

RESOLUTION CREATING THE BILLINGS AIRPORT AUTHORITY

WHEREAS, the Billings Logan International Airport (BIL or Airport) is owned and operated by the City of Billings (City).

WHEREAS, in 2025 the City formed an Airport Governance Advisory Committee with members of the City Council, the Aviation and Transit Board, City Administration, and regional partners.

WHEREAS, the Airport Governance Advisory Committee performed a seven-month review and assessment of the airport governing model, at the conclusion of which the committee formed recommendations on the airport governing model in favor of creating an airport authority for the operation and management of the Airport.

WHEREAS, the City Council on May 26, 2026, received the final report from the Airport Governance Advisory Committee and voted to adopt the recommendations and pursue the creation of the airport authority.

WHEREAS, the City formed an Airport Governance Transition Steering Committee to help facilitate the creation of the authority and to work with management on drafting governing documentation concerning its creation.

WHEREAS, the Airport Governance Transition Steering Committee oversaw the development of draft governing documentation with management to support the formation of an airport authority.

WHEREAS, the City Council scheduled and conducted a Public Hearing on August 24, 2026, for the purpose of receiving public input on the creation of the airport authority.

NOW, THEREFORE, BE IT RESOLVED, that the Billings City Council hereby adopts this resolution to form the Billings Airport Authority, under 67-11-102, MCA, as follows:

THE BILLINGS AIRPORT AUTHORITY

ARTICLE 1. CREATION

There is hereby created pursuant to 67-11-102, MCA, the Billings Airport Authority (hereinafter referred to as the Authority), a public body corporate and politic.

ARTICLE 2. BOARD OF COMMISSIONERS

2.1 Appointments. The powers of the Authority shall be vested in the board of commissioners of the Authority (hereinafter referred to as the Authority Board or Board), which shall consist of five (5) commissioners appointed by the City Council of the City of Billings.

2.2 Term. The commissioners first appointed shall serve staggered terms of one, two, three, four, and five years respectively. Upon expiration of the terms of the commissioners first appointed, commissioners shall be appointed or reappointed for terms of five years; provided that vacancies occurring otherwise than by expiration of a term shall be filled by appointment by the City Council for the unexpired term. Each commissioner shall hold office until such time as their successor is appointed and has qualified by law to serve.

2.3 Qualifications. All Board members shall be citizens of the United States and residents of Yellowstone County, Montana. One (1) Board member appointed by the City Council shall be a Certified Public Accountant, and one (1) Board member shall be a Professional Engineer. The remaining Board members shall have experience in one of the following: aviation, business, hospitality, marketing, real estate, economic development, or another field of value to the operation of the Authority. Residents of Billings, Montana with three years of professional experience are preferred. The commissioners of the Authority Board shall, within ten days after notice of appointment, file their oath of office and file a bond with the City of Billings in the sum as may be required by law, conditioned by the faithful discharge of their duties of office. The expense of such bond shall be paid from the funds of the Authority.

2.4 Removal for Cause. The City Council may remove a Board member appointed by it, prior to expiration of the member's term, only for cause and only after the process set forth below. Cause means: 1) the member ceasing to meet the qualifications for appointment; 2) failure to attend at least 75% of Board meetings in a rolling-year; 3) conviction of a felony or a crime involving moral turpitude; 4) breach of fiduciary duty to the Authority; 5) failure to disclose or recuse from a conflict of interest as required by Mont. Code Ann. § 2-2-101 et seq.; 6) willful violation of the Authority's adopted ethics policy; 7) default on a financial obligation owed to the City; 8) conduct toward Authority commissioners, staff, or members of the public constituting harassment, threats, or physical or verbal abuse; or 9) any other malfeasance or misfeasance in office. Cause does not include disagreement with, or dissent from, Authority decisions, or the lawful exercise of a member's discretion, voice, or vote in Authority business, however forcefully expressed. Before removal, the member shall receive written notice of the specific grounds at least fifteen (15) days before a hearing before the City Council, an opportunity to appear and respond, and a written decision stating the basis for removal.

2.5 Bylaws. The Board shall adopt, and may from time to time amend, bylaws governing the conduct of its business and the exercise of its powers, consistent with this resolution and applicable law.

2.6 Meetings. The Board shall adopt a schedule of regular meetings and adopt a regular meeting date, place, and time. The Board shall meet not less than once per quarter. A special meeting of the Board may be scheduled as provided in the Board's bylaws, but the Chair shall call a special meeting upon request of at least three (3) members of the Board. All meetings of the Board are subject to the Montana Open Meetings laws.

2.7 Member Compensation. Commissioners shall serve without compensation for service to the Authority but may be reimbursed for actual and necessary expenses incurred in the discharge of their official duties.

2.8 Governing Law. The Board shall be governed by the law of the State of Montana. The Board shall not be governed by the laws of the City of Billings, which are known as the Billings, Montana City Code, or the Billings City Charter.

ARTICLE 3. OFFICERS

3.1 Board Officers. The Board shall annually elect a Chair, Vice Chair, Secretary, and Treasurer. Such officers shall be members of the Board. The Chair of the Board shall be the presiding officer. Except as otherwise provided, the Chair shall not have any executive or administrative functions other than as a member of the Board. In the absence or disability of the Chair, the Vice Chair shall perform the duties of the Chair. The Secretary shall serve as the recoding officer of the Board. All or any portion of the duties of the Secretary may be delegated to a Recording Secretary appointed by the Chair, who may be an agent or employee of the Authority. The Treasurer shall oversee the financial affairs of the Authority but shall have no administrative functions.

3.2 Chief Executive Officer. The Board may appoint a Chief Executive Officer, who shall not be a member of the Board, to serve as the chief administrative officer of the Authority and to employ such other personnel as the Board considers necessary. The Chief Executive Officer shall serve at the pleasure of the Board, subject to the voting requirements of Article 7.

ARTICLE 4. POWERS

4.1 General Powers. The Authority shall be a public body corporate and politic and shall possess all of the powers now or hereafter granted to a Municipal Airport Authority in Title 67 Chapter 11, or any supplements thereto or amendments thereof, or by any other applicable statute of the State of Montana, and by this resolution, and those powers incident thereto. The enumeration of any powers herein shall not be construed as a limitation upon its general powers unless the context shall clearly indicate otherwise.

4.2 Police Powers. In addition to those powers granted to the Authority by 67-11-102, MCA, the City of Billings pursuant to the powers granted to it in 67-10-301 and 67-10-303, MCA hereby vests the Authority with the powers to regulate, protect, and police the Billings Logan International Airport (hereinafter referred to as the Airport) and other air navigation facilities established, owned, or controlled by it. The City further provides the Authority the ability to appoint Airport guards or police with full police powers to enforce reasonable rules, ordinances, and resolutions adopted by the Authority and to fix penalties within the limits prescribed by law for violation thereof. Violations shall be prosecuted in the Billings Municipal Court.

ARTICLE 5. FINANCES

5.1 Monies of the Authority. All monies of the Authority shall be deposited to an FDIC authorized bank in Billings, Montana. Such deposits shall be supported by bank pledges as prescribed under state statute. The Authority may invest money not required for immediate use in accordance with state statute. Money in the funds of the Authority shall be disbursed at the direction of and in a manner prescribed by the Authority Board.

5.2 Budget. Before the beginning of each fiscal year, the Board shall prepare a budget containing an itemized statement of the estimated current operational expenses and the expenses for capital outlay including funds for the operation and development of the Airport, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year or which have previously matured and are unpaid, and an estimate of the revenue of the Authority from all sources for the ensuing fiscal year. The Board must adopt its budget in accordance with the requirements of the Local Government Budget Act, Title 7, chapter 6, part 40, MCA, as amended.

5.3 Annual Audit and Report. The Authority shall perform an annual audit and provide the City of Billings with an original copy of the annual audit in its entirety. In addition to the annual audit, the Authority shall prepare an annual report providing an update to the City of Billings on the financial condition, operations, performance, and management of the Airport.

5.4 Federal and State Monies. The Authority may accept, receive, receipt for, and spend federal and state monies and other monies, public or private, made available by grant, loan, or gift consistent with applicable state law.

5.5 Tax Levy. The Authority shall not have the power to levy a tax. The City retains the municipal power to aid and cooperate with the Authority as provided within 67-11-106, MCA.

ARTICLE 6. AIRPORT PROPERTY

6.1 Property Ownership. The Authority shall assume ownership of and responsibility for the improvement, equipment, operation and maintenance of the Billings Logan International Airport, as identified on the Airport's Exhibit A Property Map. It being expressly understood that such conveyance shall incorporate all of the provisions pertaining to certain rights, licenses, privileges, responsibilities, and grants from the United States Department of Transportation,

Federal Aviation Administration. All debts, obligations and liabilities of the City with respect to the Airport will be assigned and transferred to and shall be assumed by the Authority. Such transfer of Airport property shall be effective upon the Authority receiving an operating certificate from the Federal Aviation Administration.

6.2 Property Disposal. Airport property disposal shall be conducted in accordance with state law as provided within 67-11-232, MCA. Such disposal shall be consistent with the terms and conditions of any federal grants or obligations assumed by the Authority with respect to the property.

ARTICLE 7. VOTING REQUIREMENTS

7.1 Quorum and Voting. A majority of the commissioners of the Authority constitutes a quorum for the purpose of conducting business of the Authority. Unless otherwise provided by law, this resolution, or bylaws adopted by the Board, all questions which arise at a meeting of the Board may be determined by the votes of a majority of members present.

ARTICLE 8. AMENDMENT

The right to alter, amend or repeal this resolution is reserved to the City Council; provided that the City Council shall, to the extent required by any such alteration, amendment or repeal, make provisions for the retention or disposition of the assets and liabilities of the Authority. Any alteration, amendment, or repeal shall be subject to applicable state and federal laws and regulations for the operation of airports. Any changes made to this resolution shall be by an affirmative vote of the majority of the Billings City Council-elect.

The foregoing resolution was adopted by the Billings City Council in Billings, Montana, at a meeting duly held on _____, ____, 2026.

CITY OF BILLINGS

Mayor

Date

ATTEST:

City Clerk

Date