

Council Initiative on Parks, Recreation, and Trails Bond Management

This document describes a set of guidelines, agreements, and commitments between city staff, council, private partners, and the public on how projects will be scheduled, budgets will be managed, partners will be engaged, and future financial obligations will be met should the parks, recreation, and trails bonds be passed by the voters. Future city councils and staff should defer to the contents of this document when making decisions unless unforeseen circumstances dictate otherwise.

General Project Overview

1. The primary goal of these bonded projects is to improve the health and safety of our city through increased recreational opportunities for all citizens by:
 - a. Replacing existing deteriorating facilities,
 - b. Completing partially completed parks as consistently as possible to their adopted master plans, and
 - c. Leveraging grants and pledges from other governmental and private sources.
2. The projects in scope of this bond authorization, along with their budgets and existing funds, include the following (in alphabetical order):
 - 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 as needed so that taxpayers experience gradual increases over 3-5 years instead of a single immediate increase.
4. Park District 1 will be sunset and the parks maintenance costs previously paid out of Park District 1 will be paid out of the General Fund. This change will be revenue neutral in FY24.
5. It is expected that the 74 mills generated for the General Fund will be sufficient to pay for 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. At that point, it is expected that a levy for parks, recreation, and trails will be needed. That levy should include dedicated mills for ongoing incremental parks and trail development.

Financial Commitments

1. A capital campaign will raise at least \$6M. In addition to the capital campaign, \$6M in grants will be sought from foundations, agencies, and other organizations supporting parks, trails, and recreation. The capital campaign and grant funds will be used to reduce the amount that must be levied from taxpayers to pay the annual debt service on the bonds. The capital campaign,

which may include pledges to be paid over multiple years, will be completed before construction can begin on the following projects:

- a. Billings Recreation Center
 - b. Castle Rock Park
 - c. Centennial Park
 - d. Cottonwood Park
 - e. Coulson Park
 - f. Poly Vista Park
 - g. West End Water Reservoir
2. Funds raised under the capital campaign will be tracked separately for each project so that donations can be utilized according to the wishes of the donor. Undesignated donations can also be accepted.
 3. If the capital campaign falls short of expectations with no reasonable path to reaching the goal, the budgets of projects in #1 above may be reduced to match the fundraising shortfall.
 4. If the total raised from the capital campaign and grants exceeds \$12M, funds raised after reaching the \$12M goal may be used to increase project budgets as desired by the donors or granting agency.
 5. The trails projects will be bonded as TAP funds are available and as TrailNet reaches their fundraising commitment for each project.
 - a. Stagecoach Trail - \$100k
 - b. 25th St Bridge - \$50k
 - c. Highway 3 pedestrian underpass - \$25k
 - d. Trail signage - \$25k
 - e. Lillian Ave to Coulson - \$50k
 - f. Yellowjacket Trail - \$75k
 - g. Aronson to Main - \$100k
 6. The City will pursue LWCF grant opportunities where appropriate. Because of the long lead time on these grants, and the desire not to hold back other approved development, the City can apply for LWCF grants to build park components that don't fit within project budgets.
 7. The ice and aquatic communities have made commitments to donate existing equipment that can be used at the rec center. The ice community has committed to liquidating Centennial Ice Arena and any remaining assets used there and donating those funds to help with construction costs. Also, both communities have expressed support for ongoing fundraising and facility surcharges to help support the construction, operations, and maintenance of the rec center.
 8. The capital campaign committee will work with the Parks Department and the Parks, Recreation, and Cemetery Board to establish naming and sponsorship opportunities and amounts for all projects.
 9. The Parks Department's Naming Policy Section IV – Naming Considerations and Criteria may be relaxed for the purposes of these projects so that names of living individuals or families may be accepted.
 10. The Billings Tourism Business Improvement District (TBID) has conditionally agreed to provide funding for administrative, operational, promotional, and marketing expenses for the Billings Recreation Center to help defray the anticipated operating shortfall for the Center. The TBID will

seek to increase the TBID assessment to cover this cost. An MOU between the TBID and the City will formalize this agreement and will be signed before the bond election.

- a. The TBID is meeting on July 13 to consider the specifics of the amount and term of its commitment.
11. The Partners for Parks Foundation has agreed to raise at least \$25k annually to help ensure that Parks Department recreational programming and the Billings Recreation Center remain financially accessible to more people of limited financial means who choose to participate.
12. The Parks Department will develop Adopt-a-Park and Adopt-a-Trail programs to help offset parks and trails maintenance costs. The programs may require financial and/or in-kind support from sponsors according to the specific needs of the Department.

Project Management

1. The design and construction of the bonded projects shall be managed with the goal of delivering as much value to the community as quickly as possible with as much community involvement in key decision making as possible.
2. Construction of the bonded projects will be managed on three separate and parallel paths.
 - a. The Stagecoach Trail and Trails Projects will be managed by Public Works.
 - i. Public Works will install the major paths/trails around the new water reservoir as needed for access to and maintenance of the reservoir facilities using water fees, not bond funds. Additional paths may be required for purely recreational purposes, and those paths can be included as part of the bonded project cost.
 - b. Various project management approaches will be evaluated for the parks projects (Castle Rock, Centennial, Cottonwood, Coulson, North Park Center, Poly Vista, South Park, Water Reservoir, and Zimmerman Center). In general, the desire is to work with firms that can deliver multiple streams of work without having to bid out every component of every project separately.
 - i. When firms are hired to complete work across multiple projects, contracts shall specify the total budget as well as the budget for each individual project.
 - ii. Budgets for any individual project may not be increased by re-allocating funds from another project without the explicit approval of the affected community steering committees. Budgets may be increased through additional funds raised from private sources.
 - iii. To maximize the value of the bonds and to deliver value to the community as quickly as possible, the project team shall define the most efficient and timely way to work through all projects.
 - c. When contractors are hired to complete the rec center, the contracts shall specify the total budget for the project. The budget for the rec center may be increased through additional funds raised from private sources.
 - i. Rec center design cannot begin before the TBID MOU has been signed and the increase to cover the rec center's operational deficit has been approved.
3. Community steering committees shall be established for each project to monitor and advise on the scope, schedule, communication, and cost of the projects.
 - a. Each committee will be small and nimble enough to drive efficient decision making, yet sufficiently sized to represent diverse community interests and expertise. Committee sizes may vary across projects to meet this need.

- b. Each committee shall contain at least a councilmember and a representative of the neighborhood task force from the ward in which the project is located, where possible.
 - c. Committees shall ensure that project stakeholders are identified, appropriately engaged, and receive timely communications throughout design and construction of the project.
 - d. As design and scope decisions need to be made, the committees should make those decisions. If the committee wishes to support design or scope decisions that place the project over budget, the committee should raise private funds to meet that need.
 - e. Council, city staff, and committees shall all ensure that project budgets are protected from encroachment by other projects.
4. The City Administrator shall provide monthly reports to Council on the status of each project. The report shall include updates on work completed, work remaining, timeline, budget used/committed to date, scope and design decisions, and any other project issues/concerns that Council should be aware of.

Rec Center Management

1. To manage the operations of the Billings Recreation Center, the City Administrator will create an operating authority by either (1) directly creating an operating committee or (2) developing a user agreement with a private organization. The goal of this approach is to minimize political interference while maximizing facility usage and ensuring adequate community access to the facility.
 - a. If an operating committee is created by the City Administrator, the committee shall consist of 1 member of city administration or staff, 1 member appointed from and by the City Council, and 5 members chosen from the community with the specific and substantial functional experience needed to operate a facility of this scope and size.
 - i. The legal authority, duties, and procedures of the committee shall be described in a resolution, memorandum of understanding, or other document approved by the City Council.
 - ii. For as long as the TBID provides the \$1/bed/night operational support, 1 of the 5 community members will be named 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 should be appointed to the organization's board with full voting rights.
2. The operating authority shall perform their duties under the following guidelines:
 - a. The primary mission of the Billings Recreation Center is to serve the diverse recreational needs of the residents of Billings. A secondary mission of the Billings Recreation Center is to support economic activity through sports tourism and related events.
 - b. The authority will develop a user fee structure whereby Billings city residents pay lower rates than non-residents for usage of the facility.
 - c. The authority may hire management directly or contract for management services of the Billings Recreation Center with a specialized firm provided the primary mission is respected.
 - i. If the authority is a City Administrator committee, all contracts issued shall follow the usual city processes.

- d. The annual budget and operating plan for the Billings Recreation Center shall be presented to and approved by Council, like the budgets and operating plans for the Billings TBID, Exchange Par 3 Golf Course, and Amend Park Development Council.
- e. The authority will define an ongoing sponsorship, advertising, and naming rights program for the Billings Recreation Center. The program shall be reviewed by city administration for general consistency with other city policies. s
- f. To reduce the amount of annual debt service that must be levied from taxpayers, the authority shall generate and commit to the City \$650,000 of specialized revenues annually over the life of the bonds. Funds can be generated from sponsorship, advertising, naming rights, temporary facility surcharges over and above normal membership and program fees, and other targeted revenue generation.
 - i. Recognizing that residents are already paying for a large portion of the facility via property taxes, and to keep the facility accessible for city residents, facility surcharges on regular city resident memberships and daily admissions are not desirable.
- g. A portion of revenues from the rec center will be used to establish a capital maintenance fund over time and to a level recommended by the authority and agreed to by the City.
- h. The Parks Department may run recreational programs at the Billings Recreation Center based on a schedule and facility fee structure mutually agreeable to the Department and the authority (or its contracted management).