MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
June 8, 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 O'Donnell

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: Kevin Iffland, Interim City Administrator
Gina Dahl, City Attorney
Toni Keehner, Deputy City Clerk
Andy Zoeller, Finance Director
Gavin Woltjer, Parks and Recreation Director
Mac Foelsong, City Engineer
Jennifer Duray, Deputy Public Works Director
Wyeth Friday, Planning and Community Services Director

MINUTES:

- May 11, 2026

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

- May 26, 2026

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

COURTESIES:

Councilmember Nicholson recognized Marguerite Jodry as a successful downtown business owner. Ms. Jodry spoke of her store "Popover Kitchen Supply" formerly "Zest" and the downtown community.

Councilmember O'Donnell recognized June 13th as International Day of Prayer.

PROCLAMATIONS:

Mayor Nelson proclaimed June as Montana Scleroderma Awareness Month. Travis Breer, Montana Chapter of National Scleroderma Foundation, spoke of the disease and outreach opportunities. A photo with Council was taken.

COUNCIL REPORTS:

Councilmember Kennedy invited Council and City staff to discuss legislative issues during the Council Legislative and Local Affairs Committee meetings on June 17 and June 24, 2026.

Councilmember Aspenlieder indicated Council Budget and Finance Committee would meet on Wednesday, June 10, 2026.

Mayor Nelson indicated Council Operations Committee met recently to continue discussions on various Boards and Commissions.

ADMINISTRATOR REPORTS - KEVIN IFFLAND

Mr. Iffland informed Council that:

- A motion to realign the agenda was necessary to move Consent Agenda Item 1A3, BID AWARD: SID 1430, after Regular Agenda Item 3: Public Hearing and Resolution Creating SID 1430.
- Councilmember Kennedy indicated he would bring forward an initiative regarding concerns about several intersections with higher crash rates or recurring traffic-safety issues. Councilmember Nicholson also asked about fatal and incapacitating injury crash data.
    - Mr. Iffland indicated a new Council initiative was not needed at this time because it fit within the prior initiative from former Councilmember Rupsis, which already contemplated crash analysis, roadway-design factors, enforcement, and other traffic-safety tools.
    - Staff would coordinate between Public Works and law enforcement to review the crash data and specific intersections of concern and would bring information to Council as work develops.
- There would be a City/County School District meeting Wednesday, June 10th at 11:30 a.m.
- There was 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 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:

- Jeff Ketelsen, in reference to Consent Agenda Item 1G, 2026 Water System Revenue Bonds, spoke of the financial stress on the community and encouraged the City to find other ways to pay for the Water Treatment Plant.

There was no further public comment.

Motion: I move to realign the agenda to move Consent Agenda Item 1A3 to Regular Agenda Item 3a, as recommended by staff.

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

Motion: I move to remove Regular Agenda Item 7 from the agenda and place on a future Work Session agenda.

Moved by Councilmember Pitman
Seconded by Councilmember Boyett

Substitute Motion: I move to postpone the vote to remove Regular Agenda Item 7 until the opportunity to discuss Item 7 has occurred.

Moved by Councilmember Neese
Seconded by Councilmember Boyett

Councilmember Neese encouraged Council to wait until Regular Agenda Item 7 discussion occurred to vote on potentially postponing the item.

Councilmember Aspenlieder requested the motions be withdrawn and the item be addressed later.

All Councilmembers withdrew their motions and seconds.

Councilmember Aspenlieder separated Consent Agenda Item 1I1 to abstain as his business received payment.

Motion: I move to approve the Consent Agenda, with the exception of Items 1I1, moved for separation.

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

1. **CONSENT AGENDA**

A. **Bid Awards:**

1. **2027 Current Model Aerial Lift Truck.** (Opened 5/19/26) Recommend Altec.

2. **Airport West Shuttle Parking Lot.** (Opened 4/21/26) Recommend Knife River.

3. ~~**SID 1430 Annafeld North, 1st Filing and Annafeld Subdivision, 6th & 7th Filing Streetlights.** (Opened 5/5/26) Recommend rejecting all bids.~~ Moved to Regular Agenda Item 3a

4. **Type 3, Model 34 Fire Engine.** (Opened 5/19/26) Recommend Hughes Fire Equipment.

5. **W.O. 25-34: 11th Avenue South Reconstruction.** (Opened 5/19/26) Recommend K2 Civil, Inc.

6. **W.O. 26-01, Contract 1: 2026 Water Main Replacement.** (Opened 5/19/26) Recommend COP Construction, LLC.

7. **W.O. 26-36, Contract 2: CCTV City Storm Drain.** (Opened 5/19/26) Recommend Pace Infrastructure Systems Specialists.

B. **Contract Amendment** with Pride of Montana for custodial services.

C. **Addendum to Mutual Release and Settlement Agreement** with Knife River.

D. **Headworks Screen Replacement** for Water Reclamation Facility from Saveco North America, Inc.

E. **Uninterrupted Power Supplies Replacement** at the 911 Call Center; CDW Government, LLC.

F. **Donation** from Big Sky Economic Development for Colson Park Signage.

G. **Resolution 26-11343** for the 2026B Water System Revenue Bonds.

H. **Second/Final Reading Ordinance 26-5933** expanding the boundaries of Ward 1 - Annexation 26-05.

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

1. May 11, 2026

Motion: I move to approve Consent Agenda Item 1I1.

Moved by Councilmember Neese
Seconded by Councilmember Lindley
APPROVED 10-0, Councilmember Aspenlieder abstained

2. May 18, 2026

REGULAR AGENDA:

2. **PUBLIC HEARING AND RESOLUTION 26-11344** approving and adopting FY26 Budget Amendments. Staff recommends approval.

Andy Zoeller, Finance Director, presented the proposed FY26 budget amendments. He explained that the amendments were primarily administrative in nature and intended to align current-year budget authority with actual expenditures and accounting requirements. He requested additional authority for property and liability insurance deductibles due to higher-than-anticipated claims activity and authorization to utilize airport reserves to retire terminal construction debt earlier than originally scheduled because federal grant funding had significantly reduced the amount of debt required for the project. Additional amendments included authority to return funds associated with state property disposition activities, adjustments related to historic tax credit accounting entries for City Hall debt financing, and increased authority for the Dehler Park netting project, supported in part by additional contributions from the Billings Mustangs.

Council requested clarification regarding total costs associated with the Dehler Park infield and netting improvements. Gavin Woltjer, Parks and Recreation Director, reported the combined project cost was approximately $486,000. He indicated he did not know the Mustangs intent to contribute to upcoming costs or ticket price maintenance.

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 FY26 budget amendments, as recommended by staff.

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

3. **PUBLIC HEARING AND RESOLUTION 26-11345** creating SID 1430, Annafeld Subdivision, 6th and 7th Filing Streetlights and Park Improvements. Staff recommends approval.

Mac Fogelsong, City Engineer, presented the proposed creation of SID 1430 to finance streetlights and park improvements serving portions of the Annafeld Subdivision. The presentation reviewed project boundaries, estimated costs, assessment methodology, and the public benefit associated with the improvements. He explained that the district had previously completed the required resolution of intent process and public notification requirements.

Council discussed the assessment structure and project timing.

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 creating SID 1430, as recommended by staff.

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

a. **SID 1430 Annafeld North, 1st Filing and Annafeld Subdivision, 6th & 7th Filing Streetlights.** (Opened 5/5/26) Staff recommends rejecting all bids.

Kevin Iffland, Interim City Administrator, indicated there was no presentation, but staff was available for questions.

Motion: I move to reject all bids, as recommended by staff.

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

4. **PUBLIC HEARING AND RESOLUTION 26-11346** setting FY27 Street Maintenance District Assessments. Staff recommends approval.

Jennifer Duray, Deputy Public Works Director, presented the FY27 Street Maintenance District assessments. She explained that inflation, personnel cost increases associated with collective bargaining agreements, health insurance costs, liability insurance increases, Zimmerman Trail rockfall mitigation expenses, traffic signal processor upgrades, traffic calming projects, and increased pavement preservation funding all contributed to the proposed assessment adjustments.

Ms. Duray reviewed the two maintenance districts. Street Maintenance District 1, covering the downtown area, funds enhanced snow removal and sweeping services. Because of accumulated reserves resulting from a mild winter season, she recommended no increase for Street Maintenance District 1. Street Maintenance District 2, which encompasses the remainder of the City, was proposed to increase 6.1%, generating approximately $1.1 million in additional revenue. Ms. Duray estimated the increase would amount to approximately $13.19 annually for the average residential property owner.

Councilmember Kennedy questioned roadway maintenance priorities, particularly in Ward 3, and sought assurances that pavement preservation and chip-seal projects would continue in underserved areas. Ms. Duray responded by outlining ongoing citywide maintenance efforts and long-term pavement management goals.

Council discussed Zimmerman Trail and partnering with the State for ongoing maintenance projects.

The following individual gave public testimony:

- Paul Clark commented on maintenance conditions at the Sixth Street Underpass and encouraged use of available resources to improve cleanliness and pedestrian safety in the area.

Following public testimony, Councilmember Kennedy noted that a volunteer cleanup effort had been scheduled.

No further public testimony was given.

Motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve a resolution setting annual street maintenance district assessments for FY27, as recommended by staff.

Moved by Councilmember Shaw
Seconded by Councilmember Boyett
APPROVED 10-1, Councilmember Neese opposed

5. **PUBLIC HEARING AND RESOLUTION 26-11347** setting FY27 Storm Sewer System Fee Rates. Staff recommends approval.

Jennifer Duray, Deputy Public Works Director, presented the proposed FY27 storm sewer utility rates. She reviewed the history of the stormwater utility study, which identified approximately $160 million in system needs and established a phased implementation plan intended to address deferred maintenance, flood protection infrastructure, and long-term capital improvements. The adopted plan included a seven-year rate ramp-up schedule, and FY27 represented the third year of implementation.

She reviewed the Equivalent Residential Unit (ERU) methodology used to calculate fees, explaining how residential, duplex, vacant, and commercial properties are assessed based upon impervious surface area. The proposed rate increased from $8.81 to $9.96 per ERU. That would increase the average residential bill by approximately $1.15 per month and generate roughly $1.3 million in additional annual revenue. She noted that Billings remained generally competitive with comparable communities despite the increase.

Council discussed ongoing efforts to evaluate stormwater fee credits for commercial properties with significant onsite retention and treatment facilities. They discussed previous work session discussions regarding fairness and incentives for private stormwater investments. Discussion also focused on balancing utility revenue needs with equitable treatment of commercial property owners.

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 FY27 Storm Sewer System Fee Rates, as recommended by staff.

Moved by Councilmember Aguirre
Seconded by Councilmember Boyett

Councilmember Kennedy indicated he would vote in opposition because the issue of commercial properties with stormwater containment on their property had not been addressed.

APPROVED 9-2, Councilmembers Neese and Kennedy opposed

6. **PUBLIC HEARING AND RESOLUTION 26-11348** approving and adopting the FY27 budget. Staff recommends approval.

Andy Zoeller, Finance Director, provided an overview of the proposed FY27 budget. He noted that the budget reflected approximately $465 million in revenues and $447 million in expenditures. Major capital projects included Landfill Cell 6 expansion, transportation projects, water system improvements, airport terminal improvements, airport equipment purchases, and South Park Pool renovations. The budget also included 19 new full-time positions; many associated with the Recreation Center and West End Water Treatment Plant. He reviewed estimated tax impacts, utility increases, and the proposed mill levy adjustment.

Council considered a series of Budget and Finance Committee amendments. Discussion focused on management professional development funding, Downtown Tax Increment Financing (TIF) administrative expenditures, Cooperative Safety funding allocations, Legal Department and Code Enforcement staffing levels, marijuana tax allocations, and future sunset provisions for selected TIF programs. Councilmembers repeatedly referenced the extensive work completed through multiple Budget Work Sessions and Budget and Finance Committee meetings.

Several members expressed appreciation for staff collaboration and the relatively limited number of amendments compared to prior budget years. Debate occurred regarding long-term financial planning, staffing priorities, professional services expenditures, and maintaining services while limiting tax impacts.

Councilmember Neese expressed concerns regarding overall spending levels and future fiscal sustainability.

The following individuals gave public testimony:

- Jeff Ketelsen encouraged Council to look more closely at the Downtown Business Improvement District operations and spoke against the TIF budget amendment.
- Kris Glenn spoke against trying to equalize the amounts given to the three improvement districts. She encouraged incentivizing the districts based on their size.
- Paul Clark encouraged Council to budget money towards the South Side pool.

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 FY27 budget, as recommended by staff.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Nicholson

Motion to Amend: I move to reduce Mayor and Council Contingency from $35,000 in the proposed budget to $5,000 and increase City Administration Management and Professional Development funds by $30,000.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Neese

Councilmember Aspenlieder spoke in support of his motion.

APPROVED 11-0

Motion to Amend: I move to reduce the Downtown Tax Increment budget for administration from $258,102 to $183,850.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Neese

Councilmember Aspenlieder spoke in support of his motion.

Council discussed the amounts being spent by the 3 tax increment districts and how much the districts had already reduced in their proposed budgets.

Councilmember O'Donnell left the meeting at 6:26 P.M. and returned at 7:00 P.M.

Substitute Motion: I move to reduce the Downtown Tax Increment budget for administration from $258,102 to $208,102.

Moved by Councilmember Pitman
Seconded by Councilmember Neese

Council discussed the role of the Downtown TIF District and comparisons of the districts.

Councilmember O'Donnell indicated he would not support the cut and spoke of the accomplishments of the Downtown TIF.

Councilmember Shaw spoke of the differences between the 3 districts and indicated the Downtown TIF District provided additional programming for downtown. She spoke against additional cuts.

Councilmember Aguirre indicated the budget cuts the TIF districts had already made were substantial and she would not support the amendment for additional cuts.

Councilmember Lindley spoke of the importance of "return on investment" reporting and the negative impact of additional budget cuts.

Councilmember Nicholson indicated he would not support the amendment.

A vote on the substitute motion was taken.

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

A vote on the original Motion to Amend, to reduce the Downtown Tax Increment budget for administration from $258,102 to $183,850 was taken.

FAILED 4-7, Councilmembers Shaw, Nicholson, Pitman, Aguirre, Lindley, O'Donnell and Mayor Nelson opposed

Motion to Amend: I move to increase the Cooperative Safety budget in the Downtown Tax Increment Financing (TIF) and Business Improvement District (BID) to be split 50/50.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Kennedy

Councilmember Neese asked for clarification. Mr. Zoeller indicated this would be a separate line item and would not be taken from administrative costs.

Katie Schreiner, Downtown Billings Alliance Executive Officer, indicated the assessment value formula would not change.

APPROVED 10-1, Councilmember Neese opposed

Mayor Nelson called a recess at 7:13 P.M. He reconvened at 7:24 P.M.

Motion to Amend: I move to reduce the Legal Department budget by the cost of 1 FTE, by removing one of the vacant positions from the FY27 budget.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Kennedy

Council discussed the request for 2 Legal Department positions and a possible discrepancy in explaining the positions during budget presentations.

Councilmember Shaw spoke of the importance of funding the Legal Department and indicated she would not support the amendment.

APPROVED 8-3, Councilmember Shaw, Nicholson and Aguirre opposed

Motion to Amend: I move to remove the additional Commercial Code Enforcement Officer and related costs from the FY27 budget and if tax revenue is sufficient, when known in the Fall, bring a budget amendment to consider adding it in.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Kennedy

APPROVED 11-0

Motion to Amend: I move to direct $467,065 in marijuana tax revenue to the City Hall debt repayment fund, and if fiscally feasible, direct staff to return with a budget amendment in September to allocate the remaining amount into the same fund.

Moved by Councilmember Shaw
Seconded by Councilmember Boyett

Councilmember Shaw spoke in support of her motion.

Councilmember Aspenlieder expressed cautious support and spoke of concerns about possible affects to the Family Justice Center.

Councilmember Kennedy indicated he would not support the amendment.

APPROVED 10-1, Councilmember Kennedy opposed

Motion to Amend: I move to add a sunset date of 12/31/2029 for the Downtown TIF District Sign Program and Facade Program.

Moved by Councilmember Neese
Seconded by Councilmember Aspenlieder

Councilmember Neese spoke in favor of his motion.

APPROVED 10-1, Councilmember Aguirre opposed

Councilmember Neese indicated he would not support the FY27 budget. He spoke of the City's Charter and the need for a mill cap conversion to address the State's decision.

Councilmember Pitman indicated he would support approval of the FY27 budget "under protest".

Councilmember Lindley spoke of the need to address the high amount being spent on professional services fees.

A vote on the amended original motion was taken.

APPROVED AS AMENDED 10-1, Councilmember Neese opposed

7. **EAST BILLINGS URBAN RENEWAL DISTRICT (EBURD)** Frontage and Site Improvement Program. The EBURD Advisory Committee recommends approval.

Heather Doty, Billings Industrial Revitalization District (BIRD) Director, presented the proposed Frontage and Site Improvement Program on behalf of the East Billings Urban Renewal District (EBURD). She reviewed the purpose of urban renewal financing and explained that the proposed program was designed to support smaller-scale projects that improve safety, accessibility, appearance, code compliance, and reinvestment within the district. Examples included storefront improvements, screening, ADA upgrades, landscaping, blight reduction efforts, and public-facing property enhancements.

Ms. Doty emphasized that the East Billings Urban Renewal Plan identifies reduction of blight, support for existing businesses, improved property conditions, and long-term economic development as core objectives. She explained that the proposed program would provide a consistent framework for evaluating smaller projects that may not significantly increase taxable value but still advance district revitalization goals. Discussion included project eligibility criteria, reimbursement limits, funding caps, sunset provisions, administrative oversight, and Council approval requirements.

Councilmember O'Donnell left the meeting at 7:57 P.M. and returned at 7:59 P.M.

Councilmembers discussed return-on-investment expectations, consistency with other TIF-funded programs, public benefit requirements, and whether projects such as fencing, screening, and site improvements generated sufficient community benefit to justify reimbursement. Several Councilmembers supported the concept but expressed interest in refining eligibility standards and performance measures.

Motion: I move to postpone Regular Agenda Item 7 to a future work session.

Moved by Councilmember Nicholson
Seconded by Councilmember O'Donnell

Councilmembers Aspenlieder and Neese spoke in opposition of the motion.

Councilmember Nicholson and O'Donnell withdrew their motion and second.

Following discussion, the applicant agreed that additional work was warranted and requested withdrawal of the item. Council accepted the withdrawal.

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 individuals provided public comment:

- Jeff Ketelsen, congratulated MET Transit on their efforts in a recent government audit.
- Kris Glenn, spoke of the need for quantifiable results within the TIF Districts.
- Michael Mansfield, spoke of the need for higher fines to deter people from setting off fireworks in the City.

No further public comment was made.

COUNCIL INITIATIVES:

There were no Council initiatives.

ADJOURN: 8:21 P.M.

CITY OF BILLINGS

BY: ______________________

Mike Nelson, Mayor

CITY OF BILLINGS * YELLOWSTONE COUNTY, MONTANA * SEAL

ATTEST:

BY: ______________________

Denise R. Bohlman, City Clerk