MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
May 11, 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 Lindley

Present:
Councilmember Kendra Shaw, Ward 1
Councilmember Mark Nicholson, Ward 1
Councilmember Roy Neese, Ward 2
Councilmember Denis Pitman, Ward 2
Councilmember Amy Aguirre, Ward 3
Councilmember Bill Kennedy, 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

Staff
Present:
Chris Kukulski, City Administrator
Kevin Iffland, Assistant 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
Mac Fogelsong, City Engineer
Hunter Kelly, Planner
Karla Stanton, Human Resources Director

MINUTES:

- March 23, 2026 – Pending

- April 27, 2026

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

COURTESIES:

Councilmember Lindley congratulated Councilmember Shaw on her recently published novel called "The Pillagers Guide to Arctic Pianos".

PROCLAMATIONS:

There were no Council proclamations.

COUNCIL REPORTS:

Councilmember Aspenlieder indicated the Council Budget and Finance Committee would not meet until May 20, 2026.

Councilmember Kennedy indicated the Council Legislative and Local Affairs Committee meeting would include a tour of Phillips 66 on May 20, 2026, at 4:00 P.M.

Mayor Nelson indicated the Council Operations Committee had recently met to continue discussion on various boards and commissions.

ADMINISTRATOR REPORTS - CHRIS KUKULSKI

Mr. Kukulski advised Council that:

- A Special Work Session would be held, May 12th, 2026, from 12 Noon – 2 P.M.
- There would be two Budget Work Sessions on Monday, May 18th, 2026 and Tuesday, May 19th, 2026.
- There was 1 exparte communication received after 3 P.M. to the Mayor and Council concerning Consent Agenda Item 1B, Legal Advertising Services Agreement.

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: 1, 3c, 6, 7, 8 and 9 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.)

The following individuals gave public comment:

- Jeff Ketelsen, Billings, Montana, in reference to Regular Agenda Item 6, encouraged caution with giving funding to Homeword.
- Dan Brooks, Chamber of Commerce, Billings, Montana, in reference to Regular Agenda Item 8, encouraged support and spoke of the need for work force housing.
- Danny Choriki, Billings, Montana, in reference to Consent Agenda Item 1B, encouraged Council to find other ways to post legal advertisements.

There was no further public comment.

Councilmember Shaw separated Consent Agenda Item 1B for discussion.

Motion: I move to approve the Consent Agenda, with the exception of Item 1B moved for separation.

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

Councilmember Boyett thanked donors (Consent Agenda Items 1H and 1I) for their generosity.

Council asked for clarification on Consent Agenda 1B and the City's legal requirements for advertising.

Gina Dahl, City Attorney, indicated one of the requirements for legal advertising was publication in a newspaper.

Motion: I move to approve Item 1B, as recommended by staff.

Moved by Councilmember Shaw
Seconded by Councilmember O'Donnell

Council discussed other options and constituents' ability to access legal notices for free at MTpublicnotices.com.

Councilmember Aguirre spoke in support of finding other ways for the City to advertise.

APPROVED 10-1, Councilmember Aguirre opposed

1. <u>CONSENT AGENDA</u>

   A. <u>Bid Awards:</u>

      1. **2027 CCTV Inspection Van.** (Opened 4/7/26) Recommend CUES, Inc.

   B. **Agreement** for legal advertising services with Yellowstone County News.

   C. **Contract Amendment** for Airport Ticket Counter and Baggage Remodel with Martel Construction.

   D. **Purchase** of Palo Alto Networks firewall subscriptions with High Point Networks, LLC.

   E. **Purchase** of NetMotion VPN licenses with CDW.

   F. **Purchase** of furniture and equipment for Amend Recreation Campus (ARC) Courts Complex with Peterson Quality Office.

   G. **Release of Development Agreement** for Albertson's, LLC.

   H. **Donation** to Parks and Recreation Department from Partners for Parks for shade structure at Swords Park.

   I. **Donation** from Anne and Bill Cole for a COVID-19 Memorial plaque in the lobby of City Hall.

   J. **Final Plat** of Amended Srite Acres Subdivision. *Quasi-Judicial

   K. **Resolution of Intent 26-11333** to create SID 1430 and set a public hearing for May 26, 2026.

L. **Second/Final Reading Ordinance 26-5928** expanding the boundaries of Ward 5 - Annexation 26-03.

M. **Second/Final Reading Ordinance 26-5929** expanding the boundaries of Ward 5 - Annexation 26-04.

N. **Bills for the Week of:**

1. April 13, 2026

REGULAR AGENDA:

2. **BILLINGS2045 LAND USE PLAN AND FUTURE LAND USE MAP, CITY ZONING AND SUBDIVISION REGULATIONS:**

a. **PUBLIC HEARING AND RESOLUTION 26-11334** adopting the Billings2045 Land Use Plan and Future Land Use Map.

Wyeth Friday, Planning and Community Services Director and Anna Vickers, Planning Manager, presented the Billings2045 Land Use Plan, Future Land Use Map, and related zoning and subdivision regulation amendments required under the Montana Land Use Planning Act (MLUPA). Staff reviewed housing projections, public outreach efforts, anticipated housing demand, and the transition to more administrative land use approvals under state law.

Council discussed the various amendments proposed by the Interim Planning Commission (IPC).

Councilmember Aspenlieder spoke of frustration with the last-minute recommendations and encouraged moving forward with the resolution as is, without any proposed amendments.

The following individual provided public testimony:

- John Halvorson, Billings, Montana, spoke of the importance of public input with quantitative analysis. He spoke of the need to focus on agriculture land and groundwater concerns.

No further public testimony was given.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution, without any amendments, adopting the Billings2045 Land Use Plan and Future Land Use Map.

Moved by Councilmember Boyett
Seconded by Councilmember Aspenlieder

Councilmembers Kennedy and Pitman spoke of concerns with State mandates and the removal of local control.

Council continued discussion on public notice requirements, duplex allowances, neighborhood character, parking regulations, appeals processes, and concerns regarding state preemption of local land use authority.

APPROVED 8-3, Councilmembers Pitman, Kennedy and O'Donnell opposed

b. **PUBLIC HEARING AND FIRST READING ORDINANCE** amending the City Zoning Regulations.

Staff indicated there was no presentation, but they were available for questions.

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 the City Zoning Regulations to be clarified and conform to the Montana Land Use Planning Act.

Moved by Councilmember Aguirre
Seconded by Councilmember Nicholson

Motion to Amend: I move to include an amendment recommended by the IPC to page 77, "see appeals process graphic located on the Planning Division webpage".

Moved by Councilmember Shaw
Seconded by Councilmember O'Donnell
APPROVED 9-2, Councilmembers Pitman and Kennedy opposed

Motion to Amend: I move to include an amendment recommended by the IPC to page 11 to state, "significantly more intense uses located on blocks with less intense uses shall be located on block ends."

Moved by Councilmember Shaw
Seconded by Councilmember Nicholson

Council discussed the meaning of the term "significantly" and how adding that terminology could be interpreted.

Motion and second was withdrawn.

Councilmember Boyett called the question.

FAILED 5-6, Councilmembers Shaw, Nicholson, Neese, Aguirre, Aspenlieder and Lindley opposed

Motion to Amend: I move to include an amendment recommended by the IPC to Table 27-1300.1. Off Street Parking Standards.

Moved by Councilmember Shaw
Seconded by Councilmember Nicholson
APPROVED 8-3, Councilmembers Pitman, Kennedy and O'Donnell opposed

A vote on the Amended Motion was taken.

Amended Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve First Reading Ordinance amending the City Zoning Regulations to be clarified and conform to the Montana Land Use Planning Act, to include 2 amendments from the IPC to page 77 and Table 27-1300.1.

APPROVED 8-3, Councilmembers Pitman, Kennedy and O'Donnell opposed

Councilmember O'Donnell left the meeting at 8:09 P.M. He returned at 8:15 P.M.

c. **PUBLIC HEARING AND FIRST READING ORDINANCE** amending the City Subdivision Regulations.

Staff indicated there was no presentation, but they were available for questions.

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 the City Subdivision Regulations to be clarified and conform to the Montana Land Use Planning Act.

Moved by Councilmember Boyett
Seconded by Councilmember Lindley
APPROVED 8-2, Pitman and Kennedy opposed, Councilmember O'Donnell absent/excused

Mayor Nelson called for recess at 7:12 P.M. and reconvened the meeting at 7:23 P.M.

3. **JOINT PUBLIC HEARING FOR ANNEXATION 26-02 AND ZONE CHANGE 1079 - LONG SUBDIVISION**

a. **RESOLUTION 26-11335 APPROVING ANNEXATION 26-02:** a parcel of land generally located west of Shiloh Road and north of Hesper Road. Staff recommends conditional approval. *Quasi-Judicial

b. **RESOLUTION FOR ZONE CHANGE 1079:** a parcel of land generally located west of Shiloh Road and north of Hesper Road. Zoning Commission recommends approval and adoption of the 10 review criteria. *Quasi- Judicial.

c. **ANNEXATION AGREEMENT** with JTL Group, Inc. Staff recommends approval.

d. **PUBLIC HEARING AND FIRST READING ORDINANCE** expanding the boundaries of Ward 5 to include recently annexed property in Annexation 26-02: a parcel of land generally located west of Shiloh Road and north of Hesper Road. Staff recommends approval.

Hunter Kelly, Planner, gave an overview of the location for the proposed annexation, the current zoning map and showed photos of the area. He reviewed the annexation policy criteria.

Councilmember Aspenlieder asked for clarification on water and sewer reimbursement being addressed in the development agreement. Mac Fogelsong, City Engineer, indicated water and sewer regulations required some reimbursement from the developer. Staff indicated they could be more consistent in future development agreements.

Council asked for clarification on a settlement agreement regarding stormwater, off-site discharge concerns and legal challenges.

Mr. Fogelsong addressed the stormwater concerns, off-site storage and fill material agreement between the City and the developer.

Gina Dahl, City Attorney, indicated the City had a signed settlement agreement regarding fill material. She indicated there was ongoing discussion occurring regarding the amount of fill material that had been provided.

Councilmember Shaw questioned if the area allotted for parkland was an appropriate use of land. Mr. Kelly indicated the location may not be optimal but was an allowed use.

There was no public testimony during the hearing.

Council continued discussion on the settlement agreement concerns.

Kolten Knatterud, IMEG consultant, spoke of a third party that would be moving forward with development of the land. He addressed the parkland concerns and indicated the subdivision would create additional roads and stormwater solutions at a later point of development.

Mack Long, Knife River General Manager, indicated Knife River was still working through some issues with the amount of fill dirt referenced in the settlement agreement.

Staff reiterated there was a signed settlement agreement between the City and Knife River.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution conditionally approving Annexation 26-02, as recommended by staff.

Moved by Councilmember Kennedy
Seconded by Councilmember Nicholson

Council continued discussion on concerns with the potential disagreement with Knife River and options available to the City. Ms. Dahl and staff gave clarification on postponing the items.

Substitute Motion: I move to delay Regular Agenda Items 3a, 3b, 3c and 3d, up to 90 days.

Moved by Councilmember Shaw
Seconded by Councilmember O'Donnell

APPROVED 9-2, Councilmembers Kennedy and Aspenlieder opposed

4. **PUBLIC HEARING AND RESOLUTION 26-11337** approving 2026 City Annexation Map Amendments. Staff recommends approval.

Wyeth Friday, Planning and Community Services Director, presented the proposed 2026 City Annexation Map Amendments. He explained the amendments and reviewed the City's annexation policy requirements, infrastructure considerations, and coordination with long-range planning efforts.

Council discussed plans for the area near Zimmerman Trail, Grand Avenue and Broadwater Avenue.

Kolten Knatterud, IMEG consultant, thanked Council for their consideration and spoke of potential plans.

Councilmember O'Donnell indicated he would not support the amendments out of concern for the potential annexation of the Meadowlark mobile home court.

The following individual provided public testimony:

- Jeff Ketelsen, Billings, Montana, spoke of negative impacts of annexing property so far away from police and fire services.

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 2026 City Annexation Map Amendments, as recommended by staff.

Moved by Councilmember Pitman
Seconded by Councilmember Neese
APPROVED 10-1, Councilmember O'Donnell opposed

5. **PUBLIC HEARING AND FIRST READING ORDINANCE** amending the South Billings Boulevard Urban Renewal District Expansion Ordinance to correct a property description and mapping error. Staff recommends approval.

Wyeth Friday, Planning and Community Services Director, explained that the ordinance amendment corrected a mapping and property description error discovered during a review by the Montana Department of Revenue. He stated that two Yellowstone County properties had inadvertently been included in the South Billings Boulevard Urban Renewal District expansion area and the amendment would remove those properties to ensure consistency between the legal description and mapping documents.

Councilmembers discussed the technical nature of the correction and the certification process completed through the Department of Revenue.

There was no public testimony during the hearing.

Councilmember O'Donnell left the meeting at 8:42 P.M. He returned at 8:46 P.M. after the vote.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve the first reading ordinance amending the South Billings Boulevard Urban Renewal District Expansion Ordinance, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Kennedy
APPROVED 10-0, Councilmember O'Donnell absent/excused

6. **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING** to Homeword for rehabilitation of Sage Towers, located at 115 North 24th Street. Community Development (CD) Board and staff recommends approval.

Brenda Beckett, Community Services Manager, presented the request for Community Development Block Grant funding for rehabilitation of Sage Towers, located at 115 North 24th Street. She explained that Homeword requested $750,000 in CDBG assistance as part of a larger rehabilitation project totaling approximately $25 million. Proposed improvements included rehabilitation of residential units, common areas, windows, roofing, and mechanical systems.

Ms. Beckett outlined the proposed grant structure, including a 15-year compliance period requiring income qualification monitoring, annual reporting, housing quality inspections, and continued compliance with federal program standards. She also discussed monitoring provisions tied to pest mitigation and property maintenance.

Karissa Trujillo, Homeword Executive Director, discussed the history of the project, tax credit financing requirements, planned building improvements, and steps taken to address prior bedbug and pest concerns. She indicated future property management would be conducted internally rather than through a third-party property management company.

Councilmembers discussed property management accountability, long-term monitoring requirements, affordability standards, rehabilitation financing, and the importance of preserving affordable senior housing units in downtown Billings. Councilmembers also discussed prior public concerns regarding building conditions and the need for continued oversight.

Motion: I move to approve CDBG funding to Homeword for rehabilitation of Sage Towers, as recommended by the CD Board and staff.

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

Mayor Nelson called for recess at 9:08 P.M. and reconvened the meeting at 9:19 P.M.

7. **SPECIAL PRESENTATION: Homeword - LB Lofts**

Patti Webster, HomeFront and Karissa Trujillo, Homeword Executive Director, provided a special presentation regarding the LB Lofts project. Discussion included project status updates, housing goals, financing challenges, and efforts to maintain compliance with federal and state affordable housing requirements.

Councilmembers discussed infrastructure concerns, code compliance, financing structure, and the role of affordable housing developments in meeting long-term housing needs within the community.

Karissa Trujillo, Homeword Executive Director, explained how the current market was affecting the project and steps being made to proceed.

Council continued discussion and several Councilmembers expressed concerns with the project.

No formal action was necessary or taken.

8. **TAX INCREMENT FINANCING ASSISTANCE** from the South Billings Boulevard Urban Renewal District (SBBURD) to HAB Development to build the South Hills Commons, up to a maximum reimbursement of $1,339,202.76, South Billings Boulevard Urban Renewal District Advisory Committee recommends conditional approval.

Sarah Trautman, South Billings Boulevard Urban Renewal District, presented the request for Tax Increment Financing assistance for the South Hills Commons workforce housing project. She explained the project would construct 35 owner-occupied workforce housing units and identified approximately $2.49 million in eligible infrastructure expenses associated with roads, utilities, grading, and storm drainage improvements.

John Dunlap, CRI Logistics, provided additional details regarding the Montana Community Reinvestment Program financing structure and the intended workforce housing model. He explained the homes would remain deed restricted for income-qualified workforce households and emphasized that the project would create long-term taxable housing inventory while reducing barriers to homeownership for moderate-income households. He reviewed the costs to value ratio, and the market rate mortgage amounts under the Access Home Program guidelines.

Councilmembers discussed infrastructure reimbursement, deed restrictions, long-term affordability protections, workforce housing eligibility requirements, traffic impacts, and the broader economic impact of increasing housing supply within South Billings.

Councilmember Aspenlieder spoke of the public improvements needed and indicated the assistance amount should be closer to $1 million.

Motion: I move to conditionally approve tax increment financing assistance from the SBBURD to HAB Development to build the South Hills Commons, up to a maximum reimbursement of $1,339,202.76, as recommended by the SBBURD Advisory Committee.

Moved by Councilmember Shaw
Seconded by Councilmember O'Donnell

Councilmember Kennedy expressed concern with a lack of neighborhood meetings and community input.

Motion to Amend: I move delay up to 1 month to require the developer to establish a documented neighborhood meeting and to amend the amount of tax increment financing assistance to $1 million.

Moved by Councilmember Kennedy
Seconded by Councilmember Neese

Council asked for clarification of public meeting requirements.

Wyeth Friday, Planning and Community Services Director, indicated that tax increment financing assistance projects did not require public neighborhood meetings.

Council continued discussion on ensuring the neighbors were aware of the impacts the development could have on the community.

Mr. Dunlap indicated he could provide education on the project but expressed concern with the idea that neighborhood approval could be required.

Motion to Amend FAILED 5-6, Councilmembers Shaw, Nicholson, Aguirre, Lindley, O'Donnell and Mayor Nelson opposed

Patti Webster expressed concerns with the lack of a standardized checklist for tax increment financing projects.

A vote on the original motion was taken.

APPROVED 8-3, Councilmembers Neese, Kennedy and Aspenlieder opposed

Mayor Nelson called for a recess at 10:40 P.M. and reconvened the meeting at 10:45 P.M.

9. APPOINTMENT OF INTERIM CITY ADMINISTRATOR.

Karla Stanton, Human Resources Director, reviewed the proposed agreement between the City and Kevin Iffland.

City Attorney, Gina Dahl, reviewed proposed edits to the agreement language and clarified revisions previously discussed by Council. She indicated total annualized compensation language had been added in Section 5.7.

Council considered the Interim Appointment Agreement with Kevin Iffland to serve as Interim City Administrator. Councilmembers discussed contract language, compensation terms, and administrative transition planning.

Motion: I move to approve the Interim Appointment Agreement between the City and Kevin Iffland.

Moved by Councilmember Shaw
Seconded by Councilmember O'Donnell

Councilmember Neese spoke of the proposed revisions he had requested to the term date language in Section 4.1 (up to 12 months or ending on the Permanent City Administrator's start date).

Councilmember Shaw withdrew her motion. Councilmember O'Donnell withdrew his second.

Motion: I move to approve the Interim Appointment agreement between the City and Kevin Iffland with proposed revisions to the language in Sections 4.1 and 5.7.

Moved by Councilmember Neese
Seconded by Councilmember O'Donnell
APPROVED 11-0

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 was no public comment.

COUNCIL INITIATIVES:

There were no Council initiatives.

ADJOURN: 11:00 P.M.

CITY OF BILLINGS

CITY OF BILLINGS YELLOWSTONE COUNTY, MONTANA SEAL

BY: Mike Nelson
Mike Nelson, Mayor

ATTEST:

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