

**MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
June 10, 2024**

The Billings City Council met in regular session in the Council Chambers located on the second floor of the Police Facility, 220 North 27th Street, Billings, Montana, at 5:30 P.M.

CALL TO ORDER: Mayor Cole

PLEDGE OF ALLEGIANCE: Mayor Cole

INVOCATION: Councilmember Rupsis

ROLL CALL:

Present: Councilmember Kendra Shaw, Ward I
Councilmember Ed Gulick, Ward I
Councilmember Roy Neese, Ward II
Councilmember Jennifer Owen, Ward II
Councilmember Denise Joy, Ward III
Councilmember Bill Kennedy, Ward III
Councilmember Scott Aspenlieder, Ward IV
Councilmember Daniel Tidswell, Ward IV
Councilmember Mike Boyett, Ward V
Councilmember Tom Rupsis, Ward V
Mayor William Cole

Staff

Present: Chris Kukulski, City Administrator
Kevin Iffland, Assistant City Administrator
Gina Dahl, City Attorney
Toni Keehner, Deputy City Clerk
Andy Zoeller, Finance Director
Debi Meling, Public Works Director
Jennifer Duray, Public Works Deputy Director
Gavin Woltjer, Finance Director
Mike Pigg, Parks and Recreation Director
Pepper Valdez, Fire Chief
Rusty Logan, MET Transit Manager
Rich St. John, Police Chief

MINUTES: May 28, 2024 – Pending

COURTESIES:

There were no Council courtesies.

PROCLAMATIONS:

There were no proclamations.

COUNCIL REPORTS:

There were no Council reports.

ADMINISTRATOR REPORTS - CHRIS KUKULSKI

Mr. Kukulski acknowledged there were no exparte communications received after 3 P.M. to the Mayor and Council concerning items on the agenda.

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: 1 ONLY. Speaker sign-in required. (Comments are limited to three (3) minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium. Comments on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item. For items not on this agenda, public comment will be taken at the end of the agenda.)

There were no speakers.

1. **CONSENT AGENDA**

Councilmember Aspenlieder separated Consent Agenda Items 1E and 1H1, to abstain as his employer was involved.

Motion: I move to approve the items of the Consent Agenda as submitted, with the exception of Items 1E and 1H1.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder

APPROVED 11-0

A. **Bid Awards:**

- 1. **W.O. 23-45: Street and Traffic Remote Breakroom.** (Opened 5/7/24) Recommend Yellowstone Basin Construction.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder

APPROVED 11-0

- 2. **W.O. 23-45: Street and Traffic Remote Salt Storage Building.** (Opened 5/7/24) Recommend Greystone Construction.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder

APPROVED 11-0

B. **Amendment** to Subdivision Improvement Agreement for Whisper Ridge Subdivision.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder
APPROVED 11-0

C. **Donations** to the Public Library from Town Pump Charitable Foundation and Friends of the Library.

Councilmember Boyett thanked Town Pump and Friends of the Library for their donations.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder
APPROVED 11-0

D. **Preliminary Plat Extension** for High Sierra Subdivision, 20th Filing.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder
APPROVED 11-0

E. **Final Plat** of Zimmerman Home Place Subdivision, 4th Filing.

Moved by Councilmember Joy
Seconded by Councilmember Boyett
APPROVED 10-0, Councilmember Aspenlieder abstained

F. **Second/Final Reading Ordinance for Zone Change 1041:** text amendments to zoning regulations.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder
APPROVED 11-0

G. **Second/Final Reading Ordinance for Zone Change 1047:** located on the west end of Rimrock Road.

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder
APPROVED 11-0

H. **Bills for the Weeks of:**

1. May 6, 2024

Moved by Councilmember Joy
Seconded by Councilmember Boyett
APPROVED 10-0, Councilmember Aspenlieder abstained

2. May 13, 2024

Moved by Councilmember Shaw
Seconded by Councilmember Aspenlieder
APPROVED 11-0

REGULAR AGENDA:

Motion: I move to change the order of the Regular Agenda to allow No. 3, Whisper Ridge Subdivision Donation, to be heard before Item No. 2, Adoption of FY25 Budget.

Moved by Councilmember Neese
Seconded by Councilmember Owen
APPROVED 11-0

3. **PUBLIC HEARING AND RESOLUTION** to donate property to Phase II Homeowners Association (HOA) in Whisper Ridge Subdivision. Staff recommends approval.

Debi Meling, Public Works Director, gave an overview of the previous Resolution of Intent to donate that had occurred during the May 13, 2024 Council meeting and reviewed the lot proposed for donation to the HOA for storm drainage.

Mayor Cole indicated the Secretary of State website was not showing the HOA filing. He spoke of adding the following language to Section 3 of the Resolution: "but is conditioned upon the filing of articles of incorporation of the above referenced Homeowners Association with the Montana Secretary of State".

The following individual spoke during the public hearing:

- **Dennis Bellecci**, developer, indicated the HOA had been filed, but an incorrect name had been used. The mistake had been corrected.

No further public testimony was given.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a Resolution to donate property to Phase II Homeowners Association in Whisper Ridge Subdivision, with the suggested added language, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Aspenlieder
APPROVED 10-1, Councilmember Tidswell opposed

2. **PUBLIC HEARING AND RESOLUTION** approving and adopting the FY25 budget. Staff recommends approval.

Andy Zoeller, Finance Director, gave an overview of the overall City budget for FY25. He reviewed the proposed budget, additional new employee requests, property tax mill levy changes and typical residential costs. He provided an overview of the proposed amendments and the votes by the Budget and Finance Committee.

The following constituents gave public testimony:

- **Dan Brooks, Chamber of Commerce**, encouraged Council to support additional police officers, Stagecoach Trail, and South Park Pool. He spoke of housing supply needs for the community.

- **Kari Boiter, Citizens Police Advisory Board Chair**, spoke in support of hiring three Community Service Officers.
- **Kristi Drake, Trail Net**, spoke of trail connectivity and thanked Council for their support of Stagecoach Trail.

No further public testimony was given.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a Resolution approving and adopting the FY25 budget, as recommended by staff.

Moved by Councilmember Shaw

Seconded by Councilmember Rupsis

Council proposed and discussed the following amendments:

Motion to Amend Motion: I move to amend the motion that \$140,000 from the General Fund be allocated to add a Budget Analyst/Assistant Finance Director in FY25.

Moved by Councilmember Gulick

Seconded by Councilmember Boyett

APPROVED 11-0

Motion to Amend Motion: I move to amend the motion to direct staff to adjust the budget as needed so the outstanding balance of the Police Evidence Expansion is paid off utilizing funds from the South Tax Increment Fund.

Moved by Councilmember Gulick

Seconded by Councilmember Owen

APPROVED 11-0

* **Motion to Amend Motion:** I move to amend the motion to increase the General Fund transfer to the Parks' Fund by \$100,000 to support the Parks' Matching Grant program, to be funded through a reduction in the Library's State Entitlement Share.

Moved by Councilmember Gulick

Seconded by Councilmember Rupsis

Councilmember Rupsis spoke against the process of not having discussions with departments affected prior to decisions being made by the Budget and Finance Committee.

Motion to Amend Amendment: I move to amend the amendment to Motion to decrease the General Fund excess by \$100,000 and remove the reduction from the Library Entitlement share.

Moved by Councilmember Rupsis

Seconded by Councilmember Joy

Gavin Woltjer, Library Director, spoke of using the shares for one-time needs versus ongoing uses and how it would affect the Library.

Councilmember Aspenlieder spoke in favor of using the \$100,000 from the Library Entitlement shares.

A vote on the amendment to the motion to amend was taken.

FAILED 2-9, Councilmembers Shaw, Gulick, Neese, Owen, Kennedy, Aspenlieder, Tidswell, Boyett and Mayor Cole opposed

A vote on the *motion to amend was taken.

APPROVED 11-0

Motion to Amend Motion: I move to amend the motion that \$75,000 from the General Fund be allocated to fund an Impact Fee Study in FY25.

Moved by Councilmember Gulick

Seconded by Councilmember Shaw

APPROVED 11-0

Motion to Amend Motion: I move to amend the motion to transfer \$300,000 from the Public Works State Entitlement Share to the City's reserve account.

Moved by Councilmember Gulick

Seconded by Councilmember Aspenlieder

Councilmember Joy asked for clarification on how the transfer would affect the Public Works Departments Deferred Maintenance Program.

Debi Meling, Public Works Director, explained how the Paver Program would be affected by the transfer.

Councilmember Neese asked for clarification on the \$2 million Parks and Recreation reserve for the South Park Pool project.

Mike Pigg, Parks and Recreation Director, indicated the South Park Pool plans were not included in the current proposal and added he was unaware of the \$2 million in reserves.

Mr. Zoeller gave an overview of capital costs for the Parks Department and indicated they could be quite high.

Council discussed the increase in the Street Maintenance District.

Councilmember Rupsis indicated he would not support the motion to amend and there needed to be additional conversations regarding using entitlement shares.

Councilmember Joy indicated she would not support the motion to amend and spoke against the affects to deferred maintenance.

APPROVED 8-3, Councilmembers Joy, Boyett and Rupsis opposed

Motion to Amend Motion: I move to amend the motion to transfer \$100,000 from the Public Works State Entitlement Share for a land use and transportation plan on Skyway Drive/Inner Belt Loop.

Moved by Councilmember Gulick

Seconded by Councilmember Owen

APPROVED 10-1, Councilmember Joy opposed

Motion to Amend Motion: I move to amend the motion to increase the Parks Program Fund by \$615,000 to fund the Stagecoach Trail match.

Moved by Councilmember Gulick

Seconded by Councilmember Kennedy

APPROVED 11-0

Motion to Amend Motion: I move to amend the motion the budget be corrected to provide \$2,500 of budget authority for the Anti-Graffiti Fund.

Moved by Councilmember Gulick

Seconded by Councilmember Tidswell

APPROVED 11-0

Mayor Cole called a recess at 7:15 P.M. He reconvened the meeting at 7:25 P.M.

****Motion to Amend Motion:** I move to amend the motion to add 7 FTE's to the Fire Department, by decreasing the Fire Department overtime budget by \$412,000, transferring \$310,000 of MET State Entitlement Share to the Public Safety Fund, and transferring \$42,021 into the General Fund.

Moved by Councilmember Aspenlieder

Seconded by Councilmember Owen

Council discussed the effects of the transfers.

Pepper Valdez, Fire Chief, spoke of plans for Fire Station 8, Mobile Response Teams, and hiring/training issues. He explained the process of hiring and training new firefighters and indicated the new positions would not be ready for several months.

Rusty Logan, MET Transit Manager, indicated established reserves could handle the transfer. He spoke of various options for sustainability and funding options.

Councilmember Rupsis spoke against the amendment and indicated the overtime would not decrease in the current budget year due to the long hiring and training process.

Motion to Amend Amendment: I move to transfer \$300,000 from the Public Works Entitlement Share instead of the MET State Entitlement Share.

Moved by Councilmember Shaw

Seconded by Councilmember

APPROVED 10-1, Councilmember Rupsis opposed

A vote on the **motion to amend motion was taken.

APPROVED 8-3, Councilmembers Joy, Rupsis and Mayor Cole opposed

***** Motion to Amend Motion:** I move to amend the motion to reduce the General Fund transfer to the Parks and Recreation Fund by \$615,000 and add it to the General Fund Reserves.

Moved by Councilmember Kennedy

Seconded by Councilmember Aspenlieder

Councilmember Kennedy indicated this amount would be the funding source for an upcoming amendment to add additional Police officers.

Councilmember Rupsis asked for clarification on why the funding had not been previously identified in the CIP.

Chris Kukulski, City Administrator, indicated he had failed to recognize funds available in the reserve account. He spoke of cash in lieu and unrestricted funds and explained why PD1 had dissolved.

Motion to Amend Amendment: I move to amend the amendment to motion to reduce the General Fund transfer to Parks and Recreation to \$315,000.

Moved by Councilmember Rupsis

Seconded by Councilmember Gulick

FAILED 5-6, Councilmembers Neese, Owen, Kennedy, Aspenlieder, Tidswell, Boyett opposed

A vote on the ***motion to amend was taken.

APPROVED 6-5, Councilmembers Shaw, Gulick, Joy, Rupsis and Mayor Cole opposed

Motion to Amend Motion: I move to amend the motion to increase the transfer to the Public Safety Fund by \$615,000, reduce Police Department overtime by \$300,000, to increase PD salary and benefits by \$915,000 to allow the addition of 12 new FTE's.

Moved by Councilmember Kennedy

Seconded by Councilmember Owen

Rich St. John, Police Chief, gave an overview of hiring Police Officer's Standards and Training (P.O.S.T.) Certified officers which would allow them to be ready much sooner. He spoke of current overtime hours, public safety needs and how the additional officers would be used.

Councilmembers Shaw and Joy spoke against the amendment. Mayor Cole spoke of the increases in Public Safety in the last few years and indicated the City had not yet seen the full results of the additional officers. He indicated he would not support the amendment.

APPROVED 6-5, Councilmembers Shaw, Gulick, Joy, Rupsis and Mayor Cole opposed

Motion to Amend Motion: I move to amend the motion to increase Police Department salary and wages by \$120,000 to add a 4th Downtown officer, to be funded by the Business Improvement District (BID) or Tax Increment Funds (TIF).

Moved by Councilmember Kennedy

Seconded by Councilmember Aspenlieder

Council discussed the need to wait to authorize the position until BID returned to Council with a request and proposal. Mr. Zoeller explained the funding for the position.

Katy Easton, Downtown Billings Alliance CEO, explained they were currently in a renewal cycle for the BID and needed to wait to request an additional officer to give business owners time to express their desires. She indicated there could be a request for an additional officer to be paid from TIF funds in FY25, but it would not be paid from BID funds.

Councilmember Kennedy and Aspenlieder agreed to remove "funded by the Business Improvement District (BID)" from the amendment.

Motion to Correct Motion to Amend: I move correct the motion to amend to increase the Police Department fund by \$120,000 to add a 4th officer, to be funded by Tax Increment Funds (TIF).

Ms. Easton stated that State statute required TIF funding only be used within the district and the officer may be needed outside of the district. She spoke of the potential time delay in adding the position. She recommended allowing them to return with a proposal later.

Councilmember Kennedy withdrew his motion.
Councilmember Aspenlieder concurred.

Motion to Amend Motion: I move to amend the motion to replace South Park Pool Planning with Stewart Park Playground Replacement in the FY25 Parks Capital Improvement Projects Fund.
Moved by Councilmember Rupsis
Seconded by Councilmember Joy

Mike Pigg spoke of the importance of prioritizing South Park Pool plans due to deterioration. He indicated he was not aware of funding for the project.

Mayor Cole indicated he would not support the amendment and would like a more modest amount.

Councilmember Rupsis withdrew his motion.
Councilmember Joy concurred.

Motion to Amend Motion: I move to amend the motion to lower the Cost-of-Living Adjustment (COLA) from 5% to 1.5% for all non-bargaining staff.
Moved by Councilmember Aspenlieder
Seconded by Councilmember Kennedy

Council discussed the types of positions in the non-bargaining group that would be affected by the decrease. Mr. Kukulski spoke of the recent decision to move several groups into a market pay scale. He spoke of concerns with morale, retention, recruitment and current Teamsters negotiations.

FAILED 4-7, Councilmembers Shaw, Gulick, Neese, Joy, Boyett, Rupsis and Mayor Cole

Motion to Amend Motion: I move to amend the motion to transfer \$40,000 out of the Legal Department budget to Municipal Court to increase Judges' salaries.
Moved by Councilmember Aspenlieder
Seconded by Councilmember Kennedy

Councilmember Joy asked for clarification from the Legal Department. Gina Dahl, City Attorney, spoke of how the transfer would impact her outside legal counsel budget.

APPROVED 6-5, Councilmembers Gulick, Neese, Owen, Boyett and Rupsis opposed

Motion to Amend Motion: I move to amend the motion to delay approval of the Tax Increment Financing (TIF) District budget until the next Regular Council meeting.
Moved by Councilmember Neese
Seconded by Councilmember Rupsis

Mr. Zoeller spoke of concerns with a debt payment due on July 1, 2024.

Councilmember Neese withdrew his motion.
Councilmember Rupsis concurred.

A vote was taken on the Amended Motion, approving and adopting the FY25 budget, including all approved amendments noted above.

APPROVED 10-1, Councilmember Rupsis opposed

3. PUBLIC HEARING AND RESOLUTION approving and adopting the water resale rate. Staff recommends approval.

Jennifer Duray, Public Works Deputy Director, gave an overview of the water resale rates impacting Heights Water District.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a Resolution approving and adopting the water resale rate, as recommended by staff.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Boyett

Councilmember Neese disclosed he was a Heights Water District member but would not be recusing himself from voting.

APPROVED 11-0

4. PUBLIC HEARING AND RESOLUTION setting FY25 Storm Sewer fee rates. Staff recommends approval.

Jennifer Duray, Public Works Deputy Director, gave an overview of the change in methodology, funding needs and alternatives. She spoke of the substantial amount of public outreach and various boards and groups involved in the process. She reviewed storm rates with a 7-year ramp up, FY25 proposed rates and several property comparisons.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a Resolution setting FY25 Storm Sewer fee rates, as recommended by staff.

Moved by Councilmember Gulick
Seconded by Councilmember Aspenlieder

Councilmember Neese spoke against the resolution and expressed concerns with the fee rates.

APPROVED 10-1, Councilmember Neese opposed

5. PUBLIC HEARING AND FIRST READING ORDINANCE amending Billings, Montana City Code (BMCC), Article 22-800, Storm Sewers. Staff recommends approval.

Jennifer Duray, Public Works Deputy Director, reviewed the proposed definitions added to the ordinance.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve First Reading Ordinance amending BMCC, Article 22-800, Storm Sewers, as recommended by staff.

Moved by Councilmember Boyett

Seconded by Councilmember Gulick

APPROVED 10-1, Councilmember Neese opposed

PUBLIC COMMENT on "NON-AGENDA ITEMS". Speaker Sign-in required. (Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.)

There were no speakers.

COUNCIL INITIATIVES:

There were no Council initiatives.

ADJOURN: 10:21 P.M.



CITY OF BILLINGS

BY: William A Cole
William A. Cole, Mayor

ATTEST:

BY: Denise R. Bohlman
Denise R. Bohlman, City Clerk