

**MINUTES
OF THE BILLINGS CITY COUNCIL
REGULAR BUSINESS MEETING
September 14, 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 Aguirre

ROLL CALL:

Present: Councilmember Kendra Shaw, Ward 1
Councilmember Mark Nicholson, Ward 1
Councilmember Roy Neese, Ward 2
Councilmember Denis Pitman, Ward 2 (Via Zoom)
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
Gavin Woltjer, Parks, Recreation and Public Lands Director
Gina Dahl, City Attorney
Daniela Pavuk, Assistant City Attorney
Gretchen Kersten, Deputy City Attorney
Brian Reeve, Deputy City Attorney
Toni Keehner, Deputy City Clerk
Andy Zoeller, Finance Director
Jennifer Duray, Public Works Deputy Director
Mac Fogelson, City Engineer
Wyeth Friday, Planning and Community Services Director
Anna Vickers, Planning Manager (Via Zoom)
Brenda Beckett, Community Development Manager
Lora Mattox, Transportation Planning Coordinator
Elyse Monat, Transportation Planner

MINUTES:

- August 24, 2026
Moved by Councilmember Boyett
Seconded by Councilmember Aguirre
APPROVED 11-0

COURTESIES:

There were no courtesies.

PROCLAMATIONS:

Mayor Nelson proclaimed September 20, 2026, as Suicide Prevention Day in the City of Billings in conjunction with the Yellowstone Valley Out of the Darkness Walk. The proclamation recognized the significant impact of suicide in Montana and encouraged awareness, education, access to treatment, and community support.

A representative of the American Foundation for Suicide Prevention thanked the Mayor and Council and described local education programs, healing resources for survivors of suicide loss, and the upcoming Out of the Darkness Walk. The event would include family activities, live music, and mental-health-related organizations to connect participants with resources.

COUNCIL REPORTS:

Councilmember Kennedy announced there would be a South Side Task Force meeting on September 17th at 6:00 P.M. The meeting would include discussions about development near Arden Street, a candidate forum, cleanup of the ponds and area near the Sixth Street Underpass, and other neighborhood issues.

Councilmember Kennedy suggested rescheduling the September 16th Legislative and Local Affairs Committee meeting because of conflicts with the Water Reservoir Naming Committee.

Councilmember Neese announced the Budget and Finance Committee would meet September 16th at 9:00 A.M.

INTERIM CITY ADMINISTRATOR REPORT - KEVIN IFFLAND

Mr. Iffland advised Council that:

- Alternate motion language had been provided if Consent Agenda Item 1F was separated.
- Staff requested Consent Agenda Item 1T be removed from the agenda so the pooled sidewalk bonds could be restructured.
- The Legal Department hired 2 new Deputy City Attorneys, Brian Reeve and Gretchen Kersten, and he introduced them. Each briefly described prior legal experience and expressed appreciation for the opportunity to serve the City.

- There were 2 ex parte communications concerning Regular Agenda Item 6 received by the Mayor and Council after 3:00 P.M.

PUBLIC COMMENT on “NON-PUBLIC HEARING” Agenda Items: 1 and 6 ONLY. Speaker sign-in required. (This time is set aside for the public to speak to the City Council. Council Members will listen but will not respond, ask questions, or discuss comments during this time. Questions or concerns needing a response should be directed to City staff after the meeting. Comments are limited to three (3) minutes or as set by the Mayor. Please sign the roster at the back of Council Chambers. 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 provided public comment:

- **Jeff Ketelsen**, spoke in opposition to Regular Agenda Item 6. He objected to using tax increment financing for nonprofit property, cited prior City investments in the Babcock Theater, and expressed concern that diverted tax revenue could otherwise support schools and other public needs.
- **Ryan Cremer**, Executive Director of Family Service and Vice President of the Art House Cinema, supported Item 6. He said TIF was one part of a diversified funding plan, emphasized the theater's cultural and economic value to downtown, and referenced support from the full board and downtown businesses.
- **Donna Healey**, supported Regular Agenda Item 6 and described the Babcock and Art House as community gathering places that strengthen downtown and connect residents.
- **Paul Clark**, commended Family Service's food-box program and commented on the Sixth Street Underpass cleanup, the former sugar factory limestone pile, speeding concerns, neighborhood task forces, and citizen involvement.
- **Mark Sevier**, supported Regular Agenda Item 6 and described the importance of preserving the historic Babcock Theater as part of continued reinvestment in downtown Billings.
- **Sue Baker**, a downtown business owner, supported Regular Agenda Item 6. She said activity near her business declined after the Babcock closed and expressed confidence in Art House's long-term plan for the theater.
- An Art House/Babcock volunteer (no name given) supported Regular Agenda Item 6, describing the theaters' positive community impact, public pride in spaces, and the importance of preserving the Babcock for future generations.

There was no further public comment.

Motion: I move to remove Consent Agenda Item 1T from the agenda, per staff request.

Moved by Councilmember Boyett

Seconded by Councilmember Neese

APPROVED 11-0

Motion: I move to approve the Consent Agenda as submitted, with the exception of Items 1E, 1F, 1K, and 1L moved for separation and Item 1T removed from the agenda.

Moved by Councilmember Shaw

Seconded by Councilmember Boyett

APPROVED 11-0

1. **CONSENT AGENDA**

A. **Bid Awards:**

1. **City Vehicles.** (Opened 8/18/26) Recommend awarding Schedules 1, 2, 3, 5, 6, 7 to Bison Ford; Schedule 4 to Billion Auto Group.

B. **Contract** with KONE for elevator and escalator services at the Airport.

C. **Agreements** with Billings Public Schools and Billings Catholic Schools for School Resource Officer Program.

D. **Purchase** two (2) Ford Police Interceptor Utility SUVs; Duval Ford.

E. **Amendment No. 1, W.O. 26-01, Contract 2: 2026 Sanitary Sewer Replacement;** Morrison Maierle.

Councilmember Aspenlieder asked why engineering costs would equal approximately 20.6 percent of the construction cost. Mac Fogelsong, City Engineer, explained that favorable construction bids reduced the construction total and increased the percentage represented by engineering. He also described difficult design work, including a sewer crossing at Broadwater Avenue and a sewer line beneath a roundabout, and indicated the amendment's unit costs were reasonable.

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

Moved by Councilmember Boyett

Seconded by Councilmember Shaw

APPROVED 11-0

F. **Economic and Financial Analysis of Complete Streets** and recommendation to Policy Coordinating Committee (PCC).

Councilmember Lindley questioned the analysis attributing approximately \$2 billion in economic impact along Shiloh Road to complete streets improvements. He said sidewalks, bicycle facilities, and lighting should be considered primarily as safety improvements, and noted that the study was not a required Metropolitan Planning Organization document. Lora Mattox, Transportation Planning Coordinator and Elyse Monat, Transportation Planner, said the study had been requested by the local governing bodies to provide information and would remain available regardless of Council action.

They explained the project budget was approximately \$45,000 and the work was funded through federal planning funds with local matching funds from Planning fees.

Councilmembers discussed the difficulty of isolating the economic effect of complete-streets elements from the effect of a roadway project as a whole. Several members said the analysis should not be relied upon but emphasized that the proposed action would not repeal or reject the City's complete-streets policy. Councilmember Nicholson stressed that the policy's purpose was to provide safe streets for pedestrians, bicyclists, drivers, and residents who do not have access to a vehicle.

Motion: I move to not approve the Economic and Financial Analysis of Complete Streets.

Moved by Councilmember Neese

Seconded by Councilmember Kennedy

APPROVED 10-1, Councilmember Nicholson opposed

- G. **Donation** to Parks, Recreation and Public Lands from Partners for Parks for Riverfront and Amend Parks.
- H. **FWP Grant Funding Amend Park North Trail Rehab.**
- I. **FWP Grant Funding Phipps Park Connector Trail Rehab.**
- J. **FY2027 Non-Federal Aviation Administration Grants.**
- K. **Final Plat** for Copper Farms Subdivision. *Quasi-Judicial
- L. **Final Plat** of Trailhead Commercial Subdivision. *Quasi-Judicial

Councilmember Aspenlieder disclosed that his firm represented the applicants and recused himself from consideration of Items 1K and 1L.

Motion: I move to approve Consent Agenda Items 1K and 1L.

Moved by Councilmember Neese

Seconded by Councilmember Kennedy

APPROVED 10-0, Councilmember Aspenlieder abstained

- M. **Utility Easement** for Airport West Parking Shuttle Lot; Northwestern Energy.
- N. **Release of Perpetual Right-of-Way Easement** for amended Blocks 255 and 256 of the Billings Original Townsite Subdivision.
- O. **Quitclaim Deed** for Public Right-of-Way from Billings Public Schools.
- P. **Exempt Plat and Quitclaim Deed** for Public Right-of-Way from Billings Public Schools.
- Q. **Resolution 26-11369** amending Special Improvement Light Maintenance District (SILMD) 10 and 214 boundaries.
- R. **Resolution 26-11370** to dissolve the local tow truck list and adopt the State tow truck rotation system.
- S. **Resolution 26-11371** authorizing the use of alternative project delivery for South Park Pool construction.

- T. ~~Bond Resolution for Series 2026 Pooled Special Sidewalk, Curb, Gutter, and Alley Approach Bonds.~~ **REMOVED FROM AGENDA VIA APPROVED MOTION**
- U. **Bond Resolution 26-11372** for Pooled Special Improvement Bonds for Special Improvement Districts 1428, 1429 and 1430.
- V. **Second/Final Reading Ordinance 26-5936** for Zone Change 1065, located at 1440 Governors Boulevard.
- W. **Bills for the Weeks of:**
 - 1. August 11, 2026
 - 2. August 17, 2026

REGULAR AGENDA:

2. **PUBLIC HEARING** to receive input on FY2025-2026 Draft Comprehensive Annual Performance Evaluation Report (CAPER). No action necessary.

Brenda Beckett, Community Development Manager, presented the annual report for Community Development Block Grant and HOME program activities from July 1, 2025, through June 30, 2026. Accomplishments included completion of 32 affordable rental units at Mitchell Court using \$1.2 million in HOME funds; assistance to 463 households with rent, deposits, utilities, and related needs through HOME-ARP supportive services; assistance to 16 households through the first-time homebuyer and foreclosure-prevention program; and service to nearly 200 people through AmeriCorps VISTA-supported nonprofit programs.

Councilmembers asked about growth in first-time homebuyer participation, the total HOME-ARP investment, safeguards against duplication of services, and pending affordable-housing project closings. Ms. Beckett indicated the down-payment assistance program was being used, and every assisted household member was cross-checked to prevent duplication.

No testimony was given during the public hearing. No Council action was required or taken.

3. **PUBLIC HEARING AND RESOLUTION 26-11373** setting and assessing Encroachment Rental fees. Staff recommends approval.

Jennifer Duray, Deputy Public Works Director, explained that annual encroachment fees offset inspection, administration, and right-of-way management costs and help protect mobility, safety, and access within public rights-of-way. She recommended increasing the Tier 1 rate from \$2.32 to \$2.40 per square foot, increasing the minimum annual charge from \$28.00 to \$28.95, and increasing the Tier 2 rate by \$1.00 from \$7.80 per square foot. Estimated annual revenue was approximately \$149,000.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing and considered written and spoken public testimony, I move to approve a resolution setting and assessing encroachment rental fees, as recommended by staff.

Moved by Councilmember Boyett
Seconded by Councilmember Shaw

APPROVED 11-0

4. PUBLIC HEARING AND RESOLUTION 26-11374 setting Special Improvement Lighting Maintenance District (SILMD) assessments. Staff recommends approval.

Jennifer Duray, Deputy Public Works Director, reported that the City reviews assessments annually for 197 street-light districts. Of those, 65 are City-owned, 123 are owned by NorthWestern Energy or Yellowstone Valley Electric Cooperative, and 9 are shared districts. She indicated an overall assessment decrease of approximately \$464,000, producing about \$2.4 million in FY2027 revenue. Assessments would decrease in 187 districts, remain unchanged in seven districts, and increase in three districts. The decrease was attributed primarily to lower-than-anticipated electricity costs and reduced reserve requirements.

The following individual spoke during the public hearing:

- **Jeff Ketelsen**, expressed concern that residents in lower-income lighting districts could struggle to afford assessments and argued that prior community development funding should have been directed to neighborhood lighting rather than the Sage Towers project.

No further public testimony was given.

Motion: Having conducted a public hearing and considered written and spoken public testimony, I move to approve a resolution setting Special Improvement Lighting Maintenance District (SILMD) assessments, as recommended by staff.

Moved by Councilmember Shaw
Seconded by Councilmember Aguirre

APPROVED 11-0

5. PUBLIC HEARING AND RESOLUTION 26-11375 levying and assessing charges for delinquent Sewer and Solid Waste services. Staff recommends approval.

Jennifer Duray, Deputy Public Works Director, explained that state law permits delinquent sewer, stormwater, and solid waste charges to be assessed against property when water shutoff is not available as a collection method. She recommended assessments against 115 properties, averaging approximately \$1,252 per property and totaling approximately \$144,000. The total included about \$90,000 for sewer, \$15,000 for stormwater, and \$39,000 for solid waste.

Councilmember Kennedy asked whether the list included commercial properties awaiting review of stormwater charges because they maintain onsite retention. Ms. Duray indicated it did not and reported that a committee meeting would be scheduled in early October. Councilmember Aguirre

asked how tenants could be protected when a landlord holds the utility account and fails to forward delinquency notices; Ms. Duray agreed to review the issue. Councilmember Neese requested the resolution exhibit be replaced with the spreadsheet that had been emailed showing separate sewer, stormwater, and solid waste amounts. Ms. Duray reported that one customer had paid \$297 after the original list was prepared, reducing the final assessment total.

No public testimony was given during the public hearing.

Motion: Having conducted a public hearing and considered written and spoken public testimony, I move to approve the resolution levying and assessing delinquent sewer, stormwater, and solid-waste charges, as recommended by staff, and to replace the exhibit to the resolution with the spreadsheet provided to Council showing the separate charges.

Moved by Councilmember Neese

Seconded by Councilmember O'Donnell

APPROVED 11-0

Mayor Nelson called for recess at 6:56 P.M. and reconvened the meeting at 7:09 P.M.

6. TAX INCREMENT FINANCING ASSISTANCE from the Downtown Urban Renewal TIF District for building improvements to the Babcock Theater at 2810 2nd Avenue North, up to \$553,000. Downtown Urban Renewal TIF District Advisory Committee recommends approval.

Mehmet Casey, Economic Development Director for the Downtown Billings Partnership, reviewed the Babcock Theater's history, its 2025 ceiling collapse, the City's subsequent transfer of the building to Art House Cinema and Pub, and planned renovations. Eligible costs included alley improvements, fire-alarm and emergency systems, accessibility improvements, asbestos abatement, and landing improvements. The Downtown Urban Renewal District Advisory Committee recommended reimbursement of up to \$553,000 in FY2030 if eligible work was completed in FY2029 and execution of a development agreement within 180 business days.

Mr. Casey indicated State law and City policy did not prohibit nonprofit applicants from receiving TIF assistance. He also spoke of the shared condominium ownership of the building, the effect of improvements on both the theater and privately owned portions, and the economic activity generated by an entertainment venue. He spoke of letters of support from locally owned businesses. He explained the applicant initially requested approximately \$700,000, but staff determined that \$553,000 in proposed expenses were eligible, representing approximately 12 percent of the overall project.

Councilmembers asked about an earlier TIF request, other potential district obligations, shared improvements, the applicant's stated equity, anticipated downtown increment from a new hotel, the Babcock's projected reopening, and historic attendance. Mr. Casey indicated the present request addressed blight and code, safety, accessibility, and other eligible improvements following the ceiling collapse. Matt Blakeslee, Executive Director, stated that the theater was expected to reopen in October and historically averaged approximately 500 patrons per month, with some events drawing 500 to 700 people.

Councilmember Aspenlieder expressed concern that approving the request would reserve funds for approximately three years while the applicant continued fundraising. He proposed allowing preliminary approval without encumbering funds or placing the project on the committed ledger until

the applicant demonstrated that the applicable project phase was fully financed and ready to proceed. Mr. Casey and the applicant indicated that such terms could be negotiated in the development agreement.

Councilmember Lindley cautioned against requiring a fixed amount of private financing if value engineering reduced the final project cost.

Original Motion: I move to conditionally approve tax increment financing assistance from the Downtown Urban Renewal TIF District for building improvements to the Babcock Theater at 2810 2nd Avenue North, up to \$553,000, as recommended by the Downtown Urban Renewal District Advisory Committee.

Moved by Councilmember Shaw
Seconded by Councilmember Lindley

Motion to Amend: I move to amend the motion to grant preliminary conditional approval of up to \$553,000 in TIF assistance for identified eligible improvements, subject to the applicant first demonstrating that the applicable project phase is fully financed and ready to proceed; no TIF funds shall be encumbered, reserved, or placed on the committed ledger as a result of this action before a final funding commitment or reimbursement; the applicant must provide updated financial documentation, final eligible scope and costs, and a construction schedule; and any future assistance remains subject to available TIF capacity, execution of a development agreement, completion of eligible work, submission of paid invoices, and the FY2030 deadline.

Moved by Councilmember Aspenlieder
Seconded by Councilmember Neese

APPROVED 10-1, Councilmember Pitman opposed

Councilmember Kennedy supported the amendment and the transfer of the Babcock to Art House. Councilmember Pitman questioned whether the structure differed sufficiently from the normal reimbursement process and expressed concern about future availability of district funds. Councilmember Neese confirmed that FY2030 would remain the deadline. He spoke of the amount of money the City had already given and did not think further assistance was needed. Councilmember O'Donnell opposed using TIF assistance for the project and said the organization should rely on private fundraising.

A vote on the amended motion was taken.

Amended Motion: I move for conditional approval of up to \$553,000 in TIF assistance for identified eligible improvements, subject to the applicant first demonstrating that the applicable project phase is fully financed and ready to proceed; no TIF funds shall be encumbered, reserved, or placed on the committed ledger as a result of this action before a final funding commitment or reimbursement; the applicant must provide updated financial documentation, final eligible scope and costs, and a construction schedule; and any future assistance remains subject to available TIF capacity, execution of a development agreement, completion of eligible work, submission of paid invoices, and the FY2030 deadline.

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

PUBLIC COMMENT on "NON-AGENDA ITEMS". Speaker Sign-in required. (Restricted to ONLY items not on this printed agenda. This time is set aside for the public to speak to the City Council. Council Members will listen but will not respond, ask questions, or discuss comments during this time. Questions or concerns needing a response should be directed to City staff after the meeting. 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:

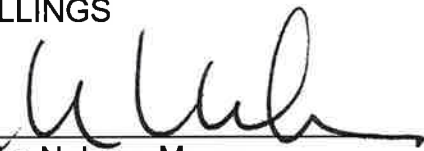
There were no Council initiatives.

ADJOURN: 7:44 P.M.

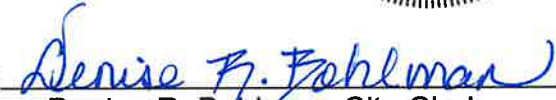


CITY OF BILLINGS

BY: _____


Mike Nelson, Mayor

ATTEST:

BY: 
Denise R. Bohlman, City Clerk