

# MEETING MINUTES

**RECORDED BY:** Melonie Trang

**MEETING PURPOSE:** PRC Special Board Meeting

**MEETING DATE** February 6, 2014  
**AND LOCATION:** Community Center



**ATTENDEES:** PRC Board Members:  
Dayton Rush, Catherine Grott, Rick DeVore, Marcia Clausing,  
Tom Rupis, Rich Lorenz, Darwin George  
PRPL Staff Members:  
Mike Whitaker, Director  
Jon Thompson, Park Superintendent  
Kory Thomson, Recreation Superintendent  
Mark Jarvis, Park Planner  
City Administration Staff Members:  
Tina Volek, City Administrator  
Brent Brooks, City Attorney

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## I. MEETING CALLED TO ORDER

Chairman Rick DeVore called the meeting to order at 11:35

### A. INTRODUCTIONS

New board member Rich Lorenz was introduced.

### B. ADDITIONS TO THE AGENDA

None

## II. PUBLIC/BOARD COMMENT

None

## III. NEW BUSINESS

### A. Funding and Development Agreement between the City of Billings and the Better Billings Foundation:

City Council member Denis Pitman presented to City Council an initiative to have the money in the amount of \$100,000 be given back to the Better Billings Foundation. In other words, the city would release BBF from the section in the agreement (9a-9c) regarding the letter of credit in the amount of \$100,000. The money was part of the agreement between the City of Billings and the Better Billings Foundation.

- Under section 9a in the agreement it states: *“that an annually renewed Irrevocable Standby Letter of Credit in the amount of \$100,000 in the event that all improvements (including buildings and accessory structures)*

*and the Aquatic Project Land revert to the City pursuant to Section 4 of the Agreement, an applicable sale agreement, deed or otherwise, the City shall in its sole and singular discretion be entitled and authorized to execute upon and present for payment this Irrevocable Standby letter of Credit up to and including the full amount in order to make repairs or other expenditures to the Aquatic Project.”*

- This is a ten year agreement. It was made and entered on the 14<sup>th</sup> of December 2009 between the City of Billings and the Better Billings Foundation (BBF) for the development of an aquatic center.
- This agreement renews automatically each year on December 14th.
- The Letter of Credit amount was based on demolition costs on Cobb Field and Athletic pool.
- The parkland assessed value at the time of the agreement was one million.
- If Council agrees with Mr. Pitman and gives back the money, the agreement would have to be modified/amended and that section taken out.
- The Better Billings Foundation built the aquatic facility “Oasis” waterpark on parkland (High Sahara Park) donated by the Parks and Recreation Department. The Parks and Recreation Department still own 2.9 acres adjacent to the water park property.
- It was indicated that the Oasis makes around \$20,000 a year.
- First Interstate Bank is extending the line of credit to the BBF. It is annually renewable. It was issued in October 2011.
- With the current agreement between the city and the BBF, if the Oasis goes out of business the property and land would revert back to the city and turned back into a city park.
- Based on the agreement if the city believed the agreement has been breached or if the provisions of the foundations development agreement with the city have not been fulfilled or corrected after notice that they defaulted on the agreement, the city can present the letter of credit to the bank requesting the \$100,000.

The boards comments regarding Mr. Pitman’s initiative:

- We have an obligation with the neighbor’s to make sure the property does not become an eye sore.
- It was expressed that giving money back would put the city not in a good position.
- Concerns of putting ourselves (the city) in a position of eliminating the requirement of this money because nothing is saying the Oasis will go out of business in the next 150 years. We would get back this property and have no money to take care of it.
- It was expressed that the money was set aside for 20-30 years from now when it is no longer big and beautiful as is now and is now needing repairs.

Additional comments:

- The initiative is currently on the council agenda for February 24<sup>th</sup>.

- Concerns are if down the road there is a major repair that needs to be done to the aquatic center, will the BBF have the revenue to deal with that kind of situation. In addition, if there would be an incident at the center such as a death and a court judgment from that would be in the tens of thousands, would the BBF be able to survive financially from that.
- A recommendation was made that if the Council chooses to give back the money, the city would break ties with the foundation in regards to the city getting the property back.
- A similar situation has happened between the city and the “The Field of Dreams” landscaping company regarding Wilson Park. The company was leasing about 15 acres of park land from the city when it had gone bankrupt, leaving us with the land in a mess costing the Parks and Recreation department thousands of dollars to clean up the site. The site is still not completely cleaned up yet.
- It was mentioned to looking into cleaning up the current agreement.
- Outdoor swimming pools generally are difficult to generate revenue from due to weather and other conditions. You are lucky to cover operating costs such as staffing, pump repairs, and general maintenance.
- Talk was that if the money was returned to the BBF, they would be able to purchase an additional slide for the center.
- It was reminded that this \$100,000 is not cash but a line of credit.

#### **IV. ACTION/ADDITIONAL ITEMS**

Chairman DeVore tabled any action on the initiative and requested it be added to the next week’s regular board meeting agenda for further discussion.

#### **I. ADJOURNMENT**

12:35 pm