

MEDIATION AGREEMENT

(Subject to Governing Body Approval)

On September 5, 2025, an informal mediation was conducted between the City of Miles City, Montana ("City"), represented by City Council President, Brant Kassner; and Custer County, Montana ("County"), represented by County Commissioner, Jason Strouf. The informal mediation was facilitated by the City Attorney and the County Attorney. The topic mediated was the contribution amounts to be paid by the County to the City for ambulance response within the County, and outside of the City Limits.

The following amounts were agreed upon by the representatives of the City and County, subject to final approval by the City Council and County Commissioners:

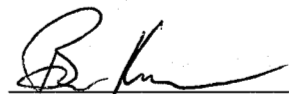
The last audited fiscal year for the ambulance enterprise fund was FY2022-2023. Said audit reflected an operating **deficit** of \$319,409.00. in FY2022-2023, the County paid approximately \$92,895 under the previous interlocal agreement for ambulance services. The County residents are the subject of approximately 18.44% of all ambulance responses, and of the \$319,409.00 deficit, the County's share would be \$58,900.00. The combined amount of the County's fiscal contribution to the ambulance fund for FY2022-2023, plus 18.44% of the ambulance fund operating deficit of \$319,409 (being \$58,900.00), is \$151,797.00.

The parties note that as FY2024-2025 has already passed, that contractually, the County can enforce the payment terms under the previous interlocal agreement, which remains in effect until a subsequent agreement is negotiated and approved by the governing bodies. As a measure of good faith, the County agrees to negotiate a rate for the preceding fiscal year based on the most recent audit, with an adjustment for inflation.

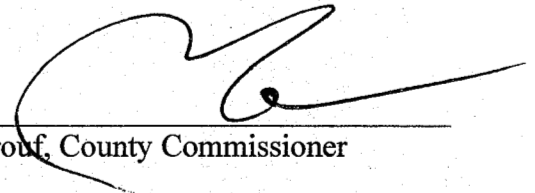
The parties agree that the preceding fiscal year, being FY2024-2025, shall not be billed at the previous contract rate, and shall instead be based on the last audited prorated amount of \$152,000 for FY2022-2023, increased by an amount of approximately **15%**, for a total fee of **\$175,000** (note: the County has made quarterly payments for FY2024-2025 as invoiced, and shall pay an additional amount so that the total amounts paid for FY2024-2025 is \$175,000.00). This same rate is negotiated for FY2025-2026, and reflects an approximate annual increase of 5% following the most recently audited year.

The parties jointly recommend a 5-year total agreement, from FY 2024-2025 through FY 2028-2029, as follows:

FY 2024-2025:	\$175,000.00 (15% increase above FY2022-2023 audited share)
FY 2025-2026:	\$175,000.00 (the current "base" year, based on 15% over FY23)
FY 2026-2027:	\$183,750.00 (an increase of 5% over previous year).
FY 2027-2028:	\$192,937.00 (an increase of 5% over previous year).
FY 2028-2029:	\$202,584.00 (an increase of 5% over previous year).



Brant Kassner, Council President



Jason Strouf, County Commissioner