MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
May 26, 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 5:32 P.M. The meeting started late due to a Closed Executive Session prior to the meeting from 4:30 P.M. to 5:30 P.M.

CALL TO ORDER: Mayor Nelson

PLEDGE OF ALLEGIANCE: Mayor Nelson

INVOCATION: Councilmember Boyett

ROLL CALL:

Present:
Councilmember Mark Nicholson, Ward 1
Councilmember Roy Neese, Ward 2 - via Zoom
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

Absent/ Excused:
Councilmember Kendra Shaw, Ward 1

Staff Present:
Chris Kukulski, City Administrator
Kevin Iffland, Assistant City Administrator
Gina Dahl, City Attorney
Denise Bohlman, City Clerk
Jeff Roach, Aviation and Transit Director
Paul Khera, Aviation and Transit Assistant Director
Rusty Logan, Transit Manager
Jeffry Sprock, IT Director – via Zoom
Jessica Fust, Building Official
Wyeth Friday, Planning and Community Services Director
Anna Vickers, Planning Manager
Karen Husman, Zoning Coordinator
Hunter Kelly, Planner
Mac Fogelson, City Engineer
Jennifer Duray, Deputy Public Works Director

MINUTES:

- March 27, 2026

Moved by Councilmember Boyett
Seconded by Councilmember Pitman
APPROVED 10-0, Councilmember Shaw absent/excused

- May 11, 2026 – Pending

COURTESIES:

Councilmember Kennedy recognized participants in Memorial Day ceremonies held at Riverside Cemetery, Mountview Cemetery, and Yellowstone National Cemetery, thanking veterans' organizations, the Fire Department Color Guard, Gold Star families, elected officials, and volunteers for honoring fallen service members.

Mayor Nelson recognized City Administrator, Chris Kukulski, at his final council meeting and invited remarks. Mr. Kukulski thanked councilmembers, employees, and the community for the opportunity to serve the City of Billings during the previous seven years, reflecting on organizational accomplishments, public service, and community growth

PROCLAMATIONS:

There were no proclamations.

COUNCIL REPORTS:

There were no Council reports.

ADMINISTRATOR REPORTS - CHRIS KUKULSKI

Mr. Kukulski advised Council that:

- The Bridge Group wished to schedule their next visit for 2 days September 30th for Staff only and October 1st for Staff and Council.
- A Special Work Session was scheduled for Friday, June 5th, from 2:00 P.M. – 4:00 P.M. to continue discussions concerning domestic violence issues in the community.
- Billings Police Department was sponsoring Camp Blue with its School Resource Officers. In past years there have been about 20 participants but this year there were 67 participants enrolled!
- There were NO exparte communications received after 3 pm to the Mayor and Council concerning items on the Agenda.

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: 1, 2, 4c, 6 and 7 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:

- **Dan Brooks,** Billings Chamber of Commerce, in reference to Regular Agenda Item 2, supported the approval of the resolution of intent to create an airport authority.
- **Taylor Kasperick,** Performance Engineering, in reference to Consent Agenda Item 1D, supported approval.
- **Katie Harrison,** in reference to Regular Agenda Item 7, spoke to keeping the Vision Statement as it is.
- **Sandra Schiavon,** in reference to Regular Agenda Item 7, voiced her desire to keep the words "diverse" and "welcoming" in the vision statement.
- **Susan DeCamp,** in reference to Regular Agenda Item 2, voiced concerns about airport noise and health concerns.
- **Jeff Ketelsen,** in reference to Regular Agenda Item 7, voiced his concerns about the vision statement and suggested impact fees be implemented.
- **Martha Rhoades,** in reference to Regular Agenda Item 2, voiced concerns about lost revenues to the City if an airport authority was approved.
- **Brandon Berger, Big Sky Economic Development,** in reference to Regular Agenda Item 2, supported the approval of the resolution of intent to create an airport authority.

There was no further public comment.

Councilmember O'Donnell separated Consent Agenda Item 1D for discussion.

Councilmember Aspenlieder separated Consent Agenda Item 1E to abstain as his business represented the applicant and stated he would also abstain from Item 1D for the same reason.

Councilmember Pitman separated Consent Agenda Items 1F, 1G, and 1H, to oppose approval.

Mayor Nelson separated Consent Agenda Item 1J3 to abstain as his business received payment.

Motion: I move to approve the Consent Agenda, with the exception of Items 1D, 1E, 1F, 1G, 1H, and 1J3 moved for separation.

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

1. **CONSENT AGENDA**

   A. **Bid Awards:** None

   B. **License Agreement Renewal** for Cityworks with Azteca Systems, LLC.

   C. **2025 Justice Assistance Grant (JAG) Application** and Memorandum of Understanding (MOU) with Yellowstone County.

D. **Preliminary Major Plat** for Central Avenue Subdivision. *Quasi-Judicial

Councilmember O'Donnell inquired about traffic impacts associated with the subdivision proposal on Shiloh Road. Questions were addressed by the applicant's engineer, Taylor Kasperick.

Motion: I move to approve the Consent Agenda Item 1D.
Moved by Councilmember Neese
Seconded by Councilmember Pitman
APPROVED 8-1, Councilmember O'Donnell opposed, Councilmember Aspenlieder abstained, Councilmember Shaw absent/excused

E. **Resolution 26-11336 of Intent** to create SID 1429 Clearwater Estates Subdivision, 2nd Filing and 44 West Subdivision Streetlight Improvements.

Councilmember O'Donnell explained his support based upon prior approvals and project status.

Motion: I move to approve the Consent Agenda Item 1E.
Moved by Councilmember Pitman
Seconded by Councilmember Lindley
APPROVED 9-0, Councilmember Aspenlieder abstained, Councilmember Shaw absent/excused

F. **Resolution 26-11337** amending Resolution 24-11241 that created the Interim Planning Commission to Implement the Montana Land Use Planning Act (MLUPA).

Councilmember Pitman voiced his opposition to protest Senate Bill 382. Councilmember Neese expressed support for future legislative revisions. Councilmember Kennedy opposed the legislation as legislative overreach.

Motion: I move to approve the Consent Agenda Item 1F.
Moved by Councilmember Lindley
Seconded by Councilmember Nicholson
APPROVED 7-3, Councilmembers Pitman, O'Donnell and Kennedy opposed, Councilmember Shaw absent/excused

G. **Second/Final Reading Ordinance 26-5930** amending Chapter 27, of the Billings, Montana City Code (BMCC) and adopting the Zoning Regulation amendments associated with the Montana Land Use Planning Act (MLUPA) / Billings 2045.

Councilmember Pitman voiced his opposition to protest Senate Bill 382. Councilmember Neese expressed support for future legislative revisions. Councilmember Kennedy opposed the legislation as legislative overreach.

Motion: I move to approve the Consent Agenda Item 1G.
Moved by Councilmember Lindley
Seconded by Councilmember Nicholson
APPROVED 7-3, Councilmembers Pitman, O'Donnell and Kennedy opposed, Councilmember Shaw absent/excused

H. **Second/Final Reading Ordinance 26-5931** amending Chapter 23 of the Billings, Montana City Code (BMCC) and adopting the Billings 2045 City Subdivision Regulation amendments.

Councilmember Pitman voiced his opposition to protest Senate Bill 382. Councilmember Neese expressed support for future legislative revisions. Councilmember Kennedy opposed the legislation as legislative overreach.

Motion: I move to approve the Consent Agenda Item 1G.
Moved by Councilmember Lindley
Seconded by Councilmember Nicholson
APPROVED 7-3, Councilmembers Pitman, O'Donnell and Kennedy opposed, Councilmember Shaw absent/excused

I. **Second/Final Reading Ordinance 26-5932** amending the South Billings Boulevard Urban Renewal District (SBBURD) Expansion Ordinance to correct a property description and mapping error.

J. **Bills for the Weeks of:**
1. April 20, 2026
2. April 28, 2026
3. May 4, 2026

Motion: I move to approve the Consent Agenda Item 1J3.
Moved by Councilmember Neese
Seconded by Councilmember Pitman
APPROVED 9-0, Mayor Nelson abstained, Councilmember Shaw absent/excused

REGULAR AGENDA:

2. **RESOLUTION 26-11338 OF INTENT** to create an Airport Authority and continue with Phase 2 of the project. Airport Governance Advisory Committee recommends approval.

Jeff Roach, Aviation and Transit Director, and the Airport Governance Consultant, Spencer Gillette, President of Steven Baldwin Associates (SBA), presented the findings of the Airport Governance Study and the recommendation of the Airport Governance Advisory Committee. The presentation reviewed the current municipal governance model, the role of the Aviation and Transit Board, state law authorizing municipal airport authorities, airport authority models used in Montana and nationally, airport financial self-sufficiency, projected transition costs, stakeholder outreach, and the proposed Phase 2 process.

Mr. Gillette stated that Billings Logan International Airport currently operated as an enterprise fund and was financially self-sufficient, requiring no General Fund support. He explained that the airport has operating cash flow, existing capital improvement needs, and future projects, including a parking garage. He also noted that the airport currently pays internal City service charges and that some of those services may need to be addressed during a transition. He indicated an additional Human Resources Manager position would be necessary.

Mr. Gillette explained that all other commercial service airports in Montana operate under airport authority models, and that nationally there has been a trend away from direct municipal operation toward airport authority governance. He noted that the Billings airport was the only major Montana airport that was not operated by an airport authority. He stated that the proposed municipal airport authority would remain a public entity, would be subject to open meeting requirements, annual audits, and public accountability, and would not be a private entity.

Mr. Roach emphasized that the proposed action was not a sale of airport land or assets. He explained that if Council moved forward, Phase 2 would involve the City, consultant, and administration developing the airport authority structure while also beginning the FAA application process. He stated that the airport assets currently held under City sponsorship would remain airport assets and would transfer to the authority only for purposes of continued airport operation and sponsorship.

Councilmember Pitman stated that he viewed the presentation as similar to a Work Session discussion and believed many questions remained. He asked whether the public and airport employees had been included in stakeholder outreach. Mr. Roach responded that presentations had been made to multiple community groups, including the Rimrock Task Force, and that feedback had generally been positive, although some concerns were based on misunderstandings that the proposal involved privatization or sale of the airport.

Councilmember Pitman also asked about financial impacts to City departments that currently provide support to the airport, including HR, payroll, legal, police, fire, finance, and other administrative services. City Administrator, Chris Kukulski, explained that there are internal service charges paid by the airport and that the final relationship between the City and the airport authority would be remedied in Phase 2. Mr. Gillette noted that charges paid by the airport were tied to services received, and that if the authority assumed those services directly, some City staff time currently devoted to airport support could be freed.

Councilmember Nicholson asked whether an airport authority could seek a tax levy in the future. Mr. Gillette responded that such authority would need to be included in the forming resolution, and if it were not included, the authority would not have that option. He added that the City could still choose to support the authority if necessary but stated that other airport authorities in Montana had not returned to their municipal bodies seeking tax levies. Councilmember Nicholson also asked whether the City could return the airport to municipal governance if needed. Mr. Gillette responded it could be done but would require going through FAA and state law processes again.

Councilmember Nicholson asked for examples of inefficiencies under the current structure. Mr. Roach discussed delays associated with leases, agreements, contracts, asset decisions, and hiring. They stated that business decisions at the airport sometimes need to occur more quickly than the current City approval process allows. Mr. Roach identified the Edwards Jet Center transaction involving the purchase of the other fixed-base operator as an example where he could not act directly and had to move the matter through City administration and Council approval, causing a significant delay.

Councilmember Nicholson also asked about recruitment challenges. Mr. Roach stated that airport operations supervisor positions had been difficult to fill because compensation was too low, and that one position had remained open for approximately eight months.

Councilmember Boyett stated that he took issue with lease delays being characterized as a Council problem, noting that lease expiration dates are known in advance and should not be brought to Council at the last minute. He asked what the Airport Director could not do now that he could do under an authority. Mr. Gillette responded that under an authority structure, the airport executive would report directly to the authority board, could form an organizational structure, hire qualified personnel, and work with the board on compensation and benefits without the same level of reliance on City departments and City-wide policies.

Councilmember Aspenlieder spoke in support of the airport authority concept. He stated the airport already operates largely independently, does not require General Fund support, and rarely uses the

City's financing mechanisms. He said the current advisory board structure does not provide the same direct governance as an authority board, and that City Council was not closely involved in airport operations except when contracts came before it. He argued attaching the airport to City administrative policies slows decision-making and limits competitiveness, particularly regarding compensation and business development. He stated that any loss of internal service revenue to City departments could be addressed during the budget process and the benefits of independent airport governance outweighed those concerns.

Councilmember O'Donnell asked what would happen to the existing Aviation and Transit Board if an airport authority were created. Mr. Gillette explained the existing board would no longer oversee the airport and the authority board would become the governing board with full authority over airport operations, budgets, audits, policies, and public meetings. Councilmember O'Donnell also asked whether authority commissioners would be compensated. Mr. Gillette responded such positions were generally uncompensated volunteer positions meeting approximately monthly.

Councilmember Neese stated he agreed with Councilmember Pitman that the matter would have benefited from additional Work Session discussion. He asked how many airport employees had been interviewed as part of the study. Mr. Gillette stated that eight airport employees and two other City administration employees were interviewed, with focus on the airport management team. Councilmember Neese expressed concern that frontline employees had not been consulted. He also questioned what limits the City could place on the authority and how contract approval thresholds would be set. Mr. Gillette explained the authority board would adopt policies consistent with state law and the board would determine appropriate approval limits and procurement policies.

Mayor Nelson called for recess at 7:11 P.M. and reconvened at 7:21 P.M.

Motion: I move to approve a resolution of intent to create an Airport Authority and continue with Phase 2 of the project, as recommended by the Airport Governance Advisory Committee.
Moved by Councilmember Kennedy
Seconded by Councilmember Lindley

Councilmember Kennedy stated concerns could be addressed in Phase 2 and encouraged Council to look at airport authorities in Helena, Bozeman, and Kalispell. He stated the existing Aviation and Transit Board was advisory only, while the proposed authority would be a governing board. He emphasized that Council would continue to appoint board members and additional phases, including FAA consultation and approval, would be brought before the Council.

Councilmember Lindley stated his support. He said the proposal had been a fast-learning process for newer Councilmembers, but he wanted to clarify misconceptions he had heard from the community. He emphasized the proposal was not a sale of the airport to a private entity and the City would retain oversight through board appointments. He supported a City-controlled authority model and said airport business decisions should be made quickly by people familiar with aviation operations.

Councilmember Aspenlieder stated the matter had already been discussed at a March 16 Work Session and Council had created a committee to study the issue. He expressed frustration that Council sometimes forms committees, allows them to do months of work, and then rehashes the issue when recommendations return. He said the committee's work should be given weight and if Council does not intend to rely on committee recommendations, it should reconsider whether committees should be doing that work.

Councilmember Pittman stated he supported the authority concept but wanted to slow the process and allow more public feedback before the Council formally moved forward. He said that once the resolution was approved, it would be difficult to stop the process.

Substitute Motion: I move to postpone action until June 8th Regular Business meeting and for a public hearing to be held.
Moved by Councilmember Pitman
Seconded by Councilmember Neese

Councilmember Pittman explained the delay would allow constituents, airport employees, and stakeholders to provide additional input once the direction became more visible to the public. City Administrator, Chris Kukulski, stated that postponement was possible but noted that June 8 was also budget adoption night and that the airport item should not take precedence over budget adoption.

Councilmember Neese supported postponement, stating that he liked many aspects of the authority model but believed the public needed more information about what the new authority could do and what would happen after formation.

Councilmember Boyett asked whether there would be public comment opportunities in Phase 2 and Phase 3. Mr. Gillette responded that Phase 2 would include development of the authority structure and a future public hearing before adoption of a forming resolution.

Councilmember Aspenlieder opposed postponement, stating that there had already been a work session with public comment, outreach to community groups, and public notice of the meeting. He said the Council had received emails about the proposed City Vision Statement but none about the airport item, which he interpreted as a low level of public concern. He stated that further delay was unnecessary.

Substitute Motion **FAILED 2-8**, Councilmembers Nicholson, Aguirre, Kennedy, Lindley, Aspenlieder, Boyett, O'Donnell and Mayor Nelson opposed, Councilmember Shaw absent/excused

Councilmember Neese stated he remained concerned that Phase 1 had not answered enough questions regarding costs, employee impacts, health insurance, City revenue loss, and the authority structure. He stated although he liked the concept and expected airport authorities generally to be successful, he could not support moving forward without more complete information. He also emphasized that Council needed to remain closely involved in Phase 2.

Mayor Nelson stated that he would support the motion. He said his private-sector experience suggested that executive authority can allow faster action and contrasted that with his early Council experience debating a small increase in swimming fees. He stated that the airport is an underutilized economic engine, referenced the airport's estimated economic contribution, and expressed confidence that the contribution could grow significantly.

Councilmember Pittman stated that he would not support the motion but pledged to be active and involved in Phase 2 to help shape the authority and avoid missteps. He said he believed the authority could be good for the community but did not want to move forward without addressing the remaining concerns.

Original Motion **APPROVED 8-2,** Councilmembers Pitman and Neese opposed, Councilmember

3. **PUBLIC HEARING AND RESOLUTION 26-11339** adopting Solid Waste Collection, Disposal, and Landfill Fees for Fiscal Year 2027. Staff recommends approval.

Deputy Public Works Director, Jennifer Duray, presented the proposed Fiscal Year 2027 Solid Waste Collection, Disposal, and Landfill Fee Schedule. She explained that the proposed rate adjustments were part of the City's annual review of enterprise fund operations and were necessary to maintain long-term financial sustainability of the solid waste system.

The presentation reviewed current operating conditions, revenue requirements, future capital improvement needs, and comparisons with other regional communities. Ms. Duray reported that Billings residential rates continued to be below many comparable Montana and regional jurisdictions while maintaining comprehensive collection and disposal services. The landfill revenues help offset portions of residential service costs.

Ms. Duray explained that several factors contributed to the proposed fee increases.

Personnel costs increased due to wage adjustments necessary to recruit and retain qualified, specialized equipment operators, mechanics, drivers, and landfill personnel in a competitive labor market. Increased insurance costs, equipment replacement needs, fuel costs, and ongoing maintenance expenses also contributed to the proposed rates. Particular emphasis was placed on long-term landfill infrastructure needs, including future landfill cell construction and heavy equipment replacement.

The presentation noted that landfill operations required significant capital planning because future disposal cells must be engineered, permitted, and constructed years before existing capacity is exhausted. Staff stated that rate revenues are used not only to support current operations but also to accumulate reserves necessary for future construction and regulatory compliance requirements.

Comparison data indicated that even with the proposed increase, Billings would remain among the lower-cost municipal solid waste providers in the region.

Councilmember Kennedy questioned whether the City should continue certain recycling collection practices given current commodity market conditions. He specifically asked about cardboard recycling revenues and whether the program remained financially beneficial when transportation and processing costs were considered.

Ms. Duray responded that recycling markets fluctuate significantly from year to year and that cardboard revenues have declined from historical highs. She explained that recycling programs are evaluated not solely on direct revenue generation but also on landfill diversion benefits, customer expectations, and long-term waste management goals. The previous Council had prioritized the cardboard recycling and discussion on continuing the program would be brought to a future work session. The cardboard was not being disposed of in the landfill but rather another company was collecting it and the program was costing the City money.

Councilmember Kennedy indicated he would oppose any increases in fees and questioned whether additional efficiencies could be found before imposing additional charges on ratepayers.

Councilmember Neese asked about long-term financial planning for future landfill development and whether sufficient reserves were being accumulated for future disposal cell construction. Ms. Duray explained the fee structure was designed to support both current operations and future capital obligations. She noted the City would have a bond sale similar to the West End Reservoir Project. Comparisons were made between cities that did not subsidize their residential rates with the subsidized rates of Billings.

Councilmember O'Donnell inquired about alternative revenue sources available to landfill operations and asked whether methane gas collection and related programs contribute meaningful revenue to the enterprise fund. Ms. Duray discussed landfill gas operations and other revenue sources, noting that such revenues help support operations but are not sufficient to offset major capital needs.

Councilmember Pitman inquired about metal recycling and Ms. Duray stated there were many recyclable items being recycled, but there wasn't a market for cardboard, presently.

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 adopting Solid Waste Collection, Disposal, and Landfill Fees for Fiscal Year 2027, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Nicholson

Councilmember Boyett observed that Billings residents continue to receive refuse collection services at rates that compare favorably with many other Montana communities. He stated that maintaining infrastructure and planning for future landfill needs are necessary responsibilities of local government and that rate adjustments are sometimes unavoidable.

APPROVED 9-1, Councilmember Kennedy opposed, Councilmember Shaw absent/excused

4. **JOINT PUBLIC HEARING FOR ANNEXATION 26-05 AND ZONE CHANGE 1081: 1039 Lincoln Lane**

   a. **RESOLUTION 26-11340 APPROVING ANNEXATION 26-05:** a parcel of land generally located at 1039 Lincoln Lane. Staff recommends conditional approval. *Quasi-Judicial

Hunter Kelly, Planner, presented a petition to annex involving property located at 1039 Lincoln Lane. The application included four related actions: annexation of the property into the City of Billings, a corresponding zone change, approval of an annexation agreement, and first reading of an ordinance adjusting ward boundaries to reflect the annexation.

Mr. Kelly explained that the property owners were seeking connect to municipal wastewater service and annexation was required as a condition of receiving City utility services. The property was located adjacent to existing City limits and met statutory requirements for annexation.

The presentation included a review of the property's location, surrounding land uses, existing zoning classifications, utility availability, and future land use designations. The request was consistent with the City's growth policies and would allow the property to receive urban services while maintaining compatibility with surrounding development patterns.

Mr. Kelly further explained that approval of the annexation would require accompanying zoning and administrative actions to ensure the property was incorporated into the City's regulatory framework. He reviewed the zoning classification recommended for the property. Mr. Kelly explained that the proposed zoning designation was consistent with the City's growth policy, surrounding land uses, and anticipated development pattern for the area. The presentation included discussion of the 10 review criteria required under City zoning regulations.

Mr. Kelly reviewed each criterion and concluded that the proposed zoning designation was compatible with adjacent development, would not adversely impact neighboring properties, and would support orderly growth and extension of municipal services.

Councilmembers asked several clarifying questions regarding utility service availability and the sequence of approvals associated with the annexation process.

Mac Fogelsong, City Engineer, explained that annexation is generally required before municipal wastewater services can be extended and that the annexation request had been coordinated with the corresponding zoning and development review processes. He noted that it was not a requirement for failing septic systems to be removed but rather are filled with gravel per requirements from the health department, RiverStone Health.

No public testimony was given during the joint public hearing.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to conditionally approve a resolution for Annexation 26-05, as recommended by staff.

Moved by Councilmember Nicholson
Seconded by Councilmember Pitman
APPROVED 10-0, Councilmember Shaw absent/excused

b. **RESOLUTION 26-11341 FOR ZONE CHANGE 1081:** a parcel of land generally located at 1039 Lincoln Lane. Zoning Commission recommends approval and adoption of the 10 review criteria. *Quasi-Judicial

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution and adopt the 10 review criteria for Zone Change 1081, as recommended by the Zoning Commission.

Moved by Councilmember Nicholson
Seconded by Councilmember Pitman
APPROVED 10-0, Councilmember Shaw absent/excused

c. **ANNEXATION AGREEMENT** with Steven G. and Nadine A. Blazicevich for Tract A of Certificate of Survey 539, generally located at 1039 Lincoln Lane. Staff recommends approval.

There was no presentation but staff was available for questions.

Motion: I move to approve an Annexation Agreement with Steven G. and Nadine A. Blazicevich, as recommended by staff.

Moved by Councilmember Nicholson
Seconded by Councilmember Pitman
APPROVED 10-0, Councilmember Shaw absent/excused

d. **PUBLIC HEARING AND FIRST READING ORDINANCE** expanding the boundaries of Ward 1 to include recently annexed property in Annexation 26-05: a parcel generally located at 1039 Lincoln Lane. Staff recommends approval.

There was no presentation but staff was available for questions.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve first reading ordinance expanding the boundaries of Ward 1 to include annexed property in Annexation 26-05, as recommended by staff.

Moved by Councilmember Nicholson
Seconded by Councilmember Pitman
APPROVED 10-0, Councilmember Shaw absent/excused

5. **PUBLIC HEARING AND RESOLUTION 26-11342 FOR ZONE CHANGE 1082:** generally located at 1935 Avenue B. Zoning Commission recommends approval and adoption of the 10 review criteria. *Quasi-Judicial

Karen Husman, Zoning Coordinator, presented Zone Change 1082, a request involving property owned by Grace United Methodist Church located at 1935 Avenue B.

She explained that the church sought a zoning change from Neighborhood 2 (N2) to Public Lands and Institutions 2 (P2). She noted that Public Lands and Institutions zoning is commonly applied to schools, churches, governmental facilities, and other institutional uses. The proposed zoning would therefore better reflect the existing character and function of the property.

The primary purpose of the request was to bring the zoning designation into alignment with the property's longstanding institutional use and to facilitate installation of updated signage for the church. She explained that the church desired to replace and modernize its existing signage and that the current zoning classification created limitations for the proposed improvements.

The presentation included a review of the property's location, surrounding land uses, zoning classifications, and applicable provisions of the Unified Development Code. Ms. Husman reported that the church has operated at the location for many years and that the proposed zoning classification more accurately reflected the existing use of the property than the current zoning designation.

Ms. Husman further explained that no physical expansion of the church facility was proposed as part of the zoning request and that the action would not significantly alter traffic patterns, parking demand, or neighborhood character.

Ms. Husman reviewed the 10 zoning review criteria required by City regulations and concluded that the proposed zone change met each criterion. She further reported that the request was consistent with the City's adopted growth policy, compatible with surrounding land uses, and would not adversely affect neighboring properties.

The Zoning Commission reviewed the application and recommended approval.

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 and adopt the 10 review criteria for Zone Change 1081, as recommended by the Zoning Commission.

Moved by Councilmember Boyett
Seconded by Councilmember Aguirre
APPROVED 10-0, Councilmember Shaw absent/excused

6. **TAX INCREMENT FINANCING ASSISTANCE** from the East Billings Urban Renewal District (EBURD) to Track Side Auto Body to fence its railroad lease property, up to a maximum reimbursement of $19,137. East Billings Urban Renewal District (EBURD) Advisory Committee recommends approval.

Heather Doty, BIRD Consultant, presented a request from Trackside Auto Body for reimbursement assistance through the East Billings Urban Renewal District (EBURD) Tax Increment Financing program.

Staff explained that the applicant was seeking reimbursement for a portion of the cost associated with installation of fencing improvements on property leased from BNSF Railway. The lease had no end date. The project involved replacement and enhancement of fencing used to secure customer vehicles, improve site appearance, and address conditions identified within the urban renewal district. The proposed fencing project would improve both security and visual appearance along a corridor identified for redevelopment efforts. Customer vehicles are frequently stored on-site and improved fencing would provide enhanced security, screening, and site organization.

Ms. Doty noted that while the fencing would be located on railroad-leased property, the project would provide long-term benefits to the business and improve the appearance of the surrounding area.

The requested reimbursement amount was not to exceed $19,137 and would be funded through available EBURD tax increment revenues.

Ms. Doty reviewed the history of the East Billings Urban Renewal District and explained that the district was established to encourage investment, eliminate blighting influences, stimulate redevelopment, and support economic activity within the district boundaries.

The presentation included photographs of the existing site, descriptions of the proposed improvements, project costs, and discussion of prior TIF-assisted projects within the district.

Motion: I move to approve tax increment financing assistance from the East Billings Urban Renewal District (EBURD) to Track Side Auto Body to fence its railroad lease property, up to a maximum reimbursement of $19,137, as recommended by the EBURD Advisory Board.

Moved by Councilmember Kennedy
Seconded by Councilmember Neese

Councilmember O'Donnell expressed concern that the request primarily benefited a private business and questioned whether the project provided sufficient public value to justify expenditure of tax increment funds.

He noted that TIF revenues are generated through public taxation and stated that he prefers to see those funds directed toward public infrastructure improvements such as streets, sidewalks, utilities, and other projects with a more direct public benefit.

Councilmember O'Donnell questioned whether fencing should be considered a public improvement and expressed concern that approving similar requests could establish a precedent for future reimbursement requests involving private property enhancements.

While acknowledging the value of supporting local businesses, he indicated that he remained unconvinced that the project met the level of public benefit he prefers to see for TIF expenditures.

Councilmembers Aguirre and Neese spoke in support of the request and emphasized the purpose of urban renewal districts as tools to stimulate reinvestment in aging commercial areas.

Councilmember Aspenlieder expressed reservations regarding the request and questioned whether the investment would generate measurable public returns.

He stated that he generally supports economic development efforts but believes TIF expenditures should be evaluated carefully to ensure that public dollars are producing meaningful community benefits.

Councilmember Aspenlieder questioned whether fencing improvements are likely to increase taxable value or stimulate additional redevelopment to the degree anticipated by urban renewal programs.

He indicated that while the project may benefit the business, he was not convinced the public benefit justified expenditure of district funds, especially since the property will never have a structure added to it and it is railroad property not owned by the applicant.

APPROVED 7-3, Councilmembers Aspenlieder, O’Donnell and Mayor Nelson opposed, Councilmember Shaw absent/excused

7. **APPROVAL OF STRATEGIC PLAN** - Mission, Vision, and Values.

Chris Kukulski, City Administrator, presented the proposed Strategic Plan Vision, Mission, and Values framework developed through the City's strategic planning process.

Mr. Kukulski explained that the proposed language represented the culmination of discussions involving Council, City leadership, staff, and community stakeholders during the strategic planning effort. The proposed framework was intended to guide future policy decisions, organizational priorities, budgeting, and service delivery.

The presentation reviewed the proposed Vision Statement, Mission Statement, and Core Values and discussed how each component would be used in future strategic planning and organizational decision-making.

Mr. Kukulski explained that the purpose of the Vision Statement was to articulate the community's long-term aspirations, while the Mission Statement described the role of City government in serving the public. The Values were intended to establish guiding principles for organizational culture and decision-making.

Mr. Kukulski noted that public comment had been received regarding revisions to the Vision Statement, particularly the removal of the words "diverse" and "welcoming" from prior draft language.

Motion: I move to approve the Mission, Vision and Core Values statements as proposed.

Moved by Councilmember Neese
Seconded by Councilmember Boyett

Substitute Motion: I move to remove the newly proposed Vision Statement language.

Moved by Councilmember Nicholson

Died for lack of a second.

Councilmember Aguirre spoke in support of the proposed Vision Statement and addressed concerns raised during public comment.

She noted that the concept of **community** is inherently inclusive and encompasses individuals from all backgrounds, experiences, and perspectives. She explained the revised language as broader and more unifying because it focused on bringing people together under a common identity rather than emphasizing specific descriptors. A strong community should naturally be welcoming and inclusive and those qualities need not be expressly listed in order to remain part of the City's values.

Councilmember Aguirre further stated that the revised language would help create a vision that could be embraced by the widest possible segment of the community.

Original Motion APPROVED 9-1, Councilmember Nicholson opposed, Councilmember Shaw absent/excused

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.)*

The following individual provided public comment:

- **Jeff Ketelsen,** voiced concern about comments made by representatives of the Downtown Business Association during the May 18th Work Session regarding ratification of the Downtown Business Improvement District. He questioned if the City was purchasing assets and then giving them away to private entities.

No further public comment was made.

COUNCIL INITIATIVES:

There were no Council initiatives.

ADJOURN: 8:47 P.M.

CITY OF BILLINGS

BY: ______________________
Mike Nelson, Mayor

CITY OF BILLINGS SEAL YELLOWSTONE COUNTY, MONTANA

ATTEST:

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