

**MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
April 13, 2026**

The Billings City Council met in regular session in the City Council Chambers, located at 316 N. 26th Street, 5th Floor, Billings, Montana, at 5:30 P.M.

CALL TO ORDER: Mayor Nelson

PLEDGE OF ALLEGIANCE: Mayor Nelson

INVOCATION: Councilmember Aspenlieder

ROLL CALL:

Present: Councilmember Mark Nicholson, Ward 1
Councilmember Roy Neese, Ward 2
Councilmember Denis Pitman, Ward 2
Councilmember Amy Aguirre, Ward 3
Councilmember Scott Aspenlieder, Ward 4
Councilmember Andrew Lindley, Ward 4
Councilmember Mike Boyett, Ward 5
Councilmember Tony O'Donnell, Ward 5
Mayor Mike Nelson

Absent/
Excused: Councilmember Kendra Shaw, Ward 1
Councilmember Bill Kennedy, Ward 3

Staff
Present: Chris Kukulski, City Administrator
Gina Dahl, City Attorney
Toni Keehner, Deputy City Clerk
Wyeth Friday, Planning and Community Services Director
Anna Vickers, Planning Manager
Brenda Beckett, Community Services Manager
Jessica McKee, Deputy City Attorney

MINUTES: March 23, 2026 - Pending

COURTESIES:

Public Service Commissioner Brad Molnar addressed the Council regarding energy policy, NorthWestern Energy rates, capacity, and potential impacts to utility rates and property taxes.

Councilmember O'Donnell commented in support of maintaining lower utility rates for Montana residents.

Councilmember Aspenlieder recognized recent accomplishments of MSU Billings baseball team's recent success and coaching milestone.

PROCLAMATIONS:

Mayor Nelson issued Proclamations for:

- Keep America Beautiful Month / Great American Cleanup Month

Cindy Peters, Bright 'n Beautiful, spoke of upcoming events and ways the community could participate in the Great American Clean Up event on April 25, 2026.

- JustServe City – Volunteerism Opportunities

Erin Walker and Melissa Townsend, JustServe.org, spoke of ways to participate in various volunteer organizations. Both organizations took photos with Council.

COUNCIL REPORTS:

Councilmember Pitman reported on recent Big Sky Economic Development Authority activities and noted opportunities for Councilmembers to tour the Yellowstone County Detention Facility.

Councilmember Aspenlieder reported that the Budget and Finance Committee would begin departmental budget reviews.

Mayor Nelson indicated the Council Operations Committee was currently refining various boards and commissions.

ADMINISTRATOR REPORTS - CHRIS KUKULSKI

Mr. Kukulski informed Council that:

- The Legislative and Local Affairs Committee meeting was rescheduled to April 22, 2026. He added the May 20, 2026, meeting would include a Phillips 66 facility tour.
- There were no exparte communications to Mayor and Council received after 3 P.M. concerning items on the agenda.
- A code enforcement case had been initiated regarding the LB Lofts project in the Heights.

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: 1 and 4 ONLY. Speaker sign-in required. (Comments are limited to three (3) minutes or as set by the Mayor. Please sign the roster 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.)

- Jeff Essmann, Billings, Montana, spoke regarding Billings 2045, encouraging the Council to prioritize commercial and industrial zoning along major transportation corridors to support long-term tax base growth.
- Pam Ellis, Billings, Montana, expressed concerns about land use map designations and advocated for preservation of single-family neighborhoods in the Heights.
- Jeff Ketelsen, Billings, Montana, spoke regarding annexation and impact fees, expressing concern that current policies shift infrastructure costs to existing residents.
- John Halvorson, Billings, Montana, supported allowing duplex housing in residential zones, noting benefits for housing affordability and flexibility
- Jack Hanson, Billings, Montana, encouraged Council to rely on staff recommendations for land use designations and supported broader allowance of duplex housing.

Councilmember Aspenlieder separated Consent Agenda Items 1C, 1E and 1H, to abstain as his firm was involved.

Councilmember Boyett recognized and thanked the donor supporting the City Parks and Recreation Department.

Motion: I move to approve the Consent Agenda, with the exception of Items 1C, 1E and 1H moved for separation.

Moved by Councilmember Neese

Seconded by Councilmember Pitman

APPROVED 9-0, Councilmembers Shaw and Kennedy absent/excused

Motion: I move to approve Consent Agenda Items 1C, 1E and 1H, as recommended by staff.

Moved by Councilmember Boyett

Seconded by Councilmember Neese

APPROVED 8-0, Councilmembers Shaw and Kennedy absent/excused; Councilmember Aspenlieder abstained

1. **CONSENT AGENDA**

A. **Bid Awards:**

1. **W.O. 26-20: Water Treatment Plant Filter Building Air Scour Piping Replacement.** (Opened 3/17/26) Recommend SKM Turnkey Construction, LLC.

- B. **Change Order No. 8**, GC/CM Contract with Dick Anderson Construction, Inc. for W.O. 19-12: West End Reservoir Project.

- C. **Annexation Agreement** with 22500 NOL, LLC (dba Yellowstone Country Club).

- D. **Donation** to Parks and Recreation Department from Billings Blizzard Fastpitch to purchase a maintenance shed in Poly Vista Park.

- E. **Final Plat** of Clearwater Estates Subdivision, 3rd Filing.

- F. **Resolution 26-11324** establishing compliance with reimbursement under Internal Revenue Code for storm sewer projects.
- G. **Resolution 26-11325** authorizing the issuance and calling for a public sale of Water System Revenue Bonds.
- H. **Second/Final Reading Ordinance 26-5926** expanding the boundaries of Ward IV - Annexation 26-01.
- I. **Second/Final Reading Ordinance 26-5927** amending BMCC 24-351 through 24-359, Noise Regulation of Motor Vehicles.
- J. **Bills for the Weeks of:**
 - 1. March 2, 2026
 - 2. March 9, 2026
 - 3. March 16, 2026
 - 4. March 23, 2026

REGULAR AGENDA:

2. **PUBLIC HEARING for FY2026-2027 Annual Action Plan and Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding allocations.** ~~Staff and Community Development Board (CDB) recommends approval.~~ No action necessary.

Mayor Nelson indicated there was no action needed for Regular Agenda Item 2.

Brenda Beckett, Community Services Manager, outlined the federally required Annual Action Plan process, including the public participation timeline, application cycle, and Community Development Board recommendations. She reported that certain prior-year allocations (including water line and CPTED projects) were underutilized and may require reprogramming to meet HUD expenditure timeliness requirements. She also described proposed changes to the First-Time Homebuyer Program to better align assistance amounts with current housing prices and improve participation.

Councilmembers discussed the following:

- Administrative costs and staffing levels required to manage federal programs, including tracking, compliance, and reporting obligations.
- Concerns regarding the status and viability of the LB Lofts project, including project delays, site conditions, and funding uncertainties.
- Risks associated with failing to meet HUD expenditure deadlines and potential loss or reallocation of funds.
- Effectiveness of the First-Time Homebuyer Program and whether proposed changes would increase utilization.
- Limitations on how funds can be used, including eligibility restrictions tied to low- and moderate-income areas.

Ms. Beckett responded that federal requirements dictate eligible uses, timelines, and reporting, and emphasized the need to maintain compliance to avoid recapture of funds. She indicated that if current projects did not proceed, funds may need to be reallocated to other eligible housing activities.

The following individuals spoke during the public hearing:

- Jeff Ketelsen, Billings, Montana, expressed concerns regarding allocation of funds to Sage Tower, citing prior conditions and management concerns.
- Pam Ellis, Billings, Montana, expressed concerns regarding the LB Lofts project and recommended withholding funding until conditions improve.

No further public testimony was given.

Council spoke of concerns with Crime Prevention through Environmental Design (CPTED) funding. Wyeth Friday, Planning and Community Services Director, indicated the program required that eligible parks be in a low income area, which created additional restrictions.

Council continued discussion.

No motion was made; item held for future action.

3. **PUBLIC HEARING AND RESOLUTION 26-11326** declaring the City's intent to dispose of the Babcock Theater. Staff recommends approval.

Tricia Mae, Facilities Manager, presented the resolution and reviewed prior Council direction to explore disposal of the Babcock Theater. She outlined the required public notice process and indicated that approval of the resolution would authorize staff to proceed with the disposal process, with a future purchase and sell agreement to be brought back to Council.

Councilmembers discussed the following:

- The long-term maintenance and operational challenges associated with City ownership of the property.
- The potential for private redevelopment to restore and revitalize the historic theater.
- The importance of ensuring that any future use preserves the character and significance of the property.
- The need for transparency and public input as the disposal process moves forward.

Councilmembers generally expressed support for moving forward with the disposal process to return the property to productive use.

There was no public testimony given during the public hearing.

Councilmember O'Donnell left the meeting at 6:55 P.M.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution declaring the City's intent to dispose of the Babcock Theater, as recommended by staff.

Moved by Councilmember Neese

Seconded by Councilmember Boyett

APPROVED 8-0, Councilmembers Shaw, Kennedy and O'Donnell absent/excused

Councilmember O'Donnell returned at 7:00 P.M.

4. MONTANA LAND USE PLANNING ACT/BILLINGS 2045. No action necessary.

Wyeth Friday, Planning and Community Services Director and Anna Vickers, Planning Manager, provided an update on the Billings 2045 planning process, including:

- Projected housing need of approximately 26,000 units over the next 20 years.
- Current development trends and existing housing shortfall.
- Overview of zoning process changes under the Montana Land Use Planning Act (MULPA), including administrative approvals and reduced public hearing requirements.
- Comparison of current zoning timelines versus proposed streamlined processes.
- Explanation of recent Montana Supreme Court decision affecting future public notice requirements.

Councilmembers discussed the following:

- The balance between increasing housing supply and preserving existing neighborhood character.
- Whether duplex housing should be allowed in all residential zones or limited to specific areas.
- Concerns regarding reduced public notice and opportunities for citizen input under state law.
- Legal constraints imposed by MLUPA and the City's ability to shape local zoning policy.
- Potential creation of an additional land use category to maintain single-family neighborhoods while complying with state law.
- How to apply future land use designations consistently and defensibly across the City.

Councilmembers expressed differing viewpoints, with some emphasizing the need to expand housing options to address affordability and others emphasizing protection of established neighborhoods and predictability for homeowners.

Motion: I move to not include Item A (duplex allowance requirement) in the land use plan.

Moved by Councilmember Neese

Seconded by Councilmember Boyett

APPROVED 5-4, Councilmembers Nicholson, Aguirre, Aspenlieder, and Lindley opposed;
Councilmembers Shaw and Kennedy absent/excused

Councilmember Aspenlieder spoke of creating another column that would separate N3 and N4 to allow urban residential.

Jessica McKee, Deputy City Attorney, cautioned against creating a special land use designation that would make a specific zoning district. She indicated the decision could open the City to legal challenges.

Council continued discussion.

Mr. Friday and Ms. McKee expressed concern with selecting and deselecting neighborhoods for single use designations.

Council also expressed support for holding a joint meeting with the Planning Commission to further discuss the plan.

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 located at the back of the Council chambers or at the podium.)*

The following individuals provided public comment:

- Jeff Ketelsen, Billings, Montana, expressed concerns regarding proposed increases to water and garbage fees and suggested alternative funding approaches.

There were no further speakers.

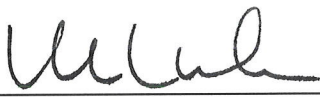
COUNCIL INITIATIVES:

There were no Council initiatives.

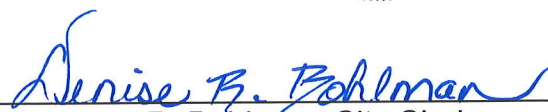
ADJOURN: 7:55 P.M.



CITY OF BILLINGS

BY: 
Mike Nelson, Mayor

ATTEST:

BY: 
Denise R. Bohlman, City Clerk