pro-rated)

Hours of work for above employees must be pre-scheduled to be eligible to earn sick leave credits.

Calculation of Sick Leave Credits

Full-time employees working 2080 or more hours per year earn a maximum of 96 hours of sick leave per year. This is credited at four (4) hours the first two pay periods of each month. Credits are pro-rated for part-time and seasonal employees every pay day based on the number of hours paid during that pay period.

These sick leave credits may not be used until the start of the next bi-weekly pay period. There is no restriction as to the number of hours of sick leave credits that may be accumulated, nor to the number of accrued sick leave credits that may be used for a bona fide employee illness or disability, provided that the qualifying period has been completed.

Employees on "non-pay" status will not earn leave credits (See Policy 3-5)

Qualifying Work Period

Sick leave credits accrue from the first day of employment in a position that has pre-scheduled hours of work.

An employee must be continuously employed for the qualifying period of 90 calendar days to use sick leave.

Unless there is a break in service of 40 consecutive hours or more, an employee only serves the qualifying period once. After a break in service an employee must again complete the qualifying period to use sick leave.

"Break in service" is defined as a period 40 hours or more when the employee is not employed by the City of Helena.

Effect of Extended Leave of Absence on Qualifying Work Period

When an employee who has not worked the qualifying period for use of sick leave takes an approved continuous leave of absence without pay exceeding 120 hours, the amount of time on leave of absence will not count toward completion of the qualifying period. The approved leave of absence exceeding 120 hours is not a break in service and the employee will not lose any accrued sick leave credits or lose credit for time earned toward the qualifying period. An approved continuous leave of absence without pay of 120 hours or less will be counted as time earned toward the 90day qualifying work period.

Sick Leave Requests

It is City policy for employees to report illnesses to supervisors or other department officials at the earliest possible moment. Employees who do not report to work and fail to notify their supervisor will be considered AWOL (Absence Without Leave) and may not be paid for the time off.

The employee's immediate supervisor or department head is responsible for approval of non-FMLA leave use and may require a medical release for leave charged against any sick leave credits. The Human Resource Office is responsible for approval or denial of sick leave usage when related to FMLA. The employee must notify Human Resources 30 days in advance, or as soon as known if less than 30 days, of any foreseeable medical absence. The employee's immediate supervisor or department head must notify Human Resources if unforeseeable leave will extend past 24 working hours or three (3) work days, whichever is less. Leave that may qualify under the Family Medical Leave Act (see Policy 3-7) will be approved and administered by the Human Resources office. Non-adherence to FMLA employee responsibilities may disqualify employees' use of sick leave during part or all of the absence. The Human Resource Office will adjust the employee's time coding from sick leave to another leave type if deemed unqualified by HR.

Medical certification may also be required to certify that the illness of a family member requires the immediate attention of the employee.

Medical certification of maternity-related sick leave must be obtained in the same manner and under the same conditions as certification for other sick leave.

Conditions for Use of Sick Leave

An employee may use sick leave credits for:

- A. Illness: Illness that occurs during an employee's vacation or when using banked holiday hours (not applicable in all areas) may be charged to sick leave with verification when requested;
- B. Non-work related injury;
- C. medical disability;
- D. maternity-related disability, including prenatal care, birth, miscarriage, abortion, or other medical care for either employee or child;
- E. quarantine resulting from exposure to contagious disease;
- F. medical, dental or eye examination or treatment;
- G. necessary care of or attendance to an immediate family member, or at the department's discretion, another relative, for the above reasons until other attendance can reasonably be obtained;
- H. death or funeral attendance as defined below; and/or
- I. parental leave as defined below.

Death of Family Member

An eligible employee may use up to 40 hours of their earned, accrued sick leave credits to attend the funeral of an immediate family member, or at the department's discretion, for another person.

Parental Leave: Regular Employees who have Successfully Completed Probationary Period

The City of Helena provides a maximum of 160 hours, or four weeks, of Paid Parental Leave (PPL) for eligible employees. Eligible employees are regular full-time and part-time employees who have been employed for at least 12 consecutive months and who have successfully completed their probationary period. Parental leave is defined as "leave to allow parents time to bond with and care for a newborn child or a child adopted or taken in for foster care." See Policy 3-10, Paid Parental Leave for specific details.

If an employee requests to use sick leave after the 160 hours of PPL has been exhausted, medical certification of necessity must be provided.

Additional time, beyond the initial 160 hours of PPL, may be requested in the form of vacation, compensatory time or leave without pay as noted in Policy 3-7, Family and Medical Leave.

Parental Leave: Probationary and Temporary Employees

Probationary employees and temporary employees who do not qualify for PPL but have worked the qualifying work period to use sick leave, may use up to 120 hours of sick leave immediately following the birth or placement of a child if:

- the employee is adopting a child; or
- the employee is a birth father.

As used in this section, "placement" means placement for adoption as defined in §33-22-130 (3), MCA.

If an employee requests additional sick leave beyond the 120 hours, medical certification of necessity must be provided.

Without medical certification, additional time, beyond the initial 120 hours, may be requested in the form of vacation, compensatory time or leave without pay as noted in Policy 3-7.

Probationary and temporary employees are not eligible for Paid Parental Leave (PPL).

Maternity Leave: Regular Employees who have Successfully Completed Probationary Period

An employee may request sick leave for a pregnancy-related disability that occurs before the birth of a child. Leave must be requested and approved or disapproved consistent with Policy: 3-1 and 3-2.

Six (6) calendar weeks after the birth of a child shall be considered a reasonable period of recovery from a temporary disability resulting from childbirth.

The City of Helena provides a maximum of 160 hours (pro-rated for part-time regular employees), or four weeks, of Paid Parental Leave (PPL) for eligible employees that can be utilized for maternity leave. Eligible employees are regular full-time and part-time employees who have been employed for at least 12 consecutive months and who have successfully completed their probationary period. See Policy 3-10, Paid Parental Leave for specific details.

An employee shall not be required to obtain medical certification of a temporary disability for the initial six (6) calendar weeks of leave following the birth of a child. Eligible employees missing work due to childbirth may utilize two weeks of sick leave in addition to the 160 hours, or four weeks granted them as PPL. PPL and sick leave combined may equal six (6) calendar weeks.

If the employee requests sick leave due to disability which exceeds six (6) calendar weeks, the employee shall obtain medical certification that the additional leave is medically necessary.

It is City policy to allow employees to be absent from work for up to 12 "work weeks" for maternity reasons including adoption. The 12 "work weeks" will include the initial six (6) calendar weeks directly related to recovery from childbirth, or the initial 15 days allowed for adoption, as noted in Policy 3-7.

An employee may request the use of annual leave, leave without pay, compensatory or other appropriate paid leave for purposes such as adoption or childcare. Leave shall be requested by the employee and approved by the department consistent with City policy as outlined in Policy 3-1, 3-2, 3-4 and 3-7.

Maternity Leave: Probationary and Temporary Employees

Probationary employees and temporary employees who have worked the qualifying work period to use sick leave may request sick leave for a pregnancy-related disability that occurs before the birth of a child. Leave must be requested and approved or disapproved consistent with Policy: 3-1, 3-2 and 3-7.

Six (6) calendar weeks after the birth of a child shall be considered a reasonable period of recovery from a temporary disability resulting from childbirth.

An employee shall not be required to obtain medical certification of a temporary disability for the initial six (6) calendar weeks of sick leave following the birth of a child. If the employee requests sick leave due to disability which exceeds six (6) calendar weeks, the employee shall obtain medical certification that the additional leave is medically necessary.

An employee may request the use of annual leave, leave without pay, compensatory or other appropriate paid leave for purposes such as adoption or childcare. Leave shall be requested by the employee and approved by the department consistent with City policy as outlined in Policy 3-1, 3-2, 3-4 and 3-7.

Probationary and temporary employees are not eligible for Paid Parental Leave (PPL) **Expending Accrued Sick Leave Credits**

Sick leave credits will be expended on an "hour for hour" basis in no less than quarter (1/4) hour increments. Employees on shifts longer or shorter than eight (8) hours will be charged for the actual number of work hours taken off.

Abuse of Sick Leave

Misrepresentation of the actual reason for charging an absence to sick leave is cause for dismissal and forfeiture of the lump-sum payment.

Chronic, persistent, or patterned use of sick leave may be subject to progressive discipline. An employee disciplined for abuse of sick leave is not eligible to apply for donated sick leave for a period of one (1) year after the discipline is imposed. This includes documented verbal and written warnings.

Absences improperly charged to sick leave may, at the City's discretion, be charged to available compensatory time or leave without pay. Annual leave may be used at the mutual agreement of the employee and the supervisor.

Lump-Sum Payment Upon Termination or Discharge

Except those participating in a qualifying VEBA plan, when an employee terminates or is discharged from employment, the employee is entitled to cash compensation for unused sick leave credits equal to one-fourth of the compensation the employee would have received if the employee had used the credit, provided the employee has worked the qualifying period.

The value of unused sick leave is computed based on the employee's salary at the time of termination.

According to §2-18-618(6), MCA, "accrual of sick leave credits for calculating the lump-sum payment begins July 2, 1971."

Employees discharged for reasons including the abuse of sick leave forfeit the right to lump-sum payment for any sick leave balance.

	City of Helena Personnel Policy	Policy number	4-2
		Original Adoption	02-09-1987
		Revision #	11
		Last revision date	March 25, 2024
Section Title	Hours of Work		
Subject	Overtime/Compensatory Time		

FLSA Non-exempt Employees

Employees considered "non-exempt" by FLSA (The Fair Labor Standards Act) must be paid or compensate with time off at 1-1/2 times their "base rate" for hours worked in excess of 40 hours in any workweek. Non-worked hours paid for vacation, sick leave or compensatory time will not be counted as hours worked for FLSA overtime calculations.

- All overtime must be pre-approved by the supervisor. Employees may be disciplined if overtime is worked without prior authorization. If a supervisor becomes aware that an employee is voluntarily working overtime without authorization, the employee must be paid for overtime already worked but the supervisor has two options: 1) direct the employee to stop voluntarily working the overtime or 2) authorize the overtime. An employee may not "donate" time to the City to compensate for overtime worked that was not previously authorized.
- When submitting overtime in the time keeping system, an employee must request whether they desire compensatory time instead of overtime pay. Compensatory time in lieu of overtime pay is subject to supervisor approval. Employees will be notified when time is approved of which method will be used.
- All records of compensatory time worked and overtime worked by non-exempt employees must be indicated in the time keeping system for the period the hours were worked.
- Compensatory time may be accrued. Non-exempt employees may accumulate up to 80 hours of compensatory time unless an exemption is granted by the City Manager.
- Compensatory time and overtime shall be earned, recorded and used in no less than quarter (.25) hour increments.
- Compensatory time may be taken at the request of employees within a reasonable period after the request is received if the use does not disrupt the operation of the unit. Where the interest of the City requires the employee's attendance, the City's interest overrides the employee's interest to take compensatory time off. The City may require an employee to take accrued compensatory time off during any workweek.
- Accrued non-exempt compensatory time will only be paid out (1) at the time the employee terminates or is discharged from employment; (2) as specified in the employee's Collective Bargaining Agreement; (3) for any overtime hours that exceed the maximum-allowed compensation time accumulation (80 hours) ; and (4) on a reclassification or promotion from a non-exempt to exempt position. The City may, at any time, and at its option, cancel or "cash-out" accrued compensatory time by paying the employee cash compensation for unused compensatory time or by requiring the employee to take the time off.

FLSA Exempt Employees


It is the policy of the City of Helena to allow its employees who are exempt from the Federal Fair Labor Standards Act of 1938 (FLSA, Title 29 USCA, Chap. 8, Sec. 201-219, as amended) to accrue and use leave, to include exempt compensatory time in compliance with this policy. State and Federal laws do not require the City to make the accrual or use of compensatory time available to exempt employees. Exempt compensatory time is not intended to provide any compensation in addition to the salaries established. Rather, it is a means of providing greater flexibility in scheduling time for exempt, salaried employees.

Exempt employees are exempt from overtime and minimum wage provisions of the Fair Labor Standard Act and are paid on a salary basis. 29 C.F.R. Part 541. In general, exempt employees exercise discretion and independent judgment in matters of significance to perform their work and have authority to make independent choices, free from immediate direction and supervision. Due to the nature of the work, an exempt employee may work more than 40 hours in a workweek.

- Exempt employees may accrue compensatory time.
 - A maximum of eighty (80) hours of exempt compensatory time may be accumulated. An employee is prohibited from accumulating exempt compensatory time until the employee's balance, during any given pay period, is reduced below eighty (80) hours, however the employee must report all hours worked for record keeping purposes.
 - Accrued exempt compensatory time may be taken off by the employee at a mutually agreeable later date during the employee's regular working hours, if the use of the compensatory time does not unduly disrupt the operations of the City and/or department. Where the interest of the City requires the employee's attendance, the City's interest overrides the employee's interest to take exempt compensatory time off. The City may require an exempt employee to take accrued exempt compensatory time off during any workweek.
 - Compensatory time shall be earned, recorded and used in no less than quarter (.25) hour increments.
- There shall be no lump sum cash compensation for accrued exempt compensatory time at the time of termination or discharge.

Collective Bargaining Agreements

All overtime provisions addressed in Collective Bargaining Agreements apply.

	City of Helena Personnel Policy	Policy number	4-4
		Original Adoption	02-09-1987
		Revision #	8
		Last revision date	July 2024
Section Title	Hours of Work		
Subject	Time Reporting/Pay Periods		

All employees are paid every two weeks for a total of 26 payments in a year.

Payments are made every other Friday for the preceding two weeks of employment.

Employees leaving the service of the city for any reason shall receive their final pay on the next regularly scheduled pay date following their separation from employment or 15 calendar days from the date of separation, whichever occurs first.

Time Reporting Procedures

- Time reporting procedures are administered by Payroll.
- Employees are responsible for completing their time report and submitting it to their supervisors at the end of the pay period. Employees are required to accurately report their time prior to submission. If an employee fails to submit a time report by the scheduled deadline for processing, the employee will not receive payment until the pay period following proper submission. See §39-3-204 (3), MCA.
- Supervisors are responsible for certifying that each employee's time report is correct using the established review and approval process.
- Time reports must be submitted by the department to Payroll no later than 10:00 a.m. of the Monday following the last day of the pay period. Time reports may be due in Payroll earlier because of holidays or other special circumstances. Time report corrections and adjustments must be communicated to Payroll no later than 1:00 p.m. of the Monday following the last day of the pay period.
- All leave requests, overtime and compensatory time records and any other special information relating to the time reporting period shall be maintained in the department.
- Any changes to the time report forms must be reviewed and resubmitted by both the supervisor and the employee.

Corrected/Reissued Payroll Checks

- If an employee requests a corrected/reissued payroll check for any reason, each instance will be evaluated at the time, considering the amount of the error, effect on the employee, and/or the time needed to correct the error and issue a new check.
- In all instances, corrections will be made by the following pay period or in the next pay period as soon as possible after becoming aware of the correction.

City of Helena, Montana
Commission Administrative Meeting

July 16, 2025

To: Mayor Collins and the Helena City Commission

From: Sheila Danielson, Finance Director

Subject: Discussion on a Resolution for the Commission to authorize the Execution and Delivery of a GO Bond for \$7,000,000 and to levy taxes for the payment thereof for the purpose of acquiring land and building a fire station and training center.

Present Situation: City staff are requesting the City Commission consider authorizing a Resolution on July 21, 2025 relating to a \$7,000,000 General Obligation Bond, Series 2025; Determining the Form and Details, Authorizing the Execution and Delivery and Levying taxes for the Payment Thereof.

Delivery of Power Point Rating call presentation for Series 2025 Bonds.

Background Information: Pursuant to Section 7-7-4221, Montana Code Annotated ("MCA"), the City is authorized, upon approval of the electorate of the City, to issue general obligation bonds secured by the full faith and credit and taxing power of the City for any purpose authorized by law, provided that such indebtedness will not cause the total indebtedness of the City to exceed 2.5% of the total assessed value of the taxable property of the City, determined as provided in Section 15-8-111, MCA, ascertained by the last assessment for state and county taxes.

The electors of the City at an election duly called, noticed and held on June 4, 2024, authorized this Commission to sell and issue general obligation bonds of the City in the aggregate principal amount of up to \$7,000,000 for the purpose of paying costs of acquiring a site, (if necessary), and designing, constructing, furnishing, and equipping thereon a new fire station, to include a training facility, and related improvements and costs (the "Improvements"); and costs associated with the sale and issuance of the bonds.

On June 16, The City Commission approved Resolution 21003 Relating to up to \$7,000,000 in Principal Amount of General Obligation Bonds; Authorizing the Issuance and Call for the Public Sale Thereof to finance or reimburse the City costs of the Improvements and to pay costs of issuing the Series 2025 Bonds.

On June 23, 2025 City of Helena representatives from Finance, City Manager, Community Development and Public Information along with Baker Tilly Municipal Advisors, LLC presented an informative presentation to Standard & Poor's (S&P) Financial Services, LLC along with a completed questionnaire for the purpose of providing a credit rating on the Series 2025 bonds. At the end of the rating call, S&P

indicated that the City of Helena presented a “stable” rating status. On July 3, 2025 S&P Financial Services delivered their rating report and issued a “AA” credit rating for the Series 2025 Bonds. Shortly thereafter, Baker Tilly Municipal Advisors. LLC distributed the bond Preliminary Official Statement serving the purpose of soliciting the bonds in a competitive bond sale. Consideration of awarding the bonds is scheduled for Monday, July 14, 2025 following by a Bond Resolution authorizing the award of sale on July 21, 2025. Receipt of proceeds is scheduled for August 14, 2025.

The Financing Team includes Steven Scharff, Senior Manager for Baker Tilly as Municipal Advisor and Dan Semmens of Dorsey Whitney LLP as bond counsel, who provide the legal opinion and draft all legal documents related to the bond. A copy of the Power Point Presentation delivered to S&P Financial Services is included in the packet.

Proposal/Objective:

Consider the authorization of bringing to the Commission a Resolution authorizing the sale of general obligations bonds for a new fire stations and training facility.

Advantage:

Allows staff to bring a resolution awarding the sale of the bonds to Commission on July 21, 2025.

Notable Energy Impact:

N/A

Disadvantage:

N/A.

Notice of Public Hearing:

No

**Staff Recommendation/
Recommended Motion:**

No Action. Information Only.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Helena, Montana (the “City”), hereby certify that the attached resolution is a true copy of Resolution No. _____, entitled: “RESOLUTION RELATING TO \$7,000,000 GENERAL OBLIGATION BONDS, SERIES 2025; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF” (the “Resolution”), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a meeting on July 21, 2025, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____; or were
absent: _____.

WITNESS my hand officially this _____ day of July, 2025.

Clerk of the Commission

RESOLUTION NO. [____]

RESOLUTION RELATING TO \$7,000,000 GENERAL OBLIGATION BONDS, SERIES 2025; DETERMINING THE FORM AND DETAILS, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF

BE IT RESOLVED by the City Commission (the “Commission”) of the City of Helena, Montana (the “City”), as follows:

Section 1. Authorization and Sale; Recitals.

1.01. Authorization. At an election duly called and held June 4, 2024, the electors of the City authorized this Commission to sell and issue general obligation bonds of the City in the aggregate principal amount not to exceed \$7,000,000 for the purpose of paying costs of acquiring a site and designing, constructing, furnishing, and equipping thereon a new fire station, to include a training facility, and related improvements and costs (the “2025 Project”); and costs associated with the sale and issuance of the bonds.

1.02. Sale. Pursuant to Resolution No. _____, adopted by the Commission on June 16, 2025, the City authorized and provided for the sale and issuance of general obligation bonds of the City, to be denominated “General Obligation Bonds, Series 2025” (the “Series 2025 Bonds”), at a public competitive sale. Pursuant to such authorization, on [July 14], 2025, the City awarded the sale of the Series 2025 Bonds to [_____] (the “Original Purchaser”), based on its bid to purchase the Series 2025 Bonds in the aggregate principal amount of \$7,000,000 at a purchase price of \$_____ (reflecting an underwriter’s discount of \$_____ and original issue premium of \$_____), the Series 2025 Bonds to bear interest at the rates and mature on the dates and in the amounts and contain the further terms and conditions set forth in this resolution. The sale of the Series 2025 Bonds to the Original Purchaser is hereby ratified and confirmed.

1.03. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 7, Part 42, as amended, in order to make the Series 2025 Bonds valid and binding general obligations of the City in accordance with their terms and in accordance with the terms of this Resolution have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required. The City has full power and authority to issue the Series 2025 Bonds.

The indebtedness to be evidenced by the Series 2025 Bonds, together with all other outstanding general obligation indebtedness of the City, will not exceed 2.50% of the total assessed valuation of taxable property of the City, determined as provided in Section 15-8-111, M.C.A., as ascertained by the last assessment for state and county taxes.

Section 2. Bond Terms, Execution and Delivery.

2.01. Terms of Bonds. The Series 2025 Bonds shall be issued in the total principal amount of \$7,000,000 and shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2025 Bonds shall mature on July 1 in the years and

amounts listed below, and Series 2025 Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption [(including mandatory sinking fund redemption as to the term bonds maturing in 20__)], at the coupon rate per annum shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		
2035			2045		

[*Term bonds subject to mandatory sinking fund redemption as set forth in Section 2.07 below.]

Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02. Registered Form, Interest Payment Dates. The Series 2025 Bonds shall be issuable only in fully registered form, and the ownership of the Series 2025 Bonds shall be transferred only upon the bond register of the City hereinafter described. The interest on the Series 2025 Bonds shall be payable on January 1 and July 1 in each year, commencing January 1, 2026. Interest on the Series 2025 Bonds shall be payable to the owners of record thereof as such appear on the bond register as of the close of business on the 15th day of the month immediately preceding each interest payment date, whether or not such day is a business day. Interest on, and upon presentation and surrender thereof, the principal of each Series 2025 Bond shall be payable by check or draft issued by or drawn on the Registrar described herein or, as appropriate, by wire transfer.

2.03. Dated Date. Each Series 2025 Bond shall be originally dated as of [August 14, 2025], and upon authentication of any Series 2025 Bond the Registrar (as hereinafter defined) shall indicate thereon the date of such authentication.

2.04. Registration. The City shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of Series 2025 Bonds and the registration of transfers and exchanges of Series 2025 Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Series 2025 Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2025 Bonds of the same series of a like aggregate principal amount and maturity, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Series 2025 Bond or portion thereof selected or called for redemption.

(c) Exchange of Bonds. Whenever any Series 2025 Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2025 Bonds of the same series of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Series 2025 Bonds surrendered upon any transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Series 2025 Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2025 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Series 2025 Bond is at any time registered in the bond register as the absolute owner of such Series 2025 Bond, whether such Series 2025 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2025 Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Series 2025 Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Series 2025 Bonds (except for an exchange upon the partial redemption of a Series 2025 Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Series 2025 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2025 Bond of the same series of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Series 2025 Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection

therewith; and, in the case of a Series 2025 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2025 Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Series 2025 Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Series 2025 Bond has already matured or such Series 2025 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2025 Bond prior to payment.

2.05. Appointment of Initial Registrar. The City hereby appoints U.S. Bank Trust Company, National Association, in Salt Lake City, Utah, to act as registrar, transfer agent and paying agent (the “Registrar”). The City reserves the right to appoint a successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana, Montana Code Annotated, Title 17, Chapter 5, Part 11, as amended (the “Registration Act”), but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed.

2.06. Optional Redemption.

(a) Series 2025 Bonds with stated maturities in the years 2026 through 2035 are not subject to optional redemption prior to their stated maturities. Series 2025 Bonds with stated maturities on or after July 1, 2036 are subject to redemption on July 1, 2035 and any date thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City), at a redemption price equal to the principal amount thereof and interest accrued to the redemption date, without premium.

(b) The date of redemption and the principal amount of the Series 2025 Bonds to be redeemed shall be fixed by the City Finance Director who shall give notice thereof to the Registrar at least 45 days prior to the redemption date. At least thirty days prior to the designated redemption date, the Registrar shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Series 2025 Bond to be redeemed at their addresses as they appear on the bond register described in Section 2.04, but no defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Series 2025 Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates, CUSIP numbers, and the maturity date of the Series 2025 Bonds or portions thereof to be redeemed and the place at which the Series 2025 Bonds are to be surrendered for payment. Official notice of redemption having been given as aforesaid, the Series 2025 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2025 Bonds or portions thereof shall cease to bear interest.

(c) In addition to the foregoing provisions of Section 2.06(b), any notice of optional redemption of the Series 2025 Bonds may state that redemption is conditioned upon the receipt by the Registrar on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of the Series 2025 Bonds to be redeemed or upon the satisfaction of any other condition stated in the notice, and that if such money is not so received or such condition not so satisfied, such notice shall be of no force and effect, and the City shall not be required to redeem such Series 2025 Bonds. In the event that a notice of redemption contains such a condition and such money is not so received or such condition is not so satisfied, the redemption will not be made and the Registrar will, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such money was not so received or such condition not so satisfied and that such redemption was not made.

2.07. [Mandatory Sinking Fund Redemption]. The Series 2025 Bonds having a stated maturity in 20__ are subject to mandatory sinking fund redemption on July 1 in the years and the principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date:

20__ Term Bond	
Sinking Fund Payment Date (July 1)	Principal Amount on Sinking Fund Payment Date
20__	\$_____

*Stated Maturity.

If the term bonds with a stated maturity in 20__ are not previously purchased by the City in the open market or prepaid, \$_____ in principal amount of such term bonds would remain to mature in 20__. The principal amounts required to be redeemed on the above sinking fund payment dates shall be reduced by the amount by which such principal amounts are previously redeemed at the option of the Commission.]

2.08. Execution and Delivery. The Series 2025 Bonds shall be forthwith prepared for execution under the direction of the Clerk of the Commission and shall be executed on behalf of the City by the signatures of the Mayor, the City Manager and the Clerk of the Commission, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. The seal of the City need not be imprinted on or affixed to any Series 2025 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2025 Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Series 2025 Bonds have been so executed by said City officers, they shall be registered by the Clerk of the Commission in accordance with Montana Code Annotated, Section 7-7-4257, as amended. Notwithstanding such execution, no Series 2025 Bond shall be valid or

obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Series 2025 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2025 Bonds need not be signed by the same representative. The executed certificate of authentication on each Series 2025 Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2025 Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Original Purchaser or as otherwise directed upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Original Purchaser shall not be obligated to see to the application of the purchase price.

2.09. Securities Depository for the Bonds.

(a) For purposes of this Section [2.09], the following terms shall have the following meanings:

“Beneficial Owner” means, whenever used with respect to a Series 2025 Bond, the person in whose name such Series 2025 Bond is recorded as the beneficial owner of such Series 2025 Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2025 Bonds.

“DTC” means The Depository Trust Company of New York, New York.

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Series 2025 Bonds as securities depository.

“Representation Letter” means the Blanket Issuer Letter of Representations pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Series 2025 Bonds shall be initially issued as separately authenticated fully registered bonds, and one Series 2025 Bond shall be issued in the principal amount of each stated maturity of the Series 2025 Bonds. Upon initial issuance, the ownership of such Series 2025 Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2025 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2025 Bonds, selecting the Series 2025 Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Series 2025 Bonds under this Resolution, registering the transfer of Series 2025 Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2025 Bonds under or through DTC or any Participant, or any other Person which is not shown on the bond register as being a registered owner of any Series 2025 Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the

payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2025 Bonds, with respect to any notice which is permitted or required to be given to owners of Series 2025 Bonds under this Resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2025 Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Series 2025 Bonds. So long as any Series 2025 Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Series 2025 Bond, and shall give all notices with respect to such Series 2025 Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Series 2025 Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Series 2025 Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2025 Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines to discontinue the book-entry-only system for the Series 2025 Bonds, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Series 2025 Bonds of such series in the form of certificates. In such event, the Series 2025 Bonds of such series will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Series 2025 Bonds of one or both series at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2025 Bonds of such series will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Series 2025 Bonds and Beneficial Owners and payments on the Series 2025 Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Resolution.

(e) In the event that any transfer or exchange of Series 2025 Bonds of a series is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Series 2025 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Resolution. In the event Series 2025 Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Series 2025 Bonds, or another securities depository as owner of all the Series 2025 Bonds, the provisions of this Resolution shall also apply to all matters relating thereto, including, without limitation, the preparation of such Series 2025 Bonds in the form of bond certificates and the method of payment of principal of and interest on such Series 2025 Bonds in the form of bond certificates.

2.10. Form of Bonds. The Series 2025 Bonds shall be prepared in substantially the form set forth in Exhibit A hereto, and by this reference made a part hereof.

Section 3. Security Provisions.

3.01. Project Account; Use of Proceeds. There is hereby created a special account to be designated as the “2025 Project Account” (the “Project Account”), to be held and administered by the City Finance Director separate and apart from all other funds and accounts of the City. The City appropriates to the Project Account the proceeds of the sale of the Series 2025 Bonds in the amount of (a) \$_____ (representing the principal amount of the Series 2025 Bonds, plus original issue premium on the Series 2025 Bonds, less underwriter’s discount), and (b) all income derived from the investment of amounts on hand in the Project Account. The Project Account shall be used solely to defray expenses of the 2025 Project to be paid with proceeds of the Series 2025 Bonds, including costs of issuance of the Series 2025 Bonds. Upon payment of all costs and expenses of the 2025 Project to be paid with proceeds of the Series 2025 Bonds and investment earnings thereon, any amounts remaining in the Project Account shall be credited and paid to the Debt Service Account.

3.02. Debt Service Account. There is hereby created a special account to be designated as the “2025 Debt Service Account” (the “Debt Service Account”), to be held and administered by the City Finance Director separate and apart from all other funds and accounts of the City, to be used solely to pay principal of and interest on the Series 2025 Bonds. The City irrevocably appropriates to the Debt Service Account: (a) all funds, if any, to be transferred thereto from the Project Account in accordance with the provisions of Section 3.01, (b) all taxes levied in accordance with this Resolution, (c) all income derived from the investment of amounts on hand in the Debt Service Account, and (d) such other money as shall be received and appropriated to the Debt Service Account from time to time.

3.03. Tax Levies. The full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged to the payment of the Series 2025 Bonds and interest due thereon, and the City shall cause taxes to be levied annually on all taxable property in the City, without limitation as to rate or amount, sufficient to pay the interest on the Series 2025 Bonds when it falls due and to pay and discharge the principal at maturity of each and all of the Series 2025 Bonds as they respectively become due.

Section 4. Tax Covenants and Certifications.

4.01. Use of the Project. The 2025 Project will be owned and operated by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2025 Project or security for the payment of the Series 2025 Bonds which might cause the Series 2025 Bonds to be considered “private activity bonds” or “private loan bonds” within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”).

4.02. General Covenant. The City covenants and agrees with the owners from time to time of the Series 2025 Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2025 Bonds to

become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the “Regulations”), and covenants to take any and all actions within its powers to ensure that the interest on the Series 2025 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

4.03. Arbitrage Certification. The Mayor, the City Manager and the City Finance Director, being among the officers of the City charged with the responsibility for issuing the Series 2025 Bonds pursuant to this Resolution, are authorized and directed to execute and deliver a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2025 Bonds, it is reasonably expected that the proceeds of the Series 2025 Bonds will be used in a manner that would not cause the Series 2025 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

4.04. Arbitrage Rebate. The City acknowledges that the Series 2025 Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Series 2025 Bonds from gross income for federal income tax purposes, unless the Series 2025 Bonds qualify for an exception from the rebate requirement under Section 148(f)(4) of the Code and no “gross proceeds” of the Series 2025 Bonds arise, except in a manner that does not give rise to rebatable arbitrage. In furtherance of the foregoing, the Mayor, the City Manager and the City Finance Director are, or any one or more of them is, hereby authorized and directed to execute a Rebate Certificate, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

4.05. Information Reporting. The City shall file with the Secretary of the Treasury, not later than November 15, 2025, a statement concerning the Series 2025 Bonds containing the information required by Section 149(e) of the Code.

4.06. “Qualified Tax-Exempt Obligation.” Pursuant to Section 265(b)(3) of the Code, the City hereby designates the Series 2025 Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The City has not designated any obligations in 2025 under Section 265(b)(3), other than the Series 2025 Bonds. The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the City and all “subordinate entities” of the City in 2025 in an amount greater than \$10,000,000.

Section 5. Defeasance or Discharge.

5.01. General. When the liability of the City on all Series 2025 Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the holders of such Series 2025 Bonds shall cease.

5.02. Maturity. The City may discharge its liability with reference to all Series 2025 Bonds and interest thereon which are due on any date by depositing with the Registrar for such Series 2025 Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Series 2025 Bond or interest thereon shall not be paid when due, the City may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

5.03. Redemption. The City may also discharge its liability with reference to any prepayable Series 2025 Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

5.04. Escrow. The City may also at any time discharge its liability in its entirety with reference to any Series 2025 Bonds subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited or funds holding only such securities, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Series 2025 Bonds at their stated maturities or, if such Series 2025 Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier redemption date.

Section 6. Continuing Disclosure. The Commission hereby approves the Continuing Disclosure Undertaking of the City substantially in the form of the attached Exhibit B and authorizes the Mayor and the City Manager, or in the absence of either of them or in the event of their inability to sign, their designees, to execute and deliver on behalf of the City contemporaneously with the date of issuance and delivery of the Series 2025 Bonds the Continuing Disclosure Undertaking, with such changes as may be necessary or appropriate. The signatures of any two authorized officials of the City are adequate to cause the Continuing Disclosure Undertaking to be binding and enforceable on the City.

Section 7. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the Original Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Series 2025 Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 8. Repeals and Effective Date.

8.01. Repeal. All provisions of other resolutions and other actions and proceedings of the City and this Commission that are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

8.02. Effective Date. This Resolution shall take effect immediately upon its passage and adoption by this Commission.

PASSED, ADOPTED, AND APPROVED by the City Commission of the City of Helena, Montana, at a regular session thereof held on the 21st day of July, 2025.

Mayor

ATTEST:

Clerk of the Commission

(SEAL)

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF LEWIS AND CLARK

GENERAL OBLIGATION BOND
SERIES 2025

\$_____.

PRINCIPAL AMOUNT: AND NO/100 DOLLARS

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of an issue in the total principal amount of \$7,000,000 (the “Series 2025 Bonds”), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege, all authorized by the favorable vote of more than the requisite majority of the qualified electors of the City voting on the question of the issuance thereof at a duly held election, all pursuant to resolutions duly adopted by the City Commission, including Resolution No. ____ adopted on July 21, 2025 (the “Resolution”), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Bonds are issuable only as fully registered bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof.

Bonds with stated maturities in the years 2026 through 2035 are not subject to redemption prior to their stated maturities. Bonds with stated maturities on or after July 1, 2036 are subject to redemption on July 1, 2035 and any date thereafter, at the option of the City, in whole or in part, and if in part from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City), at a redemption price equal to the principal amount thereof and interest accrued to the redemption date, without premium.

The date of redemption and the principal amount of the Bonds shall be fixed by the City Manager, who shall give notice thereof to the Registrar at least forty-five days prior to the date of redemption. At least thirty days prior to the designated redemption date, the Registrar shall cause notice of redemption to be mailed, by first class mail, or by other means required by the securities depository, to the registered owners of each Bond to be redeemed at their addresses as they appear on the bond register. No defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates, CUSIP numbers, and the maturity date of the Bonds or portions thereof to be redeemed and the place at which the Bonds are to be surrendered for payment. Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions thereof shall cease to bear interest.

In addition to the provisions of the preceding paragraph, any notice of optional redemption of the Bonds may state that redemption is conditioned upon the receipt by the Registrar on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of the Bonds to be redeemed or upon the satisfaction of any other condition stated in the notice, and that if such money is not so received or such condition not so satisfied, such notice shall be of no force and effect, and the City shall not be required to redeem such Bonds. In the event that a notice of

redemption contains such a condition and such money is not so received or such condition is not so satisfied, the redemption will not be made and the Registrar will, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such money was not so received or such condition not so satisfied and that such redemption was not made.

[The Bonds having a stated maturity in 20__ are subject to mandatory sinking fund redemption on July 1 in the years and the principal amounts set forth below in \$5,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date:

20__ Term Bond	
Sinking Fund Payment Date (July 1)	Principal Amount on Sinking Fund Payment Date
20__	\$ _____

*Stated Maturity.

If the term bonds with a stated maturity in 20__ are not previously purchased by the City in the open market or prepaid, \$ _____ in principal amount of such term bonds would remain to mature in 20__. The principal amounts required to be redeemed on the above sinking fund payment dates shall be reduced by the amount by which such principal amounts are previously redeemed at the option of the Commission.]

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City in the principal office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

The Bonds have been designated by the City as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the City Commission will annually levy an ad valorem tax on all of the taxable property in the City in an amount sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; that this Bond, together with all other general obligation indebtedness of the City outstanding on the date of original issue hereof, does not exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, City of Helena, Montana, by its City Commission, has caused this Bond to be executed by the facsimile signatures of the Mayor, the City Manager and the Clerk of the Commission and by a printed facsimile of the official seal of the City.

CITY OF HELENA, MONTANA

(Facsimile Signature)
MAYOR

(Facsimile Signature)
CITY MANAGER

(Facsimile Seal)

(Facsimile Signature)
CLERK OF THE COMMISSION

Dated: _____, 20__

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned herein.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Registrar, Transfer Agent, and
Paying Agent

By _____
Authorized Signature

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants
in common

UTMA.....Custodian.....
(Cust) (Minor)

TEN ENT -- as tenants
by the entirety

JT TEN -- as joint tenants
with right of
survivorship and
not as tenants in
common

under Uniform Gifts to
Minor Act.....
(State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

/ _____ /

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

SIGNATURE GUARANTEED

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Bond Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING is made by the City of Helena, Montana (the “City”) in connection with the issuance and delivery by the City of its \$7,000,000 General Obligation Bonds, Series 2025 (the “Bonds”), as of this ____ day of _____, 2025.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the City hereby makes the following covenants and agrees, for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system website (“EMMA”), as hereinafter described. The City is the only “obligated person” in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made.

If the City fails to comply with this Continuing Disclosure Undertaking, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of this Continuing Disclosure Undertaking, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Continuing Disclosure Undertaking constitute a default under the Bonds or under any other provision of the Resolution.

As used herein, “Owner” means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, “Beneficial Owner” means, in respect of a Bond, any person or entity that (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) as soon as reasonably available, and allowing a reasonable period of time to assemble, but not later than March 31 after the end of each fiscal year of the City (or if such date is not a business day, the first business day after March 31), commencing with the fiscal

year ending June 30, 2025 (thus, by March 31, 2026 and by each March 31 of each year thereafter (or the first business day after March 31, if March 31 is not a business day) with respect to the prior fiscal year), the following financial information and operating data in respect of the City (the “Disclosure Information”):

(A) the audited financial statements of the City for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing a balance sheet as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof; and

(B) to the extent not included in the financial statements referred to in paragraph (A) above, information for such fiscal year of the type set forth below:

- (1) principal amount of general obligation debt outstanding;
- (2) assessed market valuation of the City;
- (3) taxable valuation of the City; and
- (4) property tax levies and collections.

Notwithstanding anything herein, if the audited financial statements are not available by the date specified, the City shall provide on or before the applicable March 31 unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within ten days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated, if it is updated as required hereby, by reference from other documents, including official statements, which have been submitted to the MSRB in the manner set forth in subsection (c) hereof. The City shall clearly identify the Disclosure Information in each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such

replacement operations would be material (as hereinafter defined), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Continuing Disclosure Undertaking is amended, then the City shall include in the next Disclosure Information to be delivered pursuant to this Continuing Disclosure Undertaking, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days, notice of the occurrence of any of the following events:

- (A) principal and interest payment delinquencies;
- (B) non-payment related defaults, if material;
- (C) unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;
- (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (G) modifications to rights of holders of the Bonds, if material;
- (H) bond calls, if material, and tender offers;
- (I) defeasances;
- (J) release, substitution or sale of property securing repayment of the Bonds, if material;
- (K) rating changes;
- (L) bankruptcy, insolvency, receivership, or similar event of the City;
- (M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement

to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(O) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

(P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

An event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed in this Bond Resolution or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For purposes of paragraphs (O) and (P) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of either (i) or (ii). A “financial obligation” does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information described above under paragraph (b)(1) above at the time specified thereunder;

(B) the amendment or supplementing of this Continuing Disclosure Undertaking, together with a copy of such amendment or supplement and any explanation provided by the City; and

(C) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) hereof to the MSRB via EMMA or in a manner as may be otherwise proscribed by the MSRB consistent with the Rule. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Term; Amendments; Interpretation.

(1) This Continuing Disclosure Undertaking shall remain in effect so long as any Bonds are outstanding.

(2) This Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (b)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Commission filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that the Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information), as so amended or supplemented, will comply with the provisions of paragraph (b)(5) of the Rule, assuming that such provisions apply to the Bonds.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) this Continuing Disclosure Undertaking is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so the undertaking would satisfy the requirements of paragraph (b)(5) of the Rule.

Dated: _____, 2025.

CITY OF HELENA, MONTANA



City of Helena

\$7,000,000 General Obligation
Bonds, Series 2025
S&P Presentation

Introductions

Issuer – City of Helena, Montana (the “City”)

Tim Burton – City Manager

tburton@helenamt.gov | 406-447-8427

Sheila Danielson, CPFO – Finance Director

sdanielson@helenamt.gov | 406-447-8390

Eliza Salonga – Controller

esalonga@helenamt.gov | 406-447-8407

Jon Campbell – Fire Chief

jcampbell@helenamt.gov | 406-447-8472

Christopher Brink – Community Development Director

cbrink@helenamt.gov | 406-447-8445

Jacob Garcin – Public Information Officer

jagarcin@helenamt.gov | 406-447-8021

Municipal Advisor – Baker Tilly Municipal Advisors, LLC (“BTMA”)

Steve Scharff – Director

steve.scharff@bakertilly.com | 406-692-7966

Abigail Garrard – Consultant

abigail.garrard@bakertilly.com | 651-223-3001

Therese McKinney - Manager

therese.mckinney@bakertilly.com | 317-465-1530

Rating Agency – S&P Global Ratings (“S&P”)

Brenea Gordon - Ratings Analyst

Brenea.gordon@spglobal.com | 312-233-7048

Treasure Walker – Associate Director

Treasure.walker@spglobal.com | 303-721-4531

Agenda

Bond Issuance Overview

Economic Profile

Financial and Management
Outcomes

Closing and Q&A

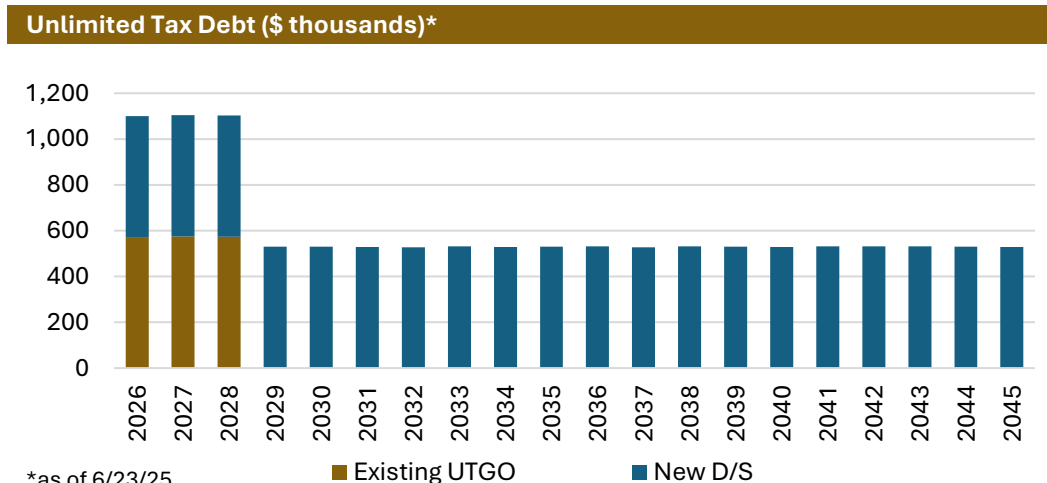
Bond Issue Overview



Bond Issue Overview

- For acquiring a site and designing, constructing, furnishing, and equipping thereon a new fire station, to include a training facility
- **Security:** Full faith and credit pledge; unlimited ad valorem property taxes

Financing Sources & Uses (\$ thousands)	
	Series 2025
<u>Source of Funds</u>	
Par Amount of Bonds	7,000
Est. Reoffering Premium	36
Total Sources	\$7,036
<u>Use of Funds</u>	
Project Proceeds	6,870
Issuance Costs	166
Total Uses	\$7,036



Estimated Annual Debt Service on the Bonds (\$ thousands)			
Date (7/1)	2025 Principal	2025 Interest	Total P&I
2026	265.00	264.36	529.36
2027	240.00	289.62	529.62
2028	250.00	280.02	530.02
2029	260.00	270.02	530.02
2030	270.00	259.62	529.62
2031	280.00	248.82	528.82
2032	290.00	237.62	527.62
2033	305.00	226.02	531.02
2034	315.00	213.82	528.82
2035	330.00	200.83	530.83
2036	345.00	186.80	531.80
2037	355.00	172.14	527.14
2038	375.00	157.05	532.05
2039	390.00	140.64	530.64
2040	405.00	123.58	528.58
2041	425.00	105.86	530.86
2042	445.00	86.74	531.74
2043	465.00	66.71	531.71
2044	485.00	45.79	530.79
2045	505.00	23.36	528.36
Total	\$7,000.00	\$3,599.40	\$10,599.40



Fire Station 3

- Serve East and Northeast parts of City to maintain acceptable response times in growing area of the City
- Co-locates a state-of-the-art training center to conduct regional training efforts
- Enhance existing services within the community

Economic Profile

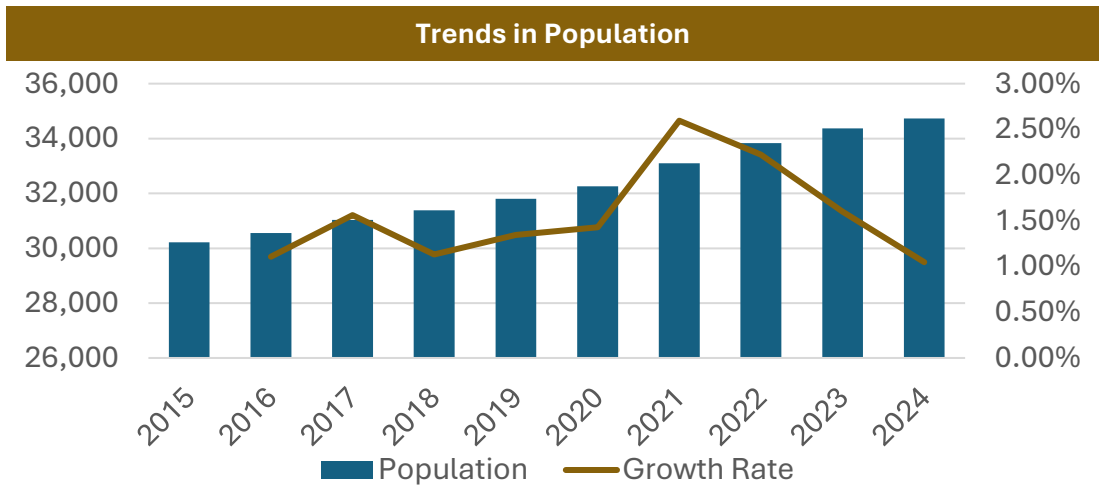




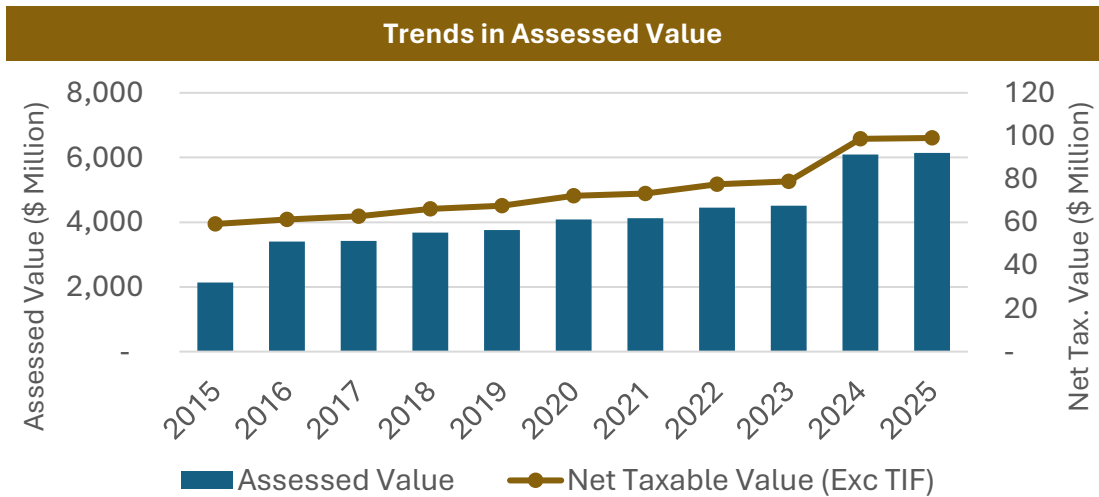
City Overview

- Located in Lewis & Clark County
- Encompasses area of 16.39 sq. miles
- State Capitol and 6th largest city
 - Stable workforce comprised of government employees
- Midway between Yellowstone and Glacier National Park
- Home to Carroll College
- Economic hub
 - Tourism
 - Agriculture
 - Retail
 - Financial
 - Transportation

Economic Profile



- Positive value and population growth.
- Compound annual growth in population from 2020 to 2024 of approx. 1.9%
- Compound annual growth in market value from 2021 to 2025 of approx. 10.5%
- Growth brought on by mix of development and existing value increases.

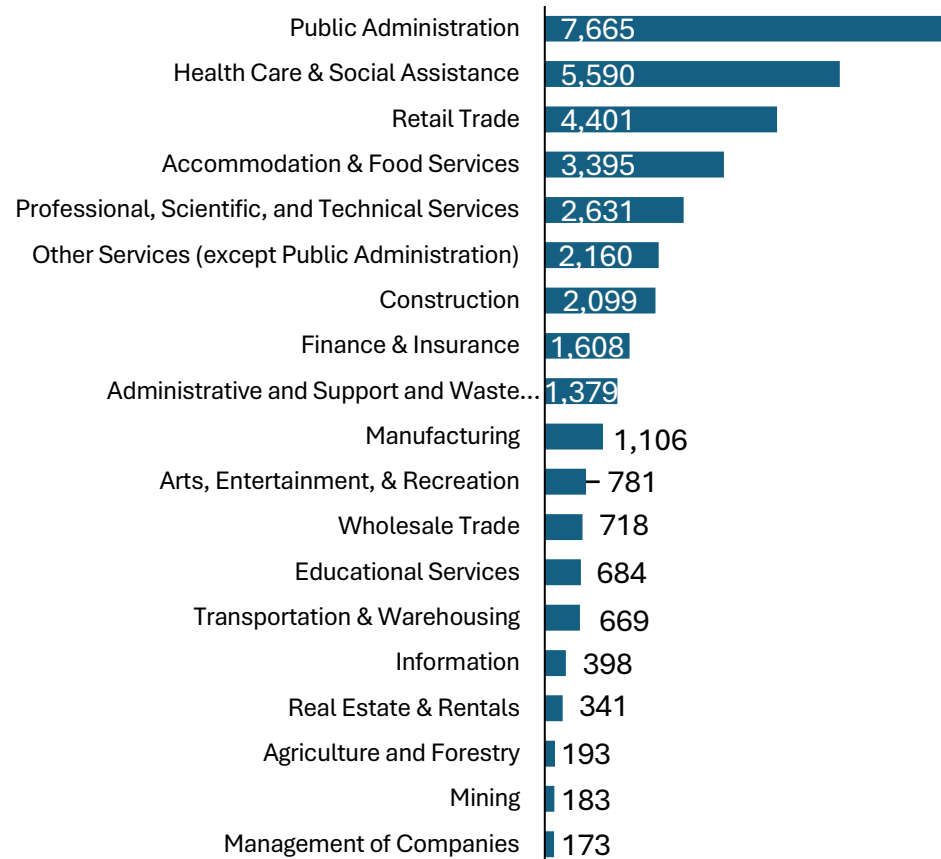


Fiscal Year	Assessed Value	Population	AV / Capita
2025	6,147,438,252	34,729*	177,012
2024	6,098,033,385	34,729	175,589
2023	4,513,153,545	34,369	131,315
2022	4,455,189,971	33,828	131,701
2021	4,127,827,792	33,092	124,738
2020	4,088,833,953	32,255	126,766
2019	3,758,855,799	31,800	118,203
2018	3,675,377,818	31,378	117,132
2017	3,418,575,835	31,027	110,181
2016	3,398,076,199	30,550	111,230
2015	2,136,088,934	30,215	70,696

*using 2024 population estimate

Economic Profile

Jobs by Industry - Countywide



Source: MT Dept. of Labor and Industry

Major Employers - City

Employer	Product or Service
Albertsons	Retail
American Chemet	Metal-based Chemical
Blue Cross/Blue Shield	Health Services
Boeing	Manufacturer
Carroll College	Higher Education
City of Helena	Government
Costco	Wholesale
Home Depot	Retail
Intermountain Children's	Health Services
Lewis & Clark County	Government
Lowe's Home Center	Retail
Montana Independence	Health Services
Shodair Hospital	Health Services
SoFi	Financial Services
State of Montana	Government
St. Peter's Hospital	Health Services
Touchmark	Assisted Living
Town Pump, Inc.	Auto Services
UPS	Delivery Services
Valley Bank	Financial Services
Wal-Mart	Retail
West Mont	Health Services

Recent Residential Development

Mountain View Meadows

A Residential and Commercial Development

Started in 2009

- Blue Cross and Blue Shield of Montana
- Great West Engineering
- Confluence Apartments – 288 Units upon completion
- Over 2500 single and multiple units planned, constructed, or under construction.



Recent Residential Development

Summerville Flats

- 133-unit luxury apartments
- Studio apartments starting at \$1365
- 3-bedroom 2-bath apartments starting at \$2750
- Opened for occupancy early 2025



Recent Residential Development

Artisan Grove

- 288-unit market rate apartments
- Construction is expected to begin in 2025



Recent Residential Development

Westside Woods Subdivision

Phase 1 (December 2025):

- 28 single family lots
- 2 multifamily lots (28 condo units)
- 2 Open space lots (5.98 acres)

Phase 2:

- 10 single family lots
- 1 multifamily lot (20 condo units)
- Open space (4.17 acres)

Final 2 Phases by December 2029

- 100 Total Single Unit Residential
- 72 Multi-Unit Residential Dwellings
- 13.27 Total Open Space Acres

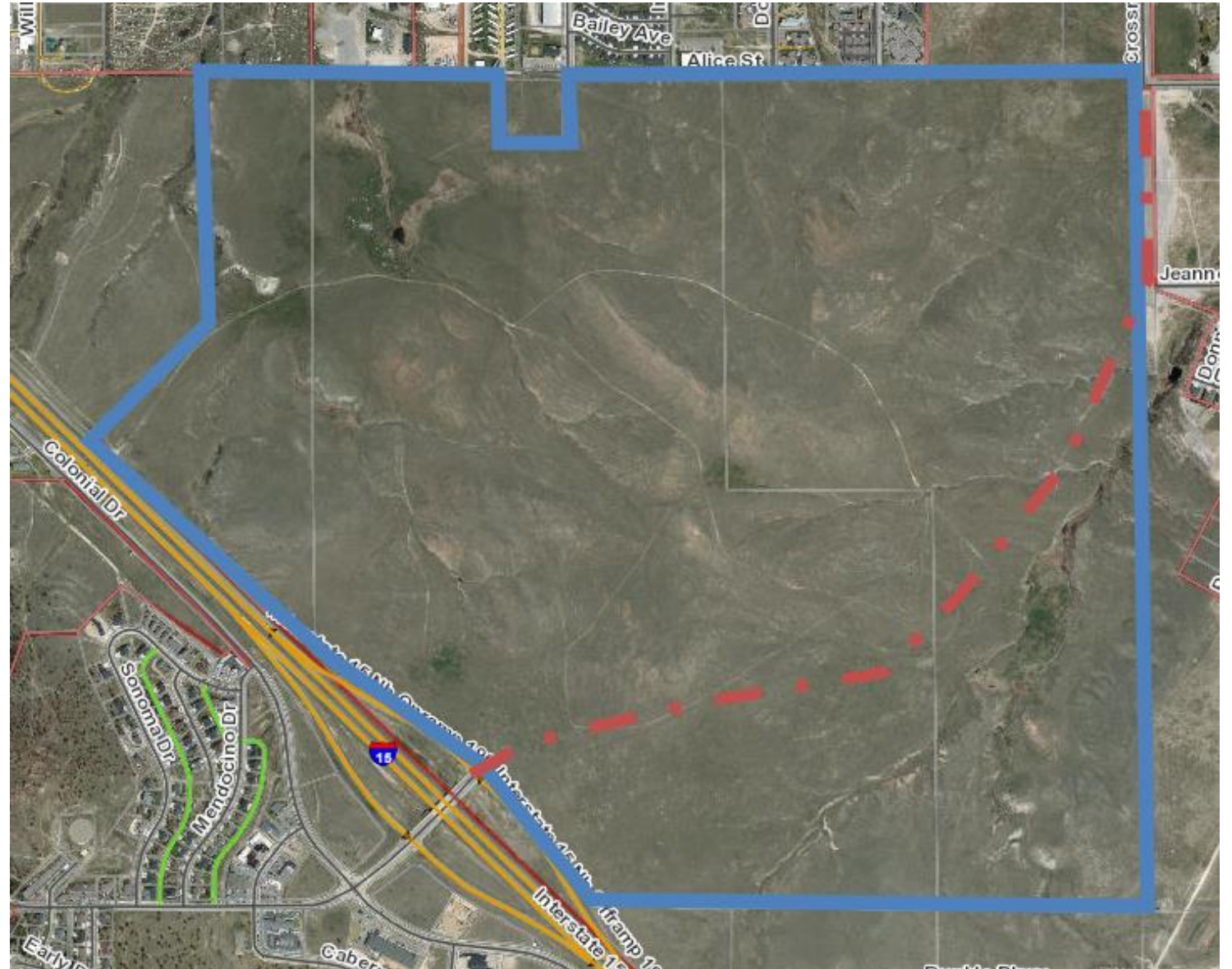


Recent Residential Development

Padburry Ranch

700 Acres of potential mixed-use development.

Development to coincide with the planning and construction of the South Helena Interchange completion and East/West Connector Road.



Recent Residential Development

Twin Creeks Apartments

- Affordable Housing Development
 - \$1,000,000 provided by the City's Affordable Housing Trust Fund
- 72 units
- Multi-family



Recent Commercial Development

- Helena
 - Montana Heritage Museum
 - Sierra Trading Post
 - Chipotle
 - Panera Bread
 - Town Pump
 - Opportunity Bank
 - Stockman Bank
 - Benefis Health Center
 - Tractor Supply
- Helena South Hills area
 - Maverik Gas Station
 - Medical Buildings



Investing in Redevelopment

The City has 3 Tax Increment Financing Districts, which support redevelopment, revitalization, and public improvement projects.

- 24 projects funded
- \$1,259,000 in funding



Economic Activity

Historically, Helena's permitting trend is stable with steady growth.

In 2024, the City did experience substantial increases in residential construction permitting.

Year	2025 (1/1/25 – 6/13/25)	2024	2023	2022	2021	2020
Residential new construction	42	107	115	76	101	106
Residential new construction - number of units	69	413	103	88	223	244
Residential new construction - value (in thousands)	\$17,926	\$83,655	\$58,305	\$25,959	\$44,367	\$44,082
Residential addition/remodel	34	352	595	459	124	107
Residential addition/remodel - value (in thousands)	\$9,913	\$8,592	\$15,027	\$11,006	\$5,518	\$2,922
Commercial new construction	8	16	15	17	14	22
Commercial new construction - value (in thousands)	\$6,669	\$29,100	\$34,480	\$64,531	\$57,742	\$2,054
Commercial addition/remodel	67	165	134	155	117	120
Commercial addition/remodel - value (in thousands)	\$31,595	\$58,116	\$58,006	\$36,629	\$55,829	\$31,482

Financial and Management Outcomes



Financial Management – Treasury/Accounting

Fiscal Year 2021 – 2023 Audit Results:

- Federal Single Audits – No material weaknesses identified
- Financial Audits – Unmodified opinions
- Received GFOA Certificate of Achievement in Financial Reporting

Fiscal Year 2024 Audit Results:

- Federal Single Audit – No material weaknesses identified
- Financial Audit – Unmodified opinion
- Applied for the city's 37th consecutive GFOA Certificate of Achievement in Financial Reporting – expect to be awarded

Financial Management – Budget – FY2025

City-Wide

- Budgeted Revenues: \$121,379,000
 - Expected Actuals: \$110,683,000 (*Diff to budget= grant /debt service related*)
- Budgeted Expenses: \$154,531,000
 - Expected Actuals: \$93,365,000 (*Diff to budget = capital related*)

General Fund

- Budgeted Revenues: \$28,983,000
 - Expected Actuals: \$29,299,000
- Budgeted Expenses: \$33,038,000
 - Expected Actuals: \$29,588,000 (*Diff to budget = external community donations not expended as of end of year (\$1.84 Million); Staff vacancies (\$1 Million)*)

Financial Management – Preliminary Budget – FY2026

City-Wide

- Budgeted Revenues: \$105,642,000
- Budgeted Expenses: \$113,253,000
 - Expense > Revenue: Intentional use of cash reserves for capital

General Fund

- Budgeted Revenues: \$28,599,000
- Budgeted Expenses: \$30,848,000
 - Expense > Revenue: Intentional use of cash reserves for one-time expenses & capital

Financial Management – General Fund Forecast

GENERAL FUND CASH FLOW REVIEW

	FY22 ACTUALS	FY23 ACTUALS	FY24 ACTUALS	FY25 ADOPTED BUDGET	FY25 REVISED BUDGET	FY25 PROJECTED	PRELIMINARY FY26 PROPOSED
REVENUES:							
Taxes	12,334,496	13,140,821	15,207,988	15,528,000	15,528,000	15,881,000	16,428,000
License & Permits	572,460	548,793	563,093	563,000	563,000	589,601	582,750
Intergovernmental Revenues	5,213,154	5,285,922	5,530,736	5,756,588	5,756,588	5,720,632	5,966,964
Charges For Services	597,631	853,686	752,881	692,817	692,817	750,108	689,792
Fines & Forfeitures	397,311	445,380	474,016	438,500	438,500	438,800	443,800
Investment Earnings	17,607	442,254	579,180	500,000	500,000	500,000	400,000
Other Financing Sources / (Uses)	66,631	232,869	219,386	230,800	230,800	145,291	101,300
Subtotal - Other Operating Revenue	6,864,793	7,808,905	8,119,292	8,181,705	8,181,705	8,144,432	8,184,606
Internal Service Revenues	3,623,574	4,418,986	3,959,151	4,551,972	4,551,972	4,551,972	2,894,015
Interfund Transfers In	9,342,476	976,351	1,715,930	721,582	721,582	721,582	1,092,170
Subtotal - Internal Transactions	12,966,050	5,395,337	5,675,081	5,273,554	5,273,554	5,273,554	3,986,185
TOTAL REVENUE	32,165,339	26,345,063	29,002,361	28,983,259	28,983,259	29,298,986	28,598,791
EXPENSES:							
Personnel Services	17,543,885	19,136,247	20,513,410	22,047,652	22,086,736	20,998,016	22,926,733
Supplies & Materials	644,848	622,560	633,892	922,180	925,837	904,824	938,283
Purchased Services	2,334,788	2,124,285	2,477,273	3,072,721	3,348,320	3,148,992	3,488,193
Intra-City Charges	198,429	232,105	250,231	508,570	508,570	511,107	515,383
Fixed Charges	1,529,109	1,146,607	1,302,133	958,652	3,152,202	1,009,745	930,119
Subtotal - Maintenance and Operating	4,707,174	4,125,557	4,663,529	5,462,123	7,934,929	5,574,669	5,871,978
Internal Charges	763,718	917,623	922,530	775,772	775,772	775,773	1,186,955
Less: PW Admin Internal Svc Fund Expenses							(2,434,133)
Transfers Out	5,885,356	6,107,333	2,914,008	2,240,358	2,240,358	2,240,358	3,296,035
TOTAL EXPENSES	28,900,134	30,286,760	29,013,477	30,525,905	33,037,795	29,588,816	30,847,568
Revenues Over (Under Expenditures)	3,265,205	(3,941,697)	(11,116)	(1,542,646)	(4,054,536)	(289,829)	(2,248,777)
BEGINNING CASH	12,732,685	15,798,276	11,875,565	11,864,448	11,864,448	11,864,448	11,574,619
Other Cash Sources/(Uses)	(199,614)	18,986					
ENDING CASH	\$ 15,798,276	\$ 11,875,565	\$ 11,864,448	\$ 10,321,803	\$ 7,809,913	\$ 11,574,619	\$ 9,325,842

Financial Management – CIP – FY2026 (Highlights)

- General Government
 - \$620,000 - Tennis Court Renovations
 - \$1,000,000 – Civic Center HVAC
 - \$488,000 – Fire Station #2 Remodel
 - \$243,500 – Sustainability Projects
 - \$247,600 – Parks Maintenance
 - \$667,000 – Facility Maintenance
 - \$1,484,000 – Carryover facility improvements with open contracts
 - \$869,000 – Carryover for CAD/RMS & Communication replacement projects at 911 Emergency center
 - \$338,000 - Open lands and trail Maintenance carryovers

Financial Management – CIP – FY2026

Highlights (con't)

- Public Works
 - \$600,000 – Stormwater Projects + \$2.5 million in carryover projects
 - \$1,873,000 – Public Works Storage and Office Buildings (new)
 - \$4,000,000 – Water Meter change outs (FY26 allocation)
 - \$1,450,000 – Annual water main replacements (FY26 allocation)
 - \$16,500,000 - Carryover contracts for Water/ Wastewater projects for treatment plant renovations, crosstown connector replacement valve project, scum pump replacement, groundwater wells, w.w. digester tank renovation, reservoir and flume rehabilitations, bioreactor and a wastewater heat exchanger replacements, main replacements
- Transportation Systems:
 - \$1,850,000 – Street Maintenance
 - \$1,525,000 – Equipment purchases
 - \$1,600,000 – Carryover of capital projects to include: Benton avenue turn-lane improvements, safe crossing pedestrian improvements, and open contracts for pavement preservation
 - \$600,000 – Carryover equipment purchases
 - \$1.3 Millon RAISE Grant for South Hills Interchange planning & design – Carryover

Capital Improvement Plan (FY26)

CIP Category	Estimated Five Year	FY2026	FY2027	FY2028	FY2029	FY2030
GENERAL GOVERNMENT	\$ 5,698,660	2,555,310	1,570,550	1,000,200	300,730	271,870
PUBLIC WORKS	\$ 155,616,760	11,641,730	56,101,410	40,362,860	31,979,740	15,531,020
FIRE LEVY	\$ 8,775,500	7,096,500	128,000	378,000	118,000	1,055,000
PARKS AND RECREATION	\$ 5,000,060	298,560	753,500	3,647,000	170,000	131,000
COMMUNITY FACILITIES	\$ 2,892,847	589,257	1,284,050	736,740	282,800	-
TRANSPORTATION SYSTEMS	\$ 15,055,000	3,460,000	3,035,000	3,045,000	2,790,000	2,725,000
TOTAL CIP	\$ 193,038,827	\$ 25,641,357	\$ 62,872,510	\$ 49,169,800	\$ 35,641,270	\$ 19,713,890

Financial Management – Budget Policies

- Fund Reserve Policies
 - 60-90 days of operating costs – most funds
 - Debt service reserves
 - Contingency Reserve in General fund \$2.5 million Fund Reserve Policies
- Appropriation adjustment policies
- Indirect cost allocation policies
- Investment Policy (New)
- Purchasing Card Policy (Updated)
- Balanced Budget Policies

Risk Management – Cyber Security

City / County Information Technology and Security Services

- The City maintains comprehensive cybersecurity practices to safeguard critical systems and data. We carry cybersecurity liability insurance to mitigate financial risk in the event of a cyber incident.
- Several members of the Information Technology & Security staff have received cybersecurity training and hold certifications aligned with industry standards. These individuals provide specialized expertise to support a secure operating environment.
- In addition, IT&S has implemented multiple layers of security controls to help prevent, detect, and respond to cyber threats. These measures include firewalls, endpoint protection, secure access controls, regular system patching, and employee awareness training. We also follow best practices for incident response planning and conduct regular assessments to strengthen our security posture.

Risk Management – Natural Disasters

The Lewis and Clark County Disaster and Emergency Services office is designated by the City of Helena as the disaster agency responsible for emergency and disaster preparedness and coordination of response and recovery.

The disaster and emergency services office is responsible emergency preparedness, coordination of response to disasters, providing disaster planning and emergency services, and furnishing additional information relating thereto as the state division of disaster and emergency services requires. (*Ord. 2910, 6-4-2001*)

Risk Management – Natural Disasters

- The Helena Fire Department conducts annual wildfire training and owns 2 wildland fire vehicles it can deploy during an incident. These vehicles are in addition to the 2 type I engines and aerial truck used for fire protection in the City.
- Helena is one of only a few regional air support locations in the state, meaning fire airplanes can respond with water from the Helena airport more quickly than most places in Montana. The City is also near several mountain lakes and reservoirs that can provide water for aerial fire response.
- The City has response agreements with several rural fire departments, the Montana Department of Natural Resources and U.S. Forest Service to aid with wildfire response.
- The Lewis and Clark County DES conducts annual training exercises to prepare for natural disaster response.
- The City participates in the Local Emergency Planning Committee, which plans emergency response between the City, County, and local partners like the hospitals, Red Cross, and schools.

Risk Management – Fire and Storm Mitigation

The City's Parks, Recreation and Open Lands department manages a forest fuels reduction program on 1,800 acres immediately south of the City.

- The fuels reduction program has treated 1,600 acres of forested land to date.
- The City has successfully secured \$550,000 in grant funding to support forest fuel reduction efforts.

The City's Urban Forestry division provides management of Helena's trees, to help maintain a healthy canopy and minimize the impact of large wind events.

Conclusion



Takeaways of the City



STABLE AND RESILIENT
GOVERNMENT-BASED ECONOMY



PRUDENT MANAGEMENT,
HEALTHY RESERVES & GROWING
TAX BASE



STRONG VOTER SUPPORT FOR
CAPITAL NEEDS

EVENT	DATE
Rating conference is conducted (1:00 pm MT)	June 23, 2025
Receipt of Rating	July 2, 2025
Sale of the Bonds	July 14, 2025
City Commission considers Bond Resolution (6:00 pm)	July 21, 2025
Bonds closing	August 14, 2025

PRELIMINARY OFFICIAL STATEMENT DATED JULY 3, 2025

**NEW ISSUE
BOOK ENTRY ONLY**

**S&P RATING: AA
BANK QUALIFIED**

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, and (iii) is excluded from Montana taxable income for State of Montana individual income tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is included in the computation of income for purposes of the Montana corporate income tax and the Montana alternative corporate income tax. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. (See "TAX CONSIDERATIONS" herein.)

**CITY OF HELENA, MONTANA
\$7,000,000*
General Obligation Bonds, Series 2025
(the "Bonds")**

Dated Date	Date of Delivery (anticipated to be August 14, 2025)
Sale Date and Time	Monday, July 14, 2025 until 9:00 A.M., Mountain Time (10:00 A.M. Central Time)
Consideration of Award	Subsequent to Bid Opening by designated Pricing Committee.
Security	The Bonds, including interest thereon, are general obligations of the City of Helena (the "City") payable from the proceeds of an ad valorem tax that the City will covenant to levy annually on all taxable property within the City, without limitation as to rate or amount.
Authorization	The Bonds are being issued pursuant to Montana Code Annotated, Title 7, Chapter 7, Part 42; a duly held election granting authorization to sell and issue general obligation bonds of the City; and a resolution to be adopted by the City Commission of the City on or about July 21, 2025.
Purpose	The proceeds of the Bonds will be used to pay the costs of acquiring a site and designing, constructing, furnishing, and equipping thereon a new fire station, to include a training facility, and paying costs associated with the sale and issuance of the Bonds. See "Purpose of the Bonds and Use of Funds" herein.
Principal and Interest Payments	Principal for each series of Bonds will be paid annually on July 1, beginning July 1, 2026. Interest for each series of Bonds will be payable semiannually on January 1 and July 1, beginning January 1, 2026.
Redemption Provisions	<p>The Bonds with stated maturities on or after July 1, 2036 will be subject to redemption on July 1, 2035, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.</p> <p>Bids for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption, scheduled to conform to the maturity schedule set forth on the following page.</p>
Book Entry	The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See "Appendix B - Book Entry".
Denominations	The Bonds are being issued in the denomination of \$5,000 or integral multiples thereof.
Paying Agent/Registrar	U.S. Bank Trust Company, National Association, located in Salt Lake City, Utah ("Registrar" and "Paying Agent").
Bidding Information	Interested bidders should review the Terms and Conditions of Sale for additional instructions. See Appendix F herein.

* Preliminary; subject to change.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE
(Base CUSIP(1) _____)

<u>Maturity</u> <u>July 1</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2026	\$255,000				
2027	225,000				
2028	240,000				
2029	250,000				
2030	265,000				
2031	275,000				
2032	290,000				
2033	305,000				
2034	320,000				
2035	335,000				
2036	345,000				
2037	360,000				
2038	380,000				
2039	395,000				
2040	410,000				
2041	430,000				
2042	450,000				
2043	470,000				
2044	490,000				
2045	510,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter, nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of each series of Bonds.

(2) Preliminary subject to change. The City reserves the right to adjust individual maturity amounts of each series of Bonds to achieve its financial objectives.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Dorsey & Whitney LLP, Bond Counsel. The Bonds are expected to be available for delivery through the facilities of DTC, in New York, New York on or about August 14, 2025.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the issuer and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CONTACT INFORMATION

Additional information regarding the City may be obtained by contacting Sheila Danielson, Finance Director, City of Helena, 316 North Park Avenue, Helena, Montana 59623, phone (406) 406-447-8390, email: sdanielson@helenamt.gov.

**CITY OF HELENA, MONTANA
316 NORTH PARK AVENUE
HELENA, MONTANA 59623**

CITY COMMISSION

Wilmot Collins	Mayor
Emily Dean	Commissioner
Sean Logan	Commissioner
Melinda Reed	Commissioner
Andy Shirtliff	Commissioner

CITY MANAGER

Tim Burton

FINANCE DIRECTOR

Sheila Danielson

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota and Anaconda, Montana

BOND COUNSEL

Dorsey & Whitney LLP
Missoula, Montana

REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
Salt Lake City, Utah

UNDERWRITER

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OFFICIAL STATEMENT
CITY OF HELENA, MONTANA
\$7,000,000* GENERAL OBLIGATION BONDS, SERIES 2025
PURPOSE OF THE BONDS AND USE OF FUNDS

PURPOSE OF THE BONDS

The proceeds of the Bonds will be used to pay the costs of acquiring a site and designing, constructing, furnishing, and equipping thereon a new fire station, to include a training facility, and paying costs associated with the sale and issuance of the Bonds. The project is currently in design, with construction expected to commence in December of 2025 and an anticipated completion date of June 2027.

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering [Premium][Discount]	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Project Fund	\$ _____
Costs of Issuance(1)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar/paying agent, rating, and other miscellaneous expenses. Excludes underwriter's compensation.

INVESTMENT OF FUNDS

The proceeds of the Bonds are to be invested in accordance with the laws of the State relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Bond proceeds.

DESCRIPTION OF THE BONDS

INTEREST CALCULATION

Interest on the Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2026. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month immediately preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only at the designated corporate trust office of the "Registrar" and "Paying Agent," U.S. Bank Trust Company, National Association, Salt Lake City, Utah, at the written request of the registered owner thereof or its attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its duly authorized attorney.

* Preliminary; subject to change.

BOOK ENTRY

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book entry only form. See "Appendix B - Book Entry".

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer in same-day funds. Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants. See "Appendix B - Book Entry."

NOTICE OF REDEMPTION

Notice of redemption for the Bonds will be given not less than 30 days before the date of redemption by first-class mail, or other means required by the securities depository, to the registered owners of the Bonds to be redeemed at their addresses as they appear on the bond register maintained by the Registrar. Provided that such notice of redemption has been given and funds sufficient for payment of principal and accrued interest on the Bonds to be redeemed have been deposited with the Registrar on or before the redemption dates, interest on Bonds called for redemption will cease to accrue on the date fixed for redemption. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds not affected by such defect or failure.

Any notice of optional redemption of Bonds may state that redemption is conditioned upon the receipt by the Registrar on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of the Bonds to be redeemed or upon the satisfaction of any other condition stated in the notice, and that if such money is not so received or such condition not so satisfied, such notice shall be of no force and effect, and the City shall not be required to redeem such Bonds. In the event that a notice of redemption contains such a condition and such money is not so received or such condition is not so satisfied, the redemption will not be made and the Registrar will, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such money was not so received or such condition not so satisfied and that such redemption was not made.

OPTIONAL REDEMPTION

The Bonds with stated maturities on or after July 1, 2036 will be subject to redemption on July 1, 2035, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City).

[MANDATORY REDEMPTION]

The Bonds maturing on July 1 in the years _____ and _____ (the "Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>Year</u>	<u>20__ Term Bond</u> <u>Amount</u>	<u>Year</u>	<u>20__ Term Bond</u> <u>Amount</u>
July 1, 20__	\$ _____	July 1, 20__	\$ _____
July 1, 20__	\$ _____	July 1, 20__	\$ _____
July 1, 20__ (1)	\$ _____	July 1, 20__ (1)	\$ _____

(1) Final Maturity.

The principal amount of such Term Bonds required to be redeemed on the above mandatory dates shall be reduced by the principal amount of such Term Bonds previously redeemed at the option of the City.]

AUTHORITY AND SECURITY

Authority

The Bonds are being issued pursuant to Montana Code Annotated, Title 7, Chapter 7, Part 42; a duly held election granting authorization to sell and issue general obligation bonds of the City; and a resolution to be adopted by the City Commission of the City on or about July 21, 2025. The electors of the City authorized the issuance of up to \$7,000,000 in principal amount of general obligation bonds at an election duly called, noticed and held on June 4, 2024. A total of 10,219 votes were cast, of which 5,154 (50.44%) voted in favor and 5,065 (49.56%) voted against the issuance of general obligation bonds.

Security and Sources of Payment

The Bonds are general obligations of the City payable from the proceeds of an ad valorem tax that the City will covenant to levy annually on all taxable property within the City, without limitation as to rate or amount. The full faith and credit and taxing power of the City will be pledged to the payment of the Bonds. Each year's first-half collections of taxes (due November 30 of each year) will be used to pay the interest payment due on January 1. Second-half collections of taxes (due May 31 of each year) plus surplus first-half collections will be used to pay the principal and interest payment due on July 1 of the same calendar year in which the May 31 collection occurred.

THE MONTANA PROPERTY TAX SYSTEM

General. As a general rule, all real and personal property in the State is subject to taxation by both the State and its counties, municipalities and other political subdivisions to provide funds for various governmental functions and capital improvements. This rule is subject to exceptions in the case of specified classes of exempt property, including public property, property of churches, schools, hospitals, cemeteries, charities, household goods, certain agricultural products, automobiles, smaller trucks, business inventory, money and credits. The State imposes a beneficial use tax upon property otherwise exempt from property tax used by private parties or for industrial trade or business purposes. Property is classified according to its use and character, and the different classes of property are taxed at different percentages of their assessed valuation. Both cities and counties can grant property tax benefits to new and expanding businesses within their jurisdictions, but only with respect to the taxes they levy and only for a period of up to five years.

Recent Changes to Residential and Commercial Property Taxes. The appraisal done by the Montana Department of Revenue ("Department of Revenue" or "DOR") effective January 1, 2023 resulted in historic property valuation growth, whereby the total statewide assessed value grew by 39.4%, the statewide taxable value grew by 29.6% and the median residential property assessed value grew by approximately 46%. The growth in assessed value of residential property as compared to other classes of property

resulted in a shift of the property tax burden from other classes of property (notably commercial and industrial property) to residential property, causing concern about the affordability of property taxes for homeowners.

The 2025 State Legislature enacted House Bill 231 (“HB 231”) and Senate Bill 542 (“SB 542”), which, in coordination, revise Class 4 residential and commercial property tax rates, with changes being implemented in tax years 2025 and 2026, and reduce tax rates for Class 3 agricultural property. The fiscal note for SB 542 projects that SB 542 will have the effect of reducing statewide taxable value by approximately 8.4% (\$438 million) in tax year 2025 (fiscal year 2025/26) and by approximately 12.1% (approximately \$606 million) in tax year 2026 (fiscal year 2026/27), in each case compared with prior law projections. However, these estimates do not take into account the coordination of HB 231 and SB 542, and actual effects may vary materially. In addition, these projected reductions were prepared on a statewide basis, and the effects for any particular taxing jurisdiction will vary and may vary materially. See “—Class 4 Property Tax Rates” herein.

SB 542 (as coordinated with HB 231) also includes provisions applicable to taxing entities with a local mill levy limit of a specific number of mills that may be imposed that was authorized by voters before the effective date of HB 231. In such a case, such taxing entities are to (a) elect to transition a voted mill levy to a dollar-based mill levy equal to the amount of property taxes assessed in fiscal year 2025 and thereafter subject to the provisions of 15-10-420(1)(a), MCA, or (b) levy the number of mills in fiscal year 2026 that will generate the amount of property taxes assessed in fiscal year 2025. In fiscal years after 2026, the taxing entity may levy an amount not to exceed the number of mills levied in fiscal year 2026.

In addition, Senate Bill 117 enacted by the 2025 legislature (“SB 117”) changes the statutory mill levy limitation applicable for most local governments, commencing in tax year 2026. See “—Limitations on Amount of Mill Levy” herein.

Classification. Currently, there are 16 classifications of property for tax purposes. For many of the property tax classifications, the taxable value for property is determined by applying a statutorily established percentage tax rate to the assessed value of the property (or other amount) as follows:

Property Class	Description	Tax Rate
One	Net Mine Proceeds	100% of annual net proceeds less expenses
Two	Gross Proceeds of Metal Mines	3.00% of annual gross proceeds
Three	Agricultural Land	2.05% of productive capacity ¹
Four	Residential, Commercial, Industrial	See “—Class Four Property Tax Rates” herein.
Five	Pollution Control, Electric/Telephone Coops, etc.	3.00% of assessed value
Seven	Non-Centrally Assessed Utilities	8.00% of assessed value
Eight	Business Equipment	See “—Class Eight Property Tax Rates” herein.
Nine	Pipelines, Non-Electric Generating Property of Electric Utilities	12.00% of assessed value
Ten	Forest Land	0.27% of forest productivity value
Twelve	Airlines and Railroads	Varies
Thirteen	Electrical Generation and Telecommunications	6.00% of assessed value
Fourteen	Renewable Energy Production and Transmission	3.00% of assessed value
Fifteen	Carbon Dioxide and Liquid Pipeline	3.00% of assessed value
Sixteen	High-Voltage Converter Station	2.25% of assessed value
Seventeen	Qualified Data Center Land/Improvements/Furniture/Fixtures, etc.	0.90% of assessed value
Eighteen	Green Hydrogen Facilities, Pipelines and Storage Systems	1.50% to 3.00% of assessed value

¹ Previously 2.16% of productive capacity.

Appraisal, Assessment, and Revaluation. Other than agricultural land, forest land, railroad transportation properties and mines, taxable property is to be assessed at 100 percent of market value, which is determined by the Montana Department of Revenue (the “Department of Revenue” or “DOR”). The Department of Revenue determines the assessed value of most real property by appraisal using one or more of the three accepted appraisal approaches: (a) the cost approach, based on the cost of the property, using the national cost service manuals and the Montana Appraisal Manual; (b) the sales comparison approach, based on comparable arm’s-length sales; and (c) the income approach, based on a calculation of the net property income (reflected by market rents minus property management and other expenses). The Montana Constitution requires that property tax values be equalized across the State, and the efforts to determine assessed values of taxable property on a consistent basis across the State are intended to ensure that similarly situated taxpayers are treated the same.

The assessed and taxable values of most classes of property are assessed on a county-by-county basis and are attributed to the local taxing jurisdictions in which the property is located.

Prior to January 1, 2015, Class Three, Four, and Ten properties were reappraised every six years and all other property was reappraised annually.

Senate Bill 157, enacted by the 2015 Legislature, changed the reappraisal process for Class Three and Four property to a two-year cycle. Pursuant to Senate Bill 54 adopted by the 2023 Legislature, commencing January 1, 2024, centrally assessed property is reappraised every two years, rather than annually. Pursuant to Senate Bill 3 adopted by the 2023 Legislature, (i) commencing January 1, 2025, the Class Ten property is reappraised every two years rather than the six-year reappraisal cycle; (ii) the tax rate applied to Class Ten property is 0.27%, commencing in fiscal year 2024/25 (reduced from the prior tax rate of 0.37%); and (iii) the methodology for assessing productivity of forest land (stumpage price standard) will be based on a 10-year Olympic average. The DOR is required to appraise all other classes of property annually.

The Department of Revenue’s most recent reappraisal of Class Three and Four property was completed as of January 1, 2025, which values will be certified by DOR in August 2025 and applicable for fiscal years 2025/26 and 2026/27.

Centrally Assessed Property. The DOR is required to “centrally assess” certain types of property owned by corporations or other entities operated as a single, integrated continuous property located in more than one county. Property to be centrally assessed includes, without limitation, telegraph, telephone, microwave, electric power or transmission lines, natural gas or oil pipelines; property of scheduled airlines; railroad transportation properties operating in more than one county or more than one state; net proceeds of mines; and gross proceeds of coal mines. Commencing January 1, 2024, centrally assessed property is reappraised every two years, rather than annually, and the property values, other than railroad property values, are apportioned by the DOR among the counties in which such property is located, either on a mileage basis or on the basis of the original installed cost of the property located in the respective counties. If neither of these methods is appropriate, the DOR may adopt such other method or basis of apportionment as it determines to be proper. Centrally assessed property constitutes a significant amount of taxable values of most counties. The DOR and the owner of property to be centrally assessed may agree to have the property assessed by a qualified independent appraiser, agree to share the costs of the appraisal and agree to accept the result. Otherwise, the DOR will assess those properties as described below.

State law does not describe the factors to be taken into consideration by the DOR in determining the assessed value of public utilities, but rather states the appraisal is to be made using factors determined proper by the DOR. Pursuant to its rules, the DOR uses the unit method of valuation to appraise centrally assessed property when appropriate. The unit method may include a cost indicator method, a capitalized income indicator and a market indicator. If in the DOR’s judgment these indicators fail to reflect a company’s value or there is insufficient information to use those methods, it may adopt a different method or methods to reflect the company’s assessed value. Further, the DOR may derive a market, or stock and debt indicator of value based on outstanding securities and liabilities, or construct a market indicator using sales comparison data or any other analysis or data bases for similar property. The income indicator may be determined by using capitalization of historical income, capitalization of projected income, discounted cash flow analysis or other method. The DOR has broad discretion in determining the appropriate methodologies to use to determine values of public utilities and other centrally assessed properties, and to allocate assessed values of such properties among the counties in which such properties are located.

As provided by law, a railroad system's property value is calculated by starting with the railroad system's property value for the previous year and adjusting up or down by an amount calculated to reflect the changes in the system's income, gross profit margin and depreciated property costs. Railroad property values are apportioned among the states and the counties in which the property is located, based on the average of the ratios of the track miles, revenue ton miles, gross investment, operating revenue and railroad car and locomotive miles in each state or county to the railroad system as a whole.

Under prior law, on or before June 1 of each year, the DOR was required to notify owners of centrally assessed property of the appraisal and report and to report values to affected counties on or before July 1 of each year. Pursuant to Senate Bill 54 passed by the 2023 Legislature, commencing January 1, 2024, the DOR will notify owners of centrally assessed property of the appraisal on or before June 1 of each appraisal year, and will report values to affected counties on or before July 1 of each appraisal year.

Class Four Property Tax Rates

Class Four Property Tax Rates for Tax Year 2025, Fiscal Year 2025/26

For tax year 2025 only, Class 4 residential and commercial property tax rates are adjusted with a graduated tax rate based on the assessed value of the property, as set forth below.

<u>Residential Property</u>		<u>Commercial & Industrial Property</u>	
<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Assessed Value</u>	<u>Tax Rate</u>
Up to \$400,000	0.76%	Up to \$400,000	1.4%
\$400,001 to \$1,500,000	1.1%	Over \$400,000	1.89%
Over \$1.5 million	2.2%		

Multifamily dwelling units with a market value greater than \$2 million that qualify as long-term rentals are taxed a maximum graduated rate of 1.89%. Golf courses are taxed at one-half of the applicable tax rate set forth above for commercial and industrial property, based on their assessed value.

Class Four Property Tax Rates Commencing in Tax Year 2026

Commencing in tax year 2026 and thereafter, SB 542 establishes three groups of Class 4 residential property: (i) primary residences and long-term rentals that qualify for the "homestead reduced tax rate," (ii) residential improvements on agricultural land that do not qualify for the homestead reduced tax rate, and (iii) all other residential property. For properties that qualify for the homestead reduced tax rate, the tax rate is based on the assessed value of the residential property as compared to the median residential value ("MRV") in the State. DOR is required to calculate the MRV every two years as part of the reappraisal process for Class 4 property. In the fiscal note for SB 542, current MRV was estimated to be \$360,000; however, actual MRV applicable for tax year 2026 will be based on certified tax year 2025 assessed values that will be provided in August 2025.

Residential Property

<u>Properties that Qualify for Homestead Reduced Tax Rate</u>	<u>Tax Rate</u>
Single Family—Based on Assessed Value	
Less than or equal to MRV:	0.76%
Greater than MRV and less than 2x MRV:	0.9%
2x MRV or greater and less than 4x MRV:	1.1%
4x MRV or greater:	1.9%
Multifamily rentals that qualify for the rental property reduced tax rate:	1.1%
<u>Other Class 4 Residential Properties:</u>	<u>Tax Rate</u>
Non-primary residences on agricultural land:	1.35%
All other residential property	1.9%

Commencing in tax year 2026 and thereafter, tax rates for Class 4 commercial and industrial property will be based on the assessed value of the commercial and industrial property as compared to the median commercial and industrial value ("MCIV") in the State. DOR is required to calculate the MCIV every two years as part of the reappraisal process for Class 4 property.

<u>Commercial and Industrial Property</u>	
<u>Assessed Value</u>	<u>Tax Rate</u>
Less than 6x MCIV:	1.5%
6x MCIV or greater:	1.9%

Golf courses are taxed at one-half of the applicable tax rate set forth above for commercial and industrial property, based on their assessed value.

Prior Class Four Property Tax Rates. Solely for purposes of comparison, the tax rates in the following table applied to Class Four property for tax years 2016 through 2024.

<u>Residential Property</u>		<u>Commercial & Industrial Property</u>	
<u>Residential Tax Rate</u>	<u>Portion of Assessed Value in Excess of \$1.5 million</u>	<u>Commercial Tax Rate</u>	<u>Golf Courses</u>
1.35%	1.89%	1.89%	0.945%

Class Eight Property Tax Rates. Under current law, the first \$1,000,000 in assessed value of Class Eight business equipment property owned by a person or entity is exempt from taxation. Class Eight property is taxed at 1.5% for the first \$6 million of assessed value in excess of the \$1,000,000 exempt amount, and at a rate of 3% for assessed value in excess of \$6 million. When the State legislature increased the exempt amount of business equipment property from \$300,000 to \$1,000,000, it also provided for local jurisdictions to be reimbursed from the State general fund for lost revenue, with cities and counties reimbursed through Entitlement Share distributions. See "—Entitlement Share" herein. In addition, personal property intended for rent or lease in the ordinary course of business is generally exempt from property tax if the cost of such property is less than \$15,000 and the lease period does not exceed one month.

Pursuant to Senate Bill 530 enacted by the 2023 Legislature, manufacturing machinery, fixtures, and equipment installed after December 31, 2022 is entitled to a property tax abatement, with taxes phased in over a 10-year period.

Certification of Values, Levy and Collection of Taxes and Tax Liens. The Department of Revenue is required by law to furnish certified assessed and taxable values to each taxing jurisdiction prior to the first Monday in August and the assessed and taxable values of centrally assessed property on or before July 1, to enable local governments to prepare fiscal year budgets.

The fiscal year of the City and other taxing jurisdictions commences July 1 of each year and ends June 30 of the following year. The amount of real property taxes and taxes on centrally assessed and personal property and equipment to be levied and collected in each fiscal year by the City is determined in July and August as a part of the budget process. Taxes are levied against the taxable value of property in the City based on the certified assessed value as of the preceding January 1.

Tax bills are assembled by the county treasurer based on the combined mill levies of the city, county, school district and special taxing jurisdictions in which the subject property is located, in addition to State mill levies. Taxes are payable in two installments. Bills are normally sent to property owners on October 30, and installments are due on November 30 and May 31. For example, taxes for the fiscal year ending June 30, 2025 were payable in substantially equal installments due on November 30, 2024 and May 31, 2025, based on the mill levies established in August 2024.

Class Eight or "business equipment" taxes are billed and collected on a different schedule. The owners of personal property report the property they own as of January 1 of each year. The property is assessed by the local representatives of the DOR in May of each year. The tax bills are distributed in July and are due within 30 days of receipt.

All property taxes are collected by the counties and remitted to the various taxing jurisdictions. Under State law, if property taxes are not paid in full when due, the delinquent installment bears a penalty and interest at a delinquent rate and, if not paid, the property is sold at tax sale. Current law provides that each delinquent installment bears interest at a rate of $\frac{5}{6}$ of 1% per month (10% per annum) and incurs a penalty of 2% of the delinquent amount. Property subject to a property tax lien may be redeemed by the owner, the occupant, a mortgagee, a contract vendor or any other interested party within 36 months after the date of the tax sale or within 60 days after notice of application for a tax deed, whichever is later; provided, however, that if the property is subdivided as a residential or commercial lot upon which special improvement district assessments or rural special improvement district assessments are delinquent and upon which no habitable dwelling or commercial structure is situated, redemption must be made within 24 months after the date of the tax sale or within 60 days after notice of application for a tax deed, whichever is later. Enforcement of a property tax lien may be a lengthy process.

Limitation on Amount of Tax Levy. Montana local governments rely on local property taxes as the principal source for funding their general operations under rules prescribed by the State Legislature. Since 1987, there have been statutory provisions limiting the amount of property taxes local governments are authorized to levy.

Current law codified in Title 15, Chapter 10, Part 4, Montana Code Annotated, limits the total amount of taxes which can be levied to the number of mills required to generate the amount of property taxes actually assessed in the prior year, based on the current year's taxable value less newly taxable value, plus one-half the average rate of inflation for the prior three years, subject to certain exceptions. A local government that does not impose the maximum allowable levy in any given year may carry forward the authority to impose mills in a subsequent tax year equal to the difference between the amount actually levied and the authorized amount. Pursuant to SB 117, commencing in tax year 2026 (applicable for fiscal year 2026/2027), local governments other than school districts will be authorized to levy the number of mills required to generate the amount of property taxes actually assessed in the prior year, plus the average rate of inflation for the prior three years, not to exceed 4%. However, SB 117 provides that a portion of newly taxable property must be included in the mill levy limitation calculation. On a statewide basis, and based on the fiscal note prepared by the DOR for SB 117, the changes set forth in SB 117 are expected to provide for slightly more revenue authority relative to current law. However, the actual effects of the change in mill levy authority for any local government depends on the amount of newly taxable property within the local government's boundaries and the rate of inflation, and could vary materially from the statewide projections.

SB 542 (as coordinated with HB 231) provides that in the event taxing entities levy a specified number of mills that are authorized by voters before the effective date of HB 231, then such taxing entities shall (a) elect to transition a voted mill levy to a dollar-based mill levy equal to the amount of property taxes assessed in fiscal year 2025 and thereafter, or (b) levy the number of mills in fiscal year 2026 that will generate the amount of taxes assessed in fiscal year 2025, and the taxing entity may thereafter levy an amount not to exceed the number of mills levied in fiscal year 2026.

Tax collections may be increased due to growth in a local government's property tax base from (a) annexation of real property and improvements, (b) construction, expansion, or remodeling, (c) transfer of property, (d) reclassification of real property, and (e) revaluation caused by expansion, addition, replacement or remodeling.

The limitations on mill levies described above do not prevent or restrict mills levied for certain purposes set forth in State law, including but not limited to (a) additional levies authorized by the voters of the jurisdiction, including amounts necessary to pay voted general obligation bonds; (b) taxes levied to pay premiums of certain insurance policies procured by the local government and contributions to certain state employment benefit plans; (c) mills levied to account for a decrease in reimbursements from the State; (d) levies to pay for legal judgments against the jurisdiction; and (e) levies to repay taxes paid under protest.

Entitlement Share. In 2001, the State Legislature enacted a program of revenue sharing with local governments, under which various revenue sources that were previously directed to local governments, including gaming taxes, vehicle taxes and fees, district court fees and a number of other fees and reimbursements, were redirected to the State's general fund. In exchange, local governments receive a payment from the State known as the "Entitlement Share."

In addition, when the State Legislature has previously reduced the applicable tax rate for business equipment and when it increased the amount of business equipment that is exempt from taxation in 2013, 2021 and 2023, the State Legislature provided for property tax reimbursements to local governments, which reimbursements are included in the Entitlement Share pool and are paid through the Entitlement Share distribution.

The Entitlement Share is calculated based on a statutory formula that is meant to reflect the health of the State's economy. Each local government's base component is equal to that local government's Entitlement Share in the prior year. The sum of all local governments' base components is the Entitlement Share pool, which must be increased annually by a growth rate that is the lesser of: (1) a factor determined by a calculation based on gaming revenue, alcohol taxes, certain district court fees and State income tax revenue over the three preceding fiscal years, or (2) 1.03 for counties, 1.0325 for consolidated local governments, and 1.035 for cities and towns. Pursuant to House Bill 565 ("HB 565"), enacted by the 2017 Legislature, the growth rate for the Entitlement Share pool was reduced to 1.005 in fiscal year 2018 and 1.0187 for fiscal year 2019, but returned to the original growth rates described above in fiscal year 2020 and thereafter. The portion of the Entitlement Share pool attributable to the Class Eight property tax reimbursements described above was previously subject to the Entitlement Share growth rate. However, pursuant to HB 565 and commencing in fiscal year 2018, the growth rate for that portion of the Entitlement Share pool attributable to Class Eight property tax reimbursements is reduced to one-half of the average rate of inflation for the prior three years. Annual "growth" of the Entitlement Share is distributed to local governments based 50% on population and 50% on each local government's percentage share of the prior fiscal year Entitlement Share pool.

HB 565 allows Entitlement Share payments to be withheld if a local government fails to file certain statutory annual reports or fails to remit collections made on behalf of the State and owed to another taxing jurisdiction or the State. Other than tax increment districts existing as of June 30, 2000 and which have not yet terminated, tax increment districts are entitled to allocations of that portion of the Entitlement Share pool attributable to Class Eight property tax reimbursements, but are not entitled to allocations of other portions of the Entitlement Share.

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York has assigned a rating of "AA" to the Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and there is no assurance that the rating will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P. Any revision downward or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City has not applied to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Bonds is subject to various risks and uncertainties. Certain investment considerations are set forth below. This discussion of risk factors is not, and is not intended to be, exhaustive.

MAINTENANCE OF RATING

The Bonds have been rated as to their creditworthiness by S&P. While the City does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original rating. If the rating on the Bonds is revised downward or is withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other similar municipal obligations. See "Rating" herein.

SECONDARY MARKET

While the purchaser(s) of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

FUTURE CHANGES IN LAW; TAX EXEMPTION

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation relating to property taxes and other matters affecting municipal bonds is considered by the Montana legislature in each legislative session. In the 2025 legislative session that concluded in May 2025, the State legislature enacted legislation generally revising property tax laws and providing for meaningful reductions in tax rates for certain commercial and residential property. See “The Montana Property Tax System—Recent Changes to Residential and Commercial Property Taxes” herein. It is possible that legislation enacted after the date of the Bonds will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the security for or tax treatment of the Bonds or on the affairs of the City.

In addition, the tax-exempt status of interest on the Bonds, as described under “TAX CONSIDERATIONS” herein, is based on continuing compliance with the City with certain covenants contained in the Bond Resolution and the related tax certificate, and the reporting of certain information to the United States Treasury. These covenants relate generally to restrictions on the use of the improvements financed with proceeds of the Bonds, requirements regarding the timely and proper use of proceeds of the Bonds, arbitrage limitations and rebate of excess investment earnings (if any) to the federal government. Failure by the City to comply with any of these covenants could cause interest on the Bonds to become included in gross income for federal income tax purposes and in Montana taxable income for State of Montana individual income tax purposes, which may be retroactive to the date of issuance.

The Bond Resolution does not provide for payment of additional interest on the Bonds, redemption of the Bonds, or acceleration of the payment of debt service on the Bonds in the event that interest thereon becomes subject to federal or state income taxation.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE BONDS

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, the owners of the Bonds may have to enforce available remedies.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Resolution on behalf of the owners of the Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on the Bonds or on any of its outstanding debt obligations.

CLIMATE CHANGE

The City is affected by the impacts of climate change, and those impacts are projected to intensify over coming decades. Changes may include reduced low elevation snowpack, earlier spring snowmelt, more frequent and intense droughts and wildfires, greater variability in temperatures and weather conditions, and related impacts to agriculture, recreation and human health. These changes could materially adversely affect the regional economy as well as assessed and taxable values in the City.

CYBERSECURITY

The City relies on computer networks, data storage, collection, and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the City could have a material impact on the City. As cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

PURCHASER/UNDERWRITING

The Bonds are being purchased by _____ (the "Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Bonds of \$_____, less the Underwriter's discount of \$_____, plus the [net] original issue premium/discount of \$_____.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

CONTINUING DISCLOSURE

In order to permit the Underwriter in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will enter into a continuing disclosure undertaking pursuant to which it will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. The continuing disclosure undertaking is substantially in the form set forth in Appendix D to this Official Statement.

During the last five years, the City believes that it has materially complied with the prior continuing disclosure undertakings subject to the Rule. Breach of the continuing disclosure undertakings will not constitute a default or an event of default under the Bonds or the Bond Resolution. A broker or dealer is to consider a known breach of the continuing disclosure undertakings, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the continuing disclosure undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

FUTURE FINANCING

As of the date of this Official Statement, the City does not anticipate issuing additional general obligation long-term debt in calendar year 2025.

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

LITIGATION

There is no litigation pending or, to the knowledge of the City, threatened restraining or enjoying the issuance, sale, execution or delivery of the Bonds, questioning the power and authority of the City to issue the Bonds, challenging the validity of or security for the Bonds, or materially affecting the financial condition of the City.

LEGAL MATTERS

Dorsey & Whitney LLP, of Missoula, Montana, as Bond Counsel to the City, has prepared and will prepare certain proceedings relating to the Bonds. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. A legal opinion substantially in the form set forth in Appendix C herein will be delivered at closing.

TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Montana income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Bonds. The City has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences, except with respect to Montana income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the "issue price" of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

TAX-EXEMPT INTEREST

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Code, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, and (iii) is excluded from Montana taxable income for State of Montana individual income tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is included in gross income for purposes of the Montana corporate income tax and the Montana alternative corporate income tax.

The Code establishes certain requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from federal gross income. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Bond proceeds and other amounts. The City has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes and Montana taxable income for State of Montana individual income tax purposes, which may be retroactive to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in gross income for federal income tax purposes and Montana taxable income for Montana individual income tax purposes. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in federal gross income.

ORIGINAL ISSUE DISCOUNT

Bonds may be issued at a discount from their principal amount (any such Bonds being "Discount Bonds"). The excess of the principal amount payable on Bonds of a given maturity over their issue price constitutes "original issue discount" ("OID"). OID that accrues to a holder of a Discount Bond is excluded from federal gross income of individuals, estates and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder's federal tax basis.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then the original issue discount that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in that accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Bonds, even if the Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that original issue discount on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

MARKET DISCOUNT

If a Bond is purchased for a cost that is less than the Bond's issue price (plus accrued original issue discount, if any), the purchaser will be treated as having purchased the Bond with market discount (unless a statutory de minimis rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Bond (to the extent that the gain realized does not exceed the accrued market discount on the Bond).

BOND PREMIUM

A holder that acquires a Bond for an amount in excess of its principal amount generally must, from time to time, reduce the holder's federal tax basis for the Bond. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes.

RELATED TAX CONSIDERATIONS

Section 86 of the Code requires recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds. In the case of a financial institution, generally no deduction is allowed under section 265(b) the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the Bonds for this purpose even though not directly traceable to the purchase of the Bonds.

The Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Accordingly, although interest expense is not subject to disallowance under Section 265(b) of the Code, the deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds may be subject to reduction under Section 291 of the Code.

Income (including interest) or loss on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

SALE OR OTHER DISPOSITION

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Bond. A holder's adjusted tax basis in a Bond generally will be equal to the amount that the holder paid for the Bond, increased by any accrued original issue discount with respect to the Bond and reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Payments of interest on the Bonds (including any allocable bond premium or accrued original issue discount) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor" or "BTMA") as municipal advisor in connection with certain aspects of the issuance of the Series 2025 Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP ("BTAG") which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC ("H&F"), an investment adviser registered with the Securities and Exchange Commission (the "SEC"), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP ("Valeas"), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP ("BTUS") is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the City to provide certain municipal advisory services to City and, in that capacity, has assisted the City in preparing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City, and it has no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Series 2025 Bonds. BTMA provides certain specific municipal advisory services to the City but is neither a placement agent to the City nor a broker/dealer.

Baker Tilly Wealth Management, LLC ("BTWM"), an SEC registered investment adviser, and Baker Tilly Capital, LLC ("BTC"), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

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GENERAL INFORMATION OF THE CITY
CITY PROPERTY VALUES

Trend of Values

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Percent Change</u>	<u>Taxable Value</u>	<u>Percent Change</u>	<u>Incremental Taxable Value</u>	<u>TV Net of Increment</u>
2024/25	\$6,147,438,252	0.81%	\$102,907,433	0.67%	\$3,847,793	\$99,059,640
2023/24	6,098,033,385	35.12%	102,223,173	27.79%	3,559,128	98,664,045
2022/23	4,513,153,545	1.30%	79,993,046	2.00%	1,070,042	78,923,004
2021/22	4,455,189,971	7.93%	78,423,416	6.50%	828,331	77,595,085
2020/21	4,127,827,792		73,635,891		325,258	73,310,633

Source: Montana Department of Revenue.

Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2023/24 Taxable Assessed Valuation</u>	<u>Percent of 2023/24 Total Assessed Valuation of \$102,223,173(1)</u>
Northwestern Corporation	Utility	\$ 8,090,022	7.91%
The Boeing Company	Manufacturing	2,389,314	2.34
Verizon Wireless	Telecommunications	1,729,876	1.69
Charter Communications, Inc.	Real Estate	621,674	0.61
Lumen Technologies, LLC(2)	Telecommunications	614,106	0.60
TRC Remington, LLC	Healthcare	561,604	0.55
Pioneer Aerostructures LLC	Real Estate	508,573	0.50
Skyway Regional Shopping Center, LLC	Retail	428,812	0.42
Touchmark Living Centers, LLC(3)	Retirement/Assisted Living	428,077	0.42
GKT Gallatin Shopping Center VM LLC	Shopping Center	406,607	0.40
Total		\$15,778,665	15.44%

(1) Excludes incremental valuations for tax increment financing districts within the City.

(2) Formerly CenturyLink.

(3) Formerly Waterford.

Source: City's Annual Comprehensive Financial Report. Most recent information available.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin(1)

Legal Debt Limit (2.5% of 2024/25 Assessed Market Value of \$6,147,438,252)	\$153,685,956
Less: Outstanding Debt Subject to Limit	<u>(11,945,317)</u>

Legal Debt Incurrence Capacity as of August 14, 2025	\$141,740,639
--	---------------

(1) The amount of outstanding debt subject to the legal debt limit may be decreased by amounts in debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

Unlimited Tax General Obligation Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 08-14-25</u>
02-28-2017	\$ 5,180,000	Parks and Recreation Projects (2017)	01-01-2028	\$1,645,000
08-14-2025	7,000,000	Fire Station Projects (the 2025 Bonds)	07-01-2045	<u>7,000,000</u>
Total				\$8,645,000

(1) These issues are subject to the legal debt limit.

Limited Tax General Obligation Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 08-14-25</u>
06-24-2015	\$ 845,000	Parking Improvements (2015)	08-15-2025	\$ 90,000
11-30-2017	2,100,000	Golf Course Improvements (2017)	02-15-2037	1,445,000
08-22-2024	1,033,000	Facilities Improvements at Central Garage (2024)	08-15-2039	<u>1,033,000</u>
Total				\$2,568,000

(1) These obligations were issued under 7-7-4104, MCA, and, as such, do not count against the general statutory debt limitation applicable to general obligation bonds of the City.

INTERCAP Loans(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 08-14-25</u>
12-05-2014	\$433,099	Golf Course Irrigation Improvements	02-15-2030	\$ 152,126(2)
11-01-2019	560,243	Parking Meters	02-15-2030	303,449
		HVAC Improvements		
06-12-2020	750,000	(City/County Building)	08-15-2030	435,118(3)
		Building Occupancy Improvements		
06-18-2021	650,000	(Law & Justice Center)	08-15-2031	509,454(4)
06-18-2021	810,000	Aerial Ladder Truck	08-15-2031	539,327
11-03-2023	184,195	Golf Carts	02-15-2034	170,108(2)
		Solid Waste Vehicles & Related		
01-24-2025	479,385	Improvements	02-15-2035	<u>1,190,735</u>
Total				\$3,300,317

(1) Unvoted INTERCAP loans are generally deemed to be subject to the legal debt limit and are backed by General Fund revenues. The City episodically borrows money from the State of Montana, Board of Investments INTERCAP loan program.

(2) The Golf Course Improvements loans are being paid back by the City's Golf Course Fund (an enterprise type fund). The City's General Fund will only pay the principal and interest if the City's Golf Course Fund cannot make its payments. The General Fund has not paid any principal or interest on any loan to date and currently, the City does not anticipate having make payments from the General Fund in the future.

(3) The City and County have an interlocal agreement for the maintenance and management of a jointly owned City/County Building. The City acts as the fiscal agent and pays its portion of the debt service for this debt which was issued by the County.

(4) The City and the County have an interlocal agreement for the maintenance and management of the jointly owned Law and Justice Center. The City acts as the fiscal agent and pays the debt service for its portion of the debt service on this debt which was issued by the County.

Certificates of Participation(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 08-14-25</u>
07-26-2016	8,200,000	15 th Street Parking Garage (2016)	04-15-2039	\$5,575,000

(1) Special, limited obligations of the City payable solely from money held in the General Fund which is annually appropriated by the City Commission. This issue shall never constitute a general indebtedness of the City within the meaning of any state constitutional or statutory provision, is not a debt within the meaning of any statutory limitation of indebtedness, does not and shall not give rise to a general or moral obligation of the City, the State of Montana, or any of its political subdivisions, and does not constitute a charge against the City's general credit or taxing powers.

Drinking Water Revenue Debt - State of Montana Revolving Loans - Department of Natural Resources and Conservation (DNRC)(1)

<u>Date of Issue</u>	<u>Original Amount(2)</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 08-14-25</u>
12-05-2012	\$1,325,000	Missouri River Treatment Plan (DNRC) (2012)	01-01-2027	\$ 168,000
11-29-2016	661,000	Tenmile Water Treatment Plant (DNRC) (2016)	07-01-2036	404,000
09-05-2019	5,700,000	Westside Distribution Line (DNRC) (2019)	07-01-2039	3,869,000
05-28-2025	4,271,000	Cross-Town Connector Water Projects (DNRC) (2025)	07-01-2045	<u>4,271,000</u>
Total				\$8,712,000

(1) DNRC drinking water revenue debt does not constitute a debt of the municipality within the meaning of any constitutional or statutory limitation or provision. Revenues of the water system remain within the water enterprise fund and are not available to pay the Series 2025 Bonds.

(2) The original amount refers to the authorized amount.

Wastewater Revenue Debt - State of Montana Revolving Loans - Department of Natural Resources and Conservation (DNRC)(1)(2)

<u>Date of Issue</u>	<u>Original Amount(3)</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 08-14-25</u>
12-15-2019	\$2,754,000	Sewer and Water Improvements(DNRC) (2019)	01-01-2040	\$2,127,000
12-07-2023	860,000	Cured-In-Place-Pipe Project (DNRC) (2023)	01-01-2044	798,000
05-28-2025	1,033,000	Scum Pump Rehabilitation (DNRC) (2025B)	07-01-2045	<u>191,399</u>
Total				\$3,612,899

(1) DNRC wastewater revenue debt does not constitute a debt of the municipality within the meaning of any constitutional or statutory limitation or provision. Revenues of the wastewater system remain within the wastewater enterprise fund and are not available to pay the 2025 Bonds.

(2) Excludes the City's \$496,500 Scum Pump Rehabilitation (DNRC) (2025A), Subordinate Lien, dated May 28, 2025. The City's obligation for this debt is expected to be forgiven so long as the City complies with DNRC water pollution control program requirements.

(3) The original amount refers to the authorized amount.

Estimated Fiscal Year Debt Service Payments

Fiscal year ended June 30,	Unlimited Tax G.O. Debt(1)		Limited Tax G.O. Debt	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2026 (at 8-14-25)	\$ 785,000	\$ 1,108,602	\$ 201,000	\$ 299,162
2027	775,000	1,107,931	165,000	239,800
2028	805,000	1,109,956	172,000	241,644
2029	250,000	534,481	174,000	238,275
2030	265,000	536,981	182,000	240,831
2031	275,000	533,731	189,000	242,138
2032	290,000	534,981	192,000	239,213
2033	305,000	535,481	200,000	241,194
2034	320,000	535,231	207,000	241,925
2035	335,000	537,031	211,000	239,425
2036	345,000	532,794	218,000	239,794
2037	360,000	533,131	227,000	241,931
2038	380,000	537,831	89,000	96,800
2039	395,000	536,681	93,000	97,425
2040	410,000	534,400	48,000	48,900
2041	430,000	536,463		
2042	450,000	537,650		
2043	470,000	537,400		
2044	490,000	536,250		
2045	<u>510,000</u>	<u>533,588</u>		
Total	\$8,645,000(2)	\$12,430,594	\$2,568,000(3)	\$3,188,457

Fiscal year ended June 30,	INTERCAP Loans(4)		Certificates of Participation	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest</u>
2026 (at 8-14-25)	\$ 392,214	\$ 541,162	\$ 335,000	\$ 486,650
2027	435,658	575,625	345,000	489,113
2028	450,481	568,417	350,000	486,350
2029	465,674	561,023	355,000	484,350
2030	481,995	553,800	365,000	487,250
2031	357,876	406,607	380,000	491,300
2032	236,757	268,561	385,000	484,900
2033	159,630	181,643	405,000	493,350
2034	168,192	182,113	415,000	491,200
2035	151,840	157,550	425,000	488,750
2036			435,000	486,000
2037			450,000	487,950
2038			460,000	485,575
2039			<u>470,000</u>	<u>482,925</u>
Total	\$3,300,317(5)	\$3,996,501	\$5,575,000(6)	\$6,825,663

(1) Preliminary; subject to change. Includes estimated debt service on the Series 2025 Bonds.

(2) 51.0% of this debt will be retired within ten years.

(3) 73.7% of this debt will be retired within ten years.

(4) These loans have interest rates that adjust each February. Future debt service has been calculated at the current rate of 5.0%.

(5) 100.0% of this debt will be retired within ten years.

(6) 67.4% of this debt will be retired within ten years.

Estimated Fiscal Year Debt Service Payments

Fiscal year ended June 30,	Drinking Water Revenue Debt		Wastewater Revenue Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2026 (at 8-14-25)	\$ 260,000	\$ 378,478	\$ 96,000	\$ 135,380
2027	551,000	758,675	201,000	275,272
2028	450,000	644,738	206,000	275,197
2029	461,000	644,413	210,000	274,035
2030	473,000	644,813	217,000	275,735
2031	485,000	644,900	179,399	232,916
2032	496,000	643,725	181,000	230,050
2033	510,000	645,238	185,000	229,500
2034	523,000	645,400	191,000	230,838
2035	537,000	646,238	196,000	231,038
2036	551,000	646,738	201,000	231,100
2037	542,000	623,875	206,000	231,050
2038	533,000	601,513	211,000	230,863
2039	546,000	601,113	216,000	230,563
2040	398,000	439,350	217,000	226,125
2041	240,000	273,413	49,000	53,775
2042	246,000	273,375	50,000	53,538
2043	252,000	273,188	52,000	54,275
2044	258,000	272,850	52,000	52,975
2045	265,000	273,350	96,000	135,380
2046	135,000	136,688	201,000	275,272
Total	\$8,712,000(1)	\$10,712,065	\$3,116,399(2)	\$3,754,224

(1) 57.9% of this debt will be retired within ten years.

(2) 62.1% of this debt will be retired within ten years.

Overlapping Debt

Taxing Unit(1)	Est. G.O. Debt As of 06-30-25(2)	Debt Applicable to Taxable assessed property in City	
		Percent	Amount
Lewis & Clark County	\$ 9,835,000	77.01%	\$ 7,573,934
Helena School District No. 1	47,530,000	70.87	33,684,511
East Helena School District No. 9	32,070,000	13.06	4,188,342
Total			\$45,446,787

(1) Only those units with outstanding general obligation debt are shown here.

(2) Excludes revenue-supported debt.

Source: Financial disclosures of the taxing units submitted to <https://emma.msrb.org/>.

Debt Ratios(1)

	G.O. Direct Debt	G.O. Direct & Overlapping Debt
To 2024/25 Assessed Value (\$6,147,438,252)	0.33%	1.07%
To 2024/25 Net Taxable Value (\$102,907,433)	19.52%	63.68%
Per Capita (34,729 – 2024 U.S. Census Estimate)	\$578	\$1,887

(1) Excludes drinking water revenue debt and wastewater revenue debt.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Rates

The following table shows the mill rates per \$1,000 of taxable value for property located in the City for the five most recent fiscal years.

	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>	<u>2024/2025</u>
State University Millage	6.00	6.00	6.00	6.00	6.00
State Vocational/Technical Levy	1.50	1.50	1.50	1.50	1.50
Statewide School Equalization	40.00	40.00	40.00	40.00	40.00
Lewis and Clark County	236.25	232.40	241.84	202.42	201.98
County-wide School Levy	97.89	95.71	98.28	95.06	76.93
Helena Elementary District	218.96	206.13	205.45	184.54	178.63
Helena High School District	85.92	81.04	80.48	68.26	65.43
East Helena School District No. 9	242.83	226.45	228.42	185.57	192.97
City of Helena	174.80	168.87	173.87	148.77	152.37

Source: Lewis and Clark County, Montana.

Property Tax Levies and Collections

<u>Fiscal Year Ending June 30</u>	<u>Total Tax Levy</u>	<u>Amount Collected in Tax Levy Year</u>	<u>Current Property Tax Collections as a Percent of Total Tax Levy</u>	<u>Total Property Tax Collections as of June 30, 2024(1)</u>	<u>Total Tax Collections as a Percent of Total Tax Levy</u>
2025	\$15,082,801	\$14,596,201	96.70%	\$14,596,201(2)	96.7%
2024	14,654,852	14,390,985	98.20	14,390,985	98.2
2023	13,829,575	13,412,748	96.99	13,815,387	99.9
2022	12,988,465	12,303,363	94.73	12,987,109	99.9
2021	12,791,198	11,794,044	92.20	12,790,218	99.9

(1) Includes amounts, penalties, and interest collected in subsequent years.

(2) Through June 13, 2025.

Source: The City and the City's Annual Comprehensive Financial Report.

FUNDS ON HAND As of March 31, 2025

General Fund	\$ 9,183,371
Special Revenue Funds	31,819,729
Debt Service Funds	2,353,784
Capital Project Funds	10,900,001
Enterprise Funds	47,319,208
Internal Service Funds	1,122,970
Custodial Funds	<u>362,094</u>
 Total Cash and Investments	 \$103,061,167

INVESTMENTS

The City Commission expects to adopt a new investment policy on June 19, 2025. Currently, cash resources of the individual funds are combined to form a pool of cash and investments managed by the City Administrative Finance Director. Investments of the pooled cash consist primarily of certificates of deposit, U.S. government obligations, repurchase agreements and investments with the State of Montana Short-Term Investment Pool ("STIP"). As of March 31, 2025, approximately 100% of the City's investments were invested in STIP. Under current Montana law, the City may redeem its funds invested in STIP at a price of par. Interest income earned by the City as a result of pooling is distributed to the appropriate funds and accounts based on the average daily balance of cash and investments in each fund.

GENERAL INFORMATION CONCERNING THE CITY

The City of Helena, Montana (the "City") is located along the eastern front of the Rocky Mountains just 12 miles from the Continental Divide. The City was incorporated in 1881 and established a commissioner/manager form of government in 1953. The City is the capital of the State of Montana (the "State"). The economy of Lewis and Clark County (the "County"), in which the City is located, is most notably impacted by the contributions of governmental entities and trade center activities. The City is located at the confluence of Interstate 15 and State Highways 12 and 287.

Population

The City's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2024 U.S. Census Estimate	34,729	8.2%
2020 U.S. Census	32,091	13.8
2010 U.S. Census	28,190	9.3
2000 U.S. Census	25,780	4.9
1990 U.S. Census	24,569	2.6
1980 U.S. Census	23,938	--

Source: United States Census Bureau, <http://www.census.gov/>.

The City's estimated population by age group for the past five years is as follows:

<u>Data Year/Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>	<u>Total</u>
2024/25	6,557	7,862	12,466	7,768	34,653

Source: Claritas, LLC.

Major Employers

The metro area of the City boasts over 2,500 businesses and over 41,000 employees. Tourism, hospitality, and recreation industries have exceeded pre-pandemic levels, and it is expected to continue in that fashion in the foreseeable future. The table below presents in alphabetical order the top twenty non-governmental employers in the County.

<u>Employer</u>	<u>Product or Service</u>
Albertsons	Retail
American Chemet	Metal-based Chemical
Blue Cross/Blue Shield	Health Services
Boeing	Manufacturer
Carroll College	Higher Education
Costco	Wholesale
Home Depot	Retail
Intermountain Children's	Health Services
Lowes Home Center	Retail
Montana Independence	Health Services
Shodair Hospital	Health Services
SoFi	Financial Services
Spring Meadow Resources	Assisted Living
St. Peter's Hospital	Health Services
Touchmark	Assisted Living
Town Pump, Inc.	Auto Services
UPS	Delivery Services
Valley Bank	Financial Services
Wal-Mart	Retail
West Mont	Health Services

Source: The City's Annual Comprehensive Financial Report.

Labor Force Data

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>April 2025</u>
Labor Force:					
City of Helena	16,296	16,811	17,083	17,320	17,430
Lewis and Clark County	35,661	36,575	37,102	37,612	37,817
State of Montana	547,983	563,605	573,862	578,589	573,185
Unemployment Rate (%):					
City of Helena	3.1%	2.4%	2.5%	2.7%	2.5%
Lewis and Clark County	3.1	2.5	2.5	2.7	2.4
State of Montana	3.4	2.7	2.7	3.0	2.7

Source: Montana Department of Labor and Industry, lmi.mt.gov/Home/DS-Results-LAUS. 2025 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

City of Helena

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2024/25	\$1,107,119	\$1,372,672	\$63,026

Lewis and Clark County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2024/25	\$2,014,686	\$2,918,607	\$67,618

The 2024/25 Median Household EBI for the State of Montana was \$62,228. The 2024/25 Median Household EBI for the United States was \$69,245.

Source: Claritas, LLC.

Building Permits Issued by the City

<u>Calendar Year</u>	<u>2025 (to 6-13)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Residential new construction	42	107	115	76	101	106
Residential new construction - number of units	69	413	103	88	223	244
Residential new construction - \$ value (in thousands)	17,926	83,655	58,305	25,959	44,367	44,082
Residential addition/remodel	34	352	595	459	124	107
Residential addition/remodel	9,913	8,592	15,027	11,006	5,518	2,922
Commercial new construction	8	16	15	17	14	22
Commercial new construction - \$ value (in thousands)	6,669	29,100	34,480	64,531	57,742	2,054
Commercial addition/remodel	67	165	134	155	117	120
Commercial addition/remodel - \$ value (in thousands)	31,595	58,116	58,006	36,629	55,829	31,482

Source: The City.

Economic Base

The City is a retail, financial, transportation, and service center for the area. Tourism also contributes to the area's status as a trade center and is becoming an increasingly more important component of the area's economy. The City is located midway between Yellowstone and Glacier National Parks. The State Capitol Building, other State buildings, Carroll College, the Montana Historical Museum and other museums, and many historic locations in the area attract a large number of visitors. Visitors to the area are also attracted to the numerous water recreation opportunities at Canyon Ferry Lake, Hauser Lake and Holter Lake, all created by large dams on the Missouri River, and to numerous outdoor activities of the Rocky Mountains. The Great Divide Ski Area is located approximately 25 miles north of the City.

The City also offers a wide variety of entertainment throughout the year. The City is home to the Governor's Cup, a renowned running race, and the largest sled dog race in the lower 48 states. A local symphony, rodeos, concerts, a national art show, the Mount Helena Music Festival, the Archie Bray Foundation for Ceramic Arts and the Grand Street Theater provide Helena with a mix of culture and fine arts.

Source: The City's Annual Comprehensive Financial Report.

Recent Development

As with other cities in Montana, Helena continues to experience population growth as more people are inspired to move from large metropolitan areas and relocate to Montana. The acceleration in growth began in 2020. The inventory of homes has not kept up with demand. Helena has roughly 16,574 housing units with a median cost of approximately \$355,100. 54% are listed as owner occupied. The average cost of a home is \$470,000, a rise of 4.7% from 2023, compared to a 5% nationwide average. Housing prices are a main component of inflation, but the pace of housing prices is showing some signs of slowing. The housing units in Helena are categorized into single family units (58%), multi-family units (38%) and mobile homes (3%).³ Some Montanans benefit from the increased home values, but the rising costs pose an impediment to first time homebuyers trying to acquire homes.

New luxury apartments boasting 133 units, with four floors, “Summerville Flats”, with studio apartments starting at \$1,365, and 3-bedroom 2-bath units starting at \$2,750 is slated to begin occupancy in early 2025. This complex enjoys a fitness center, sports court, rooftop patio, community room and a pet program. A second complex, next door, is planned to begin construction in 2025.

In 2024, the City annexed two parcels of the amended plat of Craftsman Village Phase 6, Phase 8 of Craftsman Village, and Portions of the Peaks Phase I as extensions of the Mountain View Meadows subdivision phased development for single and multi-family structures creating several new living units to the housing inventory for Helena.

Governor Gianforte reformed the state's tax code to promote business and job creation in tandem with Secretary Jacobsen cutting registration fees in half for new Montana businesses. Her office also eliminated several other fees and waived the filing fee for 2024 Annual Reports if filed by April 15th deadline. These tactics have been successful in bringing new businesses to the state.

New commercial construction is also doing well in the Helena area. In 2024, construction started on several businesses such as Sierra Trading Post, Chipotle, Panera Bread, Town Pump in East Helena, Maverick Gas Station in the Helena South Hills area, and several new bank buildings including new branches for Opportunity Bank and Stockman bank.

In December 2020, the Capital Hill Mall Urban Renewal District Plan was approved for urban renewal and redevelopment. This area is considered a gateway into Helena defined by the two one-way couplets of Prospect Avenue and 11th Street that provide access to Interstate 15. The area is close in proximity to the State Capitol and includes the old Capitol Hill Mall site (built in 1965 and demolished in 2019), a number of hotel parcels, retail establishments, office buildings, financial institutions, and the Samuel V. Stewart Homes development managed by the Helena Housing Authority. In 2023/2024, four businesses opened in this area including Benefis Health Systems, a freestanding clinic that offers primary and specialty care services, Opportunity Bank conference and administrative center, Panera Bread, and Starbucks. Stockman Bank is under construction and slated to open in 2025.

The Downtown Urban Renewal District (approved in October 2018 and amended in 2019 to include the Rodney Street area) continues to experience large commercial and infrastructure development according to the URD plan. The urban renewal board recommended, and the City Commission approved several distributions in 2023/2024 to businesses and property owners located in the Downtown Urban Renewal area for improvements. Those projects included sidewalk repairs for Atlas Rentals, LLC and the Myrna Loy and YWCA Façade Improvements on their aging building.

The Railroad Urban renewal district was established in 2016 and encompasses the Sixth Ward (the area just east of Montana Avenue and south of the railroad tracks or “historic Railroad District”). In 2024 distributions were approved by the City Commission for ADA ramps and landscaping at the Hustad Center, accessible parking, and ingress improvements at the Larson Building, and for exterior accessibility and façade improvements to Patter Housing Holdings, LLC.

Source: The City's Annual Comprehensive Financial Report.

Education

Helena School District No. 1 is the main K-8 public school system serving City residents and includes both elementary schools and middle schools. Helena High School District No. 1 is the main high school public school system serving City residents and includes high schools. A small portion of the City is served by East Helena School District No. 9.

Post-Secondary Education

Carroll College and the Helena College of Technology provide post-secondary educational opportunities in the area. Carroll College is a private four-year liberal arts college and its campus is in the middle of the City. Carroll College offers bachelor's and associate degrees.

The Helena College of Technology, a division of the University of Montana, offers associate degrees and certificate of completion programs. Credits from many of the courses at Helena College of Technology are transferable to four-year institutions.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City is a municipal corporation, organized under the laws of Montana. The City of Helena was incorporated March 7, 1881. On March 2, 1953, by lawful authority, the City established a commission/manager form of government. The voters adopted a self-government charter, which allows the City to exercise powers not specifically prohibited by state law in 1976 A Commissioner/Manager form of government governs the City with a five-member Commission comprised of a Mayor and four Commissioners.

The following individuals comprise the current City Commission:

		<u>Expiration of Term</u>
Wilmot Collins	Mayor	January 2026
Emily Dean	Commissioner	January 2028
Sean Logan	Commissioner	January 2028
Melinda Reed	Commissioner	January 2026
Andy Shirtliff	Commissioner	January 2026

The City Manager is Tim Burton and the Finance Director is Sheila Danielson.

The City has 407 employees as of April 30, 2025, including temporary and seasonal employees.

City Services

The City provides a full range of services divided into service areas, financial management and control systems. Services provided include: Public safety functions including police and fire protection and prevention, municipal court services, and animal control; Public works, one of the largest city departments, operates engineering services, water, wastewater, and stormwater utilities, solid waste disposal, and recycling services; Community development including planning, zoning, permitting and building inspection activities; Transportation systems including parking, traffic signal, street, roadway and sidewalk construction and maintenance, and operating a vast public transit system. In addition, the City operates and maintains growing open land, parks and recreation programs including a city-owned golf course, public swimming pool, civic center, tennis and pickleball courts, skateboard park, bike park, and an outdoor skating rink, plus sponsors numerous cultural events throughout the year.

Labor Contracts

The status of labor contracts in the City is as follows:

<u>Bargaining Unit</u>	<u>No. of Employees</u>	<u>Expiration Date of Current Contract</u>
IAFF L448 (Fire)	39.0	June 30, 2024
Public Safety Communicators L7790	14.0	June 30, 2025
HPPA (Police)	<u>4.5</u>	June 30, 2026
Total unionized employees(1)	57.5	

Note: IAFF L448 (Fire) is scheduled for Arbitration hearing in October 2025. The City is currently in negotiations with the Public Safety Communicators to renew when the current contract expires. The City has a wage opener currently under negotiations with the HPPA (Police).

Employee Pensions

All full-time City employees are eligible for one of three State-wide cost-sharing, multiple-employer retirement plans: Public Employees' Retirement System (PERS), Firefighters' Unified Retirement System (FURS), and Municipal Police Officers' Retirement System (MPORS). All three plans are administered by the State's Public Employee's Retirement Division and offer retirement, disability, and death benefits to plan members. Contribution rates for the plans are determined by State law and the City has made the statutorily required contributions. In addition, City employees can also participate in a deferred compensation plan.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Reports. See Appendix E.

Other Postemployment Benefits

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the City's Annual Comprehensive Financial Reports. See Appendix E.

Budget Process

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit budget proposals to the City Finance Department in the spring of each year. During this same time period, the City Manager's office solicits public feedback through various engagement tools. The Finance Department uses these department requests and public feedback as the starting point for the development of the next fiscal year's budget. The City Commissioners are required to hold public hearings on the preliminary budget which is adopted by resolution with an effective date of July 1 and contains the estimated amount to be raised by an ad valorem property tax. The Commission holds a separate public hearing to adopt the final budget no later than the first Thursday after the first Tuesday in September or within 30 calendar days of receiving certified taxable values from the Montana State Department of Revenue. The legal level of budget appropriations is at the fund level. Management cannot overspend the budget at the fund level without the approval of the governing body. A budgetary management plan is prepared by fund, department, division, and line item. The City maintains budgetary controls whose objectives are to ensure compliance with legal provisions embodied in the annual appropriations budget approved by the City Commission.

The State municipal budget law stipulates that money, other than payments from custodial funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted annual budget is required for all funds, except for custodial funds. The City legally adopts a budget for the required funds. Consistent with past years, the City established the legal spending level at the fund level for the fiscal year 2025 budget. The City Manager may make transfers of appropriations within a fund. Transfers between funds, however, require approval of the City Commission.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Taxes	\$12,041,569	\$12,568,385	\$12,754,497	\$13,249,180	\$14,706,333
Intergovernmental	5,129,707	5,069,090	5,254,637	5,348,900	5,943,961
Charges for Services	485,419	461,408	694,415	907,641	633,852
Investment earnings	112,807	18,200	17,607	442,254	579,180
Licenses and Permits	562,573	602,243	574,104	566,049	544,194
Fines and forfeitures	571,191	444,234	397,311	445,381	457,182

Sources: City's Annual Comprehensive Financial Reports.

General Fund Budget Summary

	<u>2024 Budget(2)</u>	<u>2024 Actual(1)</u>	<u>2025 Budget(2)</u>
Revenues:			
Taxes and special assessments	\$14,618,429	\$ 4,706,333	\$15,528,000
Licenses and Permits	575,000	544,194	563,000
Intergovernmental Revenue	5,791,370	5,943,961	5,756,588
Charges for Services	666,386	633,852	692,817
Fines and Forfeitures	438,500	457,182	438,500
Investment earnings	425,000	579,180	500,000
Contributions and donations	160,760	73,667	77,000
Miscellaneous	<u>90,200</u>	<u>99,519</u>	<u>118,800</u>
Total Revenues	\$22,765,645	\$ 3,037,888	\$28,983,259
Expenditures:			
General Government	\$ 8,011,349	\$ 2,844,273	\$ 5,674,837
Public Safety	15,247,187	15,313,139	16,103,800
Public Works	2,138,940	374,728	2,278,501
Public Health	191,422	171,793	197,911
Culture and Recreation	2,939,312	2,438,039	3,030,084
Community Development	941,043	801,118	1,000,414
Capital Outlay	<u>-</u>	<u>191,527</u>	<u>-</u>
Total Expenditures	\$29,469,253	\$ 2,134,617	\$28,285,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (6,703,608)	\$ 903,271	\$ 697,712
Other Financing Sources (Uses):			
Sale of Capital Assets	\$ 10,000	\$ -	\$ 10,000
Proceeds from insurance settlements	-	6,645	-
Transfers In	722,585	740,682	695,900
Transfers Out	<u>(2,794,008)</u>	<u>(2,914,008)</u>	<u>(2,240,358)</u>
Total Other Financing Sources (Uses)	\$(2,061,423)	\$(2,166,681)	\$(1,534,458)
Net Change in Fund Balance	\$(8,765,031)	\$(1,263,410)	\$ (836,746)

(1) Actual expenses include elimination entries per GASB standards for overhead allocation to other funds.
The City budgets on a cash basis.

(2) Does not include internal overhead allocation revisions.

Sources: The City's Annual Comprehensive Financial Reports and Budgets.

BOOK ENTRY

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF BOND COUNSEL OPINION

[draft form of bond counsel opinion]

[to be dated the date of issuance of the Bonds]

City of Helena, Montana
 Helena, Montana

[PURCHASER]

Re: \$_____ General Obligation Bonds, Series 2025
 City of Helena, Montana

Ladies and Gentlemen:

We have acted as Bond Counsel to City of Helena, Montana (the “City”) in connection with the authorization, sale and issuance by the City of its General Obligation Bonds, Series 2025, dated, as originally issued, as of the date hereof (the “Series 2025 Bonds”). In that capacity, we have examined certified copies of certain proceedings taken, and certain affidavits and certificates furnished, by the City in the authorization, sale and issuance of the Series 2025 Bonds, including a resolution adopted by the City Commission of the City on [____], 2025, and the form of the Series 2025 Bonds. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits, and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits, and certificates and on the basis of existing law, it is our opinion that:

1. The Series 2025 Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.
2. The full faith and credit of the City are pledged to the payment of the principal of and interest on the Series 2025 Bonds, and ad valorem taxes are required by law to be levied annually during the term of the Series 2025 Bonds on all taxable property within the City, without limitation as to rate or amount, in amounts sufficient to pay the principal of and interest on the Series 2025 Bonds as due.
3. Interest on the Series 2025 Bonds: (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”); and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code.
4. The City has designated the Series 2025 Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and financial institutions described in Section 265(b)(5) of the Code may treat the Series 2025 Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.
5. Interest on the Series 2025 Bonds is excluded from Montana taxable income for purposes of State of Montana individual income taxation.

The opinions expressed in paragraphs 1 and 2 above are subject, as to enforceability, to the effect of any applicable state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and principles of equity, whether considered at law or in equity.

The opinions expressed in paragraphs 3, 4, and 5 above are subject to the condition of the City's compliance with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that interest thereon may be, and continue to be, excluded from gross income for federal income tax purposes and from Montana taxable income for State of Montana individual income tax purposes, and the Series 2025 Bonds be and continue to be qualified tax-exempt obligations. The City has covenanted to comply with these continuing requirements. Its failure to do so could result in the inclusion of interest on the Series 2025 Bonds in gross income for federal income tax purposes and in Montana taxable income for State of Montana individual income tax purposes, which may be retroactive to the date of issuance of the Series 2025 Bonds. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences to the holders of the Series 2025 Bonds. We note, however, that interest on the Series 2025 Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is includable in the computation of income for purposes of the Montana alternative corporate income tax and the Montana corporate income tax.

We do not express any opinion as to any laws other than the laws of the State of Montana and federal laws of the United States of America as in effect on the date hereof. We assume no obligation to revise, supplement, or update this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the laws of the State of Montana or of the United States of America that may occur after the date hereof, including, but not limited to, laws which may have retroactive effect.

We have not been engaged, and have not undertaken, to review the accuracy, completeness or sufficiency of the Official Statement or any other offering materials relating to the Series 2025 Bonds and, accordingly, we express no opinion with respect thereto.

Dated: _____, 2025.

Very truly yours,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

[draft form of continuing disclosure undertaking]

\$7,000,000
General Obligation Bonds, Series 2025
City of Helena, Montana

This CONTINUING DISCLOSURE UNDERTAKING is made by the City of Helena, Montana (the “City”) in connection with the issuance and delivery by the City of its \$7,000,000 General Obligation Bonds, Series 2025 (the “Bonds”), as of this ____ day of _____, 2025.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the City hereby makes the following covenants and agrees, for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system website (“EMMA”), as hereinafter described. The City is the only “obligated person” in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made.

If the City fails to comply with this Continuing Disclosure Undertaking, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of this Continuing Disclosure Undertaking, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Continuing Disclosure Undertaking constitute a default under the Bonds or under any other provision of the Resolution.

As used herein, “Owner” means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, “Beneficial Owner” means, in respect of a Bond, any person or entity that (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) as soon as reasonably available, and allowing a reasonable period of time to assemble, but not later than March 31 after the end of each fiscal year of the City (or if such date is not a business day, the first business day after March 31), commencing with the fiscal year ending June 30, 2025 (thus, by March 31, 2026 and by each March 31 of each year thereafter (or the first business day after March 31, if March 31 is not a business day) with respect to the prior fiscal year), the following financial information and operating data in respect of the City (the “Disclosure Information”):

(A) the audited financial statements of the City for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing a balance sheet as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof; and

(B) to the extent not included in the financial statements referred to in paragraph (A) above, information for such fiscal year of the type set forth below:

- (1) principal amount of general obligation debt outstanding;
- (2) assessed market valuation of the City;
- (3) taxable valuation of the City; and
- (4) property tax levies and collections.

Notwithstanding anything herein, if the audited financial statements are not available by the date specified, the City shall provide on or before the applicable March 31 unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within ten days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated, if it is updated as required hereby, by reference from other documents, including official statements, which have been submitted to the MSRB in the manner set forth in subsection (c) hereof. The City shall clearly identify the Disclosure Information in each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure

Information and the City determines that certain specified data regarding such replacement operations would be material (as hereinafter defined), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Continuing Disclosure Undertaking is amended, then the City shall include in the next Disclosure Information to be delivered pursuant to this Continuing Disclosure Undertaking, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days, notice of the occurrence of any of the following events:

- (A) principal and interest payment delinquencies;
- (B) non-payment related defaults, if material;
- (C) unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;
- (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (G) modifications to rights of holders of the Bonds, if material;
- (H) bond calls, if material, and tender offers;
- (I) defeasances;
- (J) release, substitution or sale of property securing repayment of the Bonds, if material;
- (K) rating changes;
- (L) bankruptcy, insolvency, receivership, or similar event of the City;
- (M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(O) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

(P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

An event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed in this Bond Resolution or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For purposes of paragraphs (O) and (P) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of either (i) or (ii). A “financial obligation” does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information described above under paragraph (b)(1) above at the time specified thereunder;

(B) the amendment or supplementing of this Continuing Disclosure Undertaking, together with a copy of such amendment or supplement and any explanation provided by the City; and

(C) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) hereof to the MSRB via EMMA or in a manner as may be otherwise proscribed by the MSRB consistent with the Rule. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Term; Amendments; Interpretation.

(1) This Continuing Disclosure Undertaking shall remain in effect so long as any Bonds are outstanding.

(2) This Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (b)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Commission filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that the Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information), as so amended or supplemented, will comply with the provisions of paragraph (b)(5) of the Rule, assuming that such provisions apply to the Bonds.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) this Continuing Disclosure Undertaking is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so the undertaking would satisfy the requirements of paragraph (b)(5) of the Rule.

Dated: _____, 2025.

CITY OF HELENA, MONTANA

By _____
Mayor

By _____
City Manager

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City's Annual Comprehensive Financial Report for fiscal year ended June 30, 2024 ("2024 ACFR") can be found [here](#).

BIDDING INFORMATION: TERMS AND CONDITIONS OF SALE AND BID FORM**TERMS AND CONDITIONS OF SALE**

\$7,000,000*

General Obligation Bonds, Series 2025
City of Helena, Montana

The City Commission (the "Commission") of the City of Helena, Montana (the "City"), will receive bids for the purchase of General Obligation Bonds, Series 2025, in the aggregate principal amount of \$7,000,000* (the "Bonds"), subject to adjustment as described below. Bids will be received by Baker Tilly Municipal Advisors, LLC, the City's municipal advisor ("Baker Tilly MA") or by electronic transmission through PARITY® pursuant to the instructions set forth herein until 9:00 a.m., M.T., on Monday, July 14, 2025 (the "Sale Time"), at which time bids will be opened and tabulated. The tabulation of bids will be presented to a designated Pricing Committee subsequent to the opening of bids, at which time the Pricing Committee will consider the bids received and, if a responsive and acceptable bid is received, award sale of the Bond to the bidder with the lowest true interest cost, subject to approval and confirmation by the City Commission.

SUBMISSION OF BIDS

All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the City to purchase the Bond regardless of the manner in which the bid is submitted.

Baker Tilly MA will assume no liability for the inability of a bidder or its bid to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the bid is submitted.

Sealed Bidding. Completed, signed bids may be submitted to Baker Tilly MA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

OR

Electronic Bidding. Bids may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Terms of Bid.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Bid conflict with information provided by PARITY®, this Terms of Bid shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* Preliminary; subject to change.

THE BONDS

The Bonds shall be dated, as originally issued, as of their date of delivery, expected to be August 14, 2025, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2026, to the registered owners of the Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the Commission. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described below:

<u>Year</u>	<u>Principal Amount(1)</u>
2026	\$255,000
2027	225,000
2028	240,000
2029	250,000
2030	265,000
2031	275,000
2032	290,000
2033	305,000
2034	320,000
2035	335,000
2036	345,000
2037	360,000
2038	380,000
2039	395,000
2040	410,000
2041	430,000
2042	450,000
2043	470,000
2044	490,000
2045	510,000

(1) Preliminary; subject to change.

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce sufficient net proceeds and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Bonds and the prices at which the bid indicates the Bonds are initially offered to the investing public.

The Bonds with stated maturities on or after July 1, 2036 will be subject to redemption on July 1, 2035, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City).

The Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Bonds will be issued as fully registered bonds only. The Bonds will be issued in book-entry only form.

BOOK ENTRY

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Series 2024A Bonds representing the aggregate principal amount of the Bonds maturing in each year will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

PURPOSE AND SECURITY

The proceeds of the Bonds will be used to pay the costs of acquiring a site and designing, constructing, furnishing, and equipping thereon a new fire station, to include a training facility, and paying costs associated with the sale and issuance of the Bonds.

The Bonds, including interest thereon, are general obligations of the City payable from the proceeds of an ad valorem tax that the City will covenant to levy annually on all taxable property within the City, without limitation as to rate or amount.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds to provide annual reports of specified information and notice of the occurrence of certain events. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking will be set forth in the Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds.

BIDDING PARAMETERS

Bids shall be for not less than \$7,000,000.00 (Par), plus accrued interest, if any, on the total principal amount of the Bonds. No bid can be withdrawn or amended after the time set for receiving bids on the Sale Date. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the bid must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional bids will be accepted.

Bidders will have the option of combining the Bonds into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than July 1, 2045, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Bonds would have matured if they were not included in a term bond.

GOOD FAITH DEPOSIT

To have its bid considered for award, the successful bidder is required to submit a good faith deposit via wire transfer to the City in the amount of \$140,000.00 (the "Deposit") no later than 1:00 p.m. M.T. on Monday, July 14, 2025. The successful bidder shall be solely responsible for the timely delivery of its

Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the bid of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of bids. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the successful bidder will be retained by the City and no interest will accrue to the successful bidder. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the successful bidder fails to comply with the accepted bid, the City will retain the Deposit.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost basis calculated on the bid prior to any adjustment made by the City. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid that the City determines to have failed to comply with the terms herein.

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

U.S. Bank Trust Company, National Association, Salt Lake City, Utah, will act as bond registrar, transfer agent and paying agent (the "Registrar") in connection with the Bonds. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The City will pay the charges of the Registrar for such services. The City reserves the right to remove the Registrar and to appoint a successor.

BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and financial institutions described in Section 265(b)(5) of the Code may treat the Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exclusion from gross income for federal and Montana income tax purposes of the interest on the Bonds will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, as Bond Counsel. The legal opinion will be delivered at the time of closing. The legal opinion will state that the Bonds are valid and binding general obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by principles of equity, whether considered at law or inequity, or by state or federal laws relating to bankruptcy, insolvency reorganization, moratorium or creditors' rights.

DELIVERY

On or about August 14, 2025, the City will deliver to the Registrar the printed Bonds for completion, authentication and delivery to The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. The successful bidder will not

receive physical certificates representing its interest in the Bonds. Payment for the Bonds must be received by the City in immediately available funds at its designated depository on the day of closing.

ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

If the City advises the winning bidder that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the winning bidder will be required to deliver to the City at or prior to closing a certification, substantially in the form attached hereto as Exhibit A, as to the reasonably expected initial offering price as of the award date.

If the City advises the winning bidder that the requirements for a competitive sale have not been satisfied, the hold-the-offering price rule will apply. The winning bidder shall (1) upon the request of the City confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form attached hereto as Exhibit B, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

Bidders should prepare their bids on the assumption that the Bonds will be subject to the "hold-the-offering-price" rule. Any bid submitted pursuant to the Terms of Bid shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.

COSTS; CUSIP NUMBERS

The City will pay the fees and charges of its municipal advisor, bond counsel, and Registrar, along with costs of printing the Official Statement, and other miscellaneous costs associated with the sale and issuance of the Bonds. If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

RATING

The City has applied for a rating from S&P Global Ratings on the Bonds. If the City obtains such rating, rating agency fees for obtaining the rating will be the responsibility of the City.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

City of Helena, Montana

EXHIBIT A

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM
ESTABLISHED UNDERWRITERS

\$(PRINCIPAL AMOUNT)
General Obligation Bonds, Series 2025
City of Helena, Montana

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) *Issuer* means the City of Helena, Montana.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney, LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

EXHIBIT B

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS

**\$(PRINCIPAL AMOUNT)
General Obligation Bonds, Series 2025
City of Helena, Montana**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (“[SHORT NAME OF UNDERWRITER]”)[the “Representative”]), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. **Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) **Issuer** means the City of Helena, Montana.

(c) **Maturity** means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) **Member of the Distribution Group** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) **Public** means any person (i.e., an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) **Sale Date** means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney, LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax

purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS

(Attached)

**SCHEDULE B
PRICING WIRE**

(Attached)

SCHEDULE C
SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE

(Attached)

CITY OF HELENA, MONTANA
\$7,000,000* General Obligation Bonds, Series 2025

For the Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$_____ (which may not be less than \$7,000,000.00 (Par)) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2026	_____ %	_____ %	_____ %	2036	_____ %	_____ %	_____ %
2027	_____ %	_____ %	_____ %	2037	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2034	_____ %	_____ %	_____ %	2044	_____ %	_____ %	_____ %
2035	_____ %	_____ %	_____ %	2045	_____ %	_____ %	_____ %

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of July 14, 2025 we accept all of the terms and conditions of the Terms and Conditions of Sale published in the Preliminary Official Statement dated July 3, 2025, including the City's right to modify the principal amount of the Bonds. (See "Terms and Conditions of Sale" herein.) In the event of failure to deliver these Bonds in accordance with said Terms and Conditions of Sale, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____

Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

Phone: 651-223-3000

* Preliminary; subject to change.

Email: bids@bakertilly.com