

**RESOLUTION 23-\_\_\_\_\_**

**A RESOLUTION ESTABLISHING GUIDELINES AND  
COMMITMENTS FOR THE COUNCIL INITIATIVE ON PARKS,  
RECREATION, AND TRAILS BOND MANAGEMENT**

WHEREAS, the City Council recognizes the importance of improving the health and safety of our city by increasing recreational opportunities for all citizens through the implementation of bonded projects; and

WHEREAS, it is crucial to establish guidelines, agreements, and commitments between city staff, council, private partners, and the public to ensure the successful management of projects, budgets, partnerships, and future financial obligations related to the parks, recreation, and trails bonds; and

WHEREAS, this resolution aims to outline the general project overview, financial commitments, and project management guidelines for the effective implementation and ongoing management of the bonded projects.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

**Section 1. General Project Overview**

1. The primary goal of the bonded projects is to enhance the health and safety of our city by providing increased recreational opportunities for all citizens. This goal will be achieved by:
  - a. Replacing existing deteriorating facilities;
  - b. Completing partially completed parks according to their adopted master plans; and
  - c. Leveraging grants and pledges from other governmental and private sources.
  
2. The projects included in the bond authorization, along with their respective budgets and existing funds, are listed in alphabetical order as follows:
  - a. Billings Recreation Center - \$110M (\$25M from SBURA)
  - b. Castle Rock Park - \$12M
  - c. Centennial Park - \$8M
  - d. Cottonwood Park - \$1M (\$400k from cash-in-lieu)
  - e. Coulson Park - \$3M
  - f. North Park Center - \$4M
  - g. Poly Vista Park - \$4M
  - h. South Park Pool & Community Center - \$10M

- i. Stagecoach Trail - \$5.535M (\$4.73M from TAP grant, \$100k from TrailNet)
  - j. Trails Projects - \$6.15M (\$500k from DBP, \$1.22M from TAP grants, \$325k from TrailNet)
  - k. West End Water Reservoir - \$6M
  - l. Zimmerman Center - \$4M
3. Bonds will be issued gradually over 3-5 years to ensure that taxpayers experience a gradual increase instead of a sudden one.
4. Park District 1 will be sunset, and the maintenance costs previously covered by Park District 1 will be paid from the General Fund, resulting in a revenue-neutral change in FY24.
5. It is expected that the 74 mills generated for the General Fund will be sufficient to cover costs currently paid out under PD1, the existing park maintenance shortfall, and the increased operation and maintenance costs from the bond-financed projects for approximately 5 years. After that period, a levy for parks, recreation, and trails will likely be necessary, which should include dedicated mills for ongoing incremental parks and trail development.

## **Section 2. Financial Commitments**

1. A capital campaign will be initiated with the goal of raising at least \$6M. Additionally, \$6M in grants will be sought from foundations, agencies, and other organizations supporting parks, trails, and recreation. The funds raised from the capital campaign and grants will be used to reduce the amount levied from taxpayers to pay the annual debt service on the bonds. The capital campaign, including any multi-year pledges, must be completed before construction commences on specific projects.
2. Funds raised through the capital campaign will be tracked separately for each project, allowing donations to be utilized according to the wishes of the donors. Undesignated donations will also be accepted.
3. If the capital campaign falls short of the goal and there is no reasonable path to reach the target, the budgets of projects mentioned in Section 1(2)(a) will be reduced to match the fundraising shortfall.
4. If the total amount raised from the capital campaign and grants exceeds \$12M, the excess funds may be allocated to increase project budgets as desired by the donors or granting agencies.
5. The trails projects will be bonded as TAP funds become available and as TrailNet fulfills its fundraising commitment for each project. The specific budget allocations for the trails projects are outlined in Section 1(2)(i).
6. The City will actively pursue LWCF grant opportunities for park components that do not fit within project budgets. To prevent delays in other approved development,

applications for LWCF grants can be submitted independently of the bonded projects' progress.

7. The ice and aquatic communities have committed to donating existing equipment for use at the rec center. The liquidation of Centennial Ice Arena and the contribution of remaining assets toward construction costs are part of this commitment. Both communities have expressed support for ongoing fundraising and facility surcharges to assist with the construction, operations, and maintenance of the rec center.
8. The capital campaign committee will collaborate with the Parks Department and the Parks, Recreation, and Cemetery Board to establish naming and sponsorship opportunities, including corresponding amounts, for all projects.
9. The Parks Department's Naming Policy Section IV - Naming Considerations and Criteria may be relaxed for these projects, allowing the acceptance of names of living individuals or families.
10. The Billings Tourism Business Improvement District (TBID) has conditionally agreed to provide funding for administrative, operational, promotional, and marketing expenses of the Billings Recreation Center. This agreement aims to defray the anticipated operating shortfall for the center. An MOU between the TBID and the City will formalize this agreement, which must be signed before the bond election. The specifics of the amount and term of the TBID's commitment will be determined during their meeting on July 13.
11. The Partners for Parks Foundation has committed to raising at least \$25k annually to ensure the financial accessibility of Parks Department recreational programming and the Billings Recreation Center to individuals of limited financial means who choose to participate.
12. Adopt-a-Park and Adopt-a-Trail programs will be developed by the Parks Department to help offset parks and trails maintenance costs. These programs may require financial and/or in-kind support from sponsors based on the specific needs of the Department.

### **Section 3: Project Management**

1. The design and construction of the bonded projects shall be managed with the objective of delivering maximum value to the community in a timely manner, while involving the community in key decision-making processes.
2. Construction of the bonded projects will be managed on three separate and parallel paths:
  - a. Public Works will oversee the management of the Stagecoach Trail and Trails Projects, including the installation of major paths/trails around the new

water reservoir. Additional recreational paths may also be included as part of the bonded project cost.

- b. Various project management approaches will be evaluated for the parks projects listed in Section 1(2)(b). Whenever possible, firms capable of delivering multiple streams of work without separate bidding for each component of every project will be preferred. Contracts with firms handling work across multiple projects shall specify both the total budget and individual project budgets. Budget allocations for individual projects cannot be increased by reallocating funds from another project without explicit approval from the affected community steering committees. However, budgets may be increased through additional funds raised from private sources. The project team shall strive to define efficient and timely strategies for working through all projects to maximize their value to the community.
  - c. When contractors are hired for the rec center, contracts will stipulate the total project budget. The budget for the rec center may be increased through additional funds raised from private sources. However, rec center design cannot begin until the TBID MOU has been signed and the necessary approval for covering the rec center's operational deficit has been obtained.
3. Community steering committees will be established for each project to monitor and advise on the project's scope, schedule, communication, and cost. These committees should be small enough to facilitate efficient decision-making while also representing diverse community interests and expertise. Committee composition may vary across projects but should include at least one councilmember and a representative from the neighborhood task force of the ward where the project is located. Committees will ensure the identification and engagement of project stakeholders and provide timely communication throughout the design and construction phases. Design and scope decisions will be made by the committees. If a committee supports design or scope decisions that exceed the project budget, they should raise private funds to meet the shortfall. Council, city staff, and committees must safeguard project budgets against encroachment from other projects.
  4. The City Administrator shall provide monthly reports to the Council regarding the progress of each project. The reports should include updates on completed and remaining work, timeline, budget utilization and commitments, scope and design decisions, and any other project-related issues or concerns relevant to the Council's awareness.

#### **Section 4: Rec Center Management**

1. To effectively manage the operations of the Billings Recreation Center, the City Administrator will establish an operating authority either by creating an operating committee or developing a user agreement with a private organization. The aim is

to minimize political interference, maximize facility usage, and ensure community access to the facility.

- a. If an operating committee is established by the City Administrator, the committee shall consist of one member of city administration or staff, one member appointed from and by the City Council, and five members from the community with substantial functional experience in operating facilities of similar scope and size.
    - i. The legal authority, duties, and procedures of the committee shall be documented in a resolution, memorandum of understanding, or another approved document.
    - ii. As long as the TBID provides \$1/bed/night operational support, one of the five community members will be appointed by the TBID.
  - b. If a user agreement is signed with a private organization, a member of City Council and a member of City staff shall be appointed to the organization's board with full voting rights.
2. The operating authority shall fulfill its duties following the guidelines outlined below:
- a. The Billings Recreation Center's primary mission is to serve the diverse recreational needs of Billings' residents, with a secondary mission to support economic activity through sports tourism and related events.
  - b. The authority will establish a user fee structure, whereby Billings city residents pay lower rates than non-residents for facility usage.
  - c. The authority may directly hire management or contract management services for the Billings Recreation Center with a specialized firm, ensuring the primary mission is upheld. If the authority is a City Administrator committee, all contracts must follow the city's usual processes.
  - d. The annual budget and operating plan for the Billings Recreation Center must be presented to and approved by the Council, similar to the budgets and operating plans for the Billings TBID, Exchange Par 3 Golf Course, and Amend Park Development Council.
  - e. The authority will establish a sponsorship, advertising, and naming rights program for the Billings Recreation Center. The program will be reviewed by city administration to ensure general consistency with other city policies.
  - f. To reduce the annual debt service levied on taxpayers, the authority shall generate and commit \$650,000 of specialized revenues annually throughout the bonds' lifespan. These funds can be generated through sponsorship, advertising, naming rights, temporary facility surcharges (excluding regular city resident memberships and daily admissions), and

other targeted revenue generation. Facility surcharges on regular city resident memberships and daily admissions are not preferable, considering residents' property tax contributions and the importance of keeping the facility accessible to them.

- g. A portion of the rec center's revenues will be allocated to establish a capital maintenance fund to a level recommended by the authority and agreed upon by the City.
- h. The Parks Department may organize recreational programs at the Billings Recreation Center based on a mutually agreeable schedule and facility fee structure between the Department and the authority or its contracted management.

EFFECTIVE DATE. This resolution shall be effective upon adoption.

ADOPTED AND APPROVED by the City Council of the City of Billings, Montana, on the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

CITY OF BILLINGS

By: \_\_\_\_\_  
William A. Cole, Mayor

ATTEST:

By: \_\_\_\_\_  
Denise R. Bohlman, City Clerk