

RESOLUTION 23-11148

A RESOLUTION ESTABLISHING GUIDELINES FOR THOSE PARKS, TRAILS, AND RECREATION PROJECTS TO BE FUNDED BY GENERAL OBLIGATION BONDS IF AUTHORIZED BY VOTERS ON NOVEMBER 7, 2023

WHEREAS, Council recognizes the importance of improving the health and safety of the City of Billings by increasing recreational opportunities for all citizens by making parks, trails, and recreation facilities more available; and

WHEREAS, the primary mission of the proposed recreation center is to serve the diverse recreational needs of the residents of Billings. A secondary mission of the recreation center is to support economic activity through sports tourism and related events.

WHEREAS, Council approved a resolution calling for a special election on November 7, 2023, to ask the voters to determine whether the City should be authorized to issue and sell bonds in order to fund the development and improvements for parks, trails, and recreation facilities; and

WHEREAS, if the citizens vote in favor of the question, the City will be authorized to issue and sell general obligation bonds for the purpose of providing funds to pay the costs of designing, constructing, improving, installing, and equipping City parks, trails, and recreation properties and facilities in the City up to \$143 million; and

WHEREAS, Council intends to be fiscally responsible when issuing bonds on any projects and hereby establishes guidelines for the City to follow when scheduling, budgeting, and managing any debt financed projects for parks, trails, and recreation facilities; and

WHEREAS, Council encourages the public to engage in the process of planning parks, trails, and recreation projects to ensure the opportunity for more equitable access to City recreation properties and facilities; and

WHEREAS, Council wishes to recognize the commitments and agreements made by community members and private partners to raise and dedicate future funding to ensure the successful completion and management of these projects; 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 debt financed projects if this ballot measure is approved by voters on November 7, 2023.

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

Section 1. General Project Overview

1. To achieve the primary goal of enhancing the health and safety of Billings by providing increased recreational opportunities for all citizens, Council is focused on the following:
 - a. Replacing existing deteriorating facilities;
 - b. Finishing partially completed parks according to their adopted master plans; and
 - c. Leveraging grants and pledges from other governmental and private sources.
2. The projects, along with their respective budgets, to be funded by authorized general obligation ("G.O.") bonds, if approved on November 7, 2023, by voters, are listed in alphabetical order as follows:
 - a. Castle Rock Park - \$12 million (G.O. bonds)
 - b. Centennial Park - \$8 million (G.O. bonds)
 - c. Cottonwood Park - \$1 million (\$400,000 from cash-in-lieu, \$600,000 from G.O. bonds)
 - d. Coulson Park - \$3 million (G.O. bonds)
 - e. North Park Center - \$4 million (G.O. bonds)
 - f. Poly Vista Park - \$4 million (G.O. bonds)
 - g. Recreation Center - \$110 million (\$25 million from SBBURD tax increment revenue bonds, \$85 million from G.O. bonds)
 - h. South Park Pool & Community Center - \$10 million (G.O. bonds)
 - i. Stagecoach Trail - \$5.535 million (\$4.73 million from Transportation Alternatives Program ("TAP") grant, \$100,000 from TrailNet, \$705,000 from G.O. bonds)
 - j. Trails Projects - \$6.15 million (\$500,000 from Downtown Billings Partnership ("DBP"), \$1.22 million from TAP grants, \$325,000 from TrailNet, \$4.605 million from G.O. bonds)
 - k. West End Water Reservoir - \$6 million (G.O. bonds)
 - l. Zimmerman Center - \$4 million (G.O. bonds)
3. Council anticipates bonds to be issued gradually, in at least three tranches, over 3-5 years to ensure taxpayers experience a gradual instead of an immediate increase. The first tranche is expected to be issued in calendar year 2024 and will be no more than 1/3 of the total available bonding capacity.
4. All requests for authorization to issue debt, whether G.O. bonds or tax increment revenue bonds, must be first reviewed by the Budget and Finance Committee to make a recommendation prior to Council consideration. All requests for authorization to issue debt must be accompanied by a list of projects or tasks that will be carried out with the issuance of said bonds, the proposed budget for

each project/task and the approximate timeline for completion of each project/task. The list of projects and tasks must be placed on a Council work session agenda prior to a vote to approve the authorization to issue bonds. Additionally, the list of projects and tasks must be provided to Council and made available to the public in advance of the work session and the regular meeting in accordance with City policies and public notice and open meeting laws.

5. Park District 1 ("PD 1") will expire and dissolve at the end of calendar year 2024, and the maintenance costs previously assessed and paid through PD 1 will be paid from the General Fund.
6. The G.O. bonds shall cover capital construction and related financing costs only. A future levy for operation and maintenance of parks, recreation, and trails may be needed after construction of all projects is complete. Council believes any future levy should dedicate a specific number of mills for ongoing parks and trails development.
7. In order to support trust and transparency in the election process, City staff and Council members shall ensure their full compliance with the law.
 - a. As provided in the law, City staff may educate citizens on the proposed projects, bonds, and the contents of this resolution and City staff may not advocate for or against a ballot issue.
 - b. Council members may advocate for or against a ballot issue but they shall not use any City resources for the purpose of supporting or opposing a ballot issue.

Section 2. Financial Commitments

1. A capital campaign initiated by foundations, agencies, and other organizations supporting parks, trails, and recreation will endeavor to raise at least \$6 million. Additionally, City staff or other appropriate partners will seek \$6 million in grants. The funds raised from the capital campaign and grants will be used to reduce the amount levied on taxpayers to pay the annual debt service on the bonds, by either reducing the size of the bonds issued or by reducing the annual debt service levy. To the extent possible, funds raised through donations and grants should be used to reduce the amount of bonds issued.
2. The capital campaign reaching the goal of at least \$6 million pledged and/or donated must be accomplished before construction commences on any project, with the exception of trails projects.
3. If the capital campaign falls short of the goal and there is no reasonable path to reach the target, the budgets of projects listed in Section 1, paragraph 2 will be reduced to match the fundraising deficit.

4. 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.
5. Any donations received or pledged prior to July 10, 2023, will not be attributed toward the \$6 million capital campaign goal but may be used to increase the project budgets.
6. If the total amount raised from the capital campaign and grants exceeds \$12 million, the excess funds may be allocated to increase project budgets as requested by the donors or granting agencies.
7. G.O. bonds for trails projects will be issued as grant funds become available and as TrailNet reaches their fundraising commitment for each project. The specific fundraising commitments for the trails projects are:
 - a. Stagecoach Trail - \$100,000
 - b. 25th St Bridge - \$50,000
 - c. Highway 3 pedestrian underpass - \$25,000
 - d. Trail signage - \$25,000
 - e. Lillian Ave to Coulson - \$50,000
 - f. Yellowjacket Trail - \$75,000
 - g. Aronson to Main - \$100,000
8. The City will pursue Land and Water Conservation Fund ("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 debt financed projects' progress.
9. The ice and aquatic communities have committed to donating existing equipment for use at the recreation center. The liquidation of Centennial Ice Arena and the contribution of remaining assets are part of this commitment to reduce the amount levied to pay the annual debt service. Both communities have expressed support for continued fundraising efforts as well as facility surcharges to assist with the construction, operations, and maintenance of the recreation center.
 - a. Based on the Billings Multi-Generational Recreation Center Concept Design ("recreation center master plan") pro forma, the facility surcharge program is expected to raise an additional 10% above anticipated revenues, or approximately \$250,000 - \$300,000 annually.
 - b. Continued fundraising efforts may include late-stage fundraising for specialized equipment (e.g., timers, scoreboards, etc.) needed for sporting events.
10. The Parks, Recreation, and Public Lands Department ("Parks Department") will collaborate with the capital campaign committee and the Parks, Recreation, and Cemetery Board ("Parks Board") to establish naming and sponsorship opportunities for all projects in accordance with City policies.

11. The Billings Tourism Business Improvement District (TBID) has conditionally agreed to provide funding for administrative, operational, promotional, and marketing expenses up to \$800,000 per year for 10 years to help defray the anticipated deficit in operating costs for the recreation center to be funded by the TBID through an increased assessment. 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, which must be signed before the November 7, 2023, election.
12. The Partners for Parks Foundation has committed to raising at least \$25,000 each year to assist individuals of limited financial means access City recreational programming and the recreation center.
13. 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 Parks Department.

Section 3: Project Management

1. The design and construction of the debt financed 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 debt financed projects will be managed as follows:
 - a. Public Works will oversee the management of trails projects within rights-of-way, which may include the installation of major paths/trails around the new water reservoir. Additional recreational paths may also be included as part of the debt financed project cost.
 - b. Various project management approaches will be evaluated for the parks projects listed in Section 1. Whenever possible, firms capable of delivering multiple streams of work without separate bidding for each component of every project is preferred.
 - i. Contracts with firms handling work across multiple projects shall specify both the total budget and individual project budgets.
 - ii. Budget allocations for individual projects cannot be increased by reallocating funds from another project without approval from City Council. However, budgets may be increased through additional funds raised from private sources.
 - iii. The project management team shall strive to define efficient and timely strategies for working through all projects to maximize their value to the community.

Council prefers an approach that will make improvements throughout the City each year, as opposed to only completing a single park project at a time. In the first tranche of bonds issued, Council's initial inclination is to focus on the South Park Pool and building, and the community centers at Castle Rock Park, North Park, Pioneer Park, and Centennial Park, subject to expert guidance from the project management team.

- c. When contractors are hired to build the recreation center, contracts shall specify the total project budget.
 - i. If the recreation center construction costs exceed the budget, the deficit will be reduced by value engineering, reduction of scope, or an additional capital campaign to raise funds privately. The budget for the recreation center shall not be increased by using G.O. bonds allocated for other projects.
 - ii. Recreation center design cannot begin before the MOU with the TBID has been signed and the increased TBID assessment referenced in Section 2, paragraph 11 has been approved.
 - iii. Recreation center construction shall not begin before construction on the first selected group of parks projects has begun.
- 3. The City administrator shall establish community steering committees ("Committees") for each project to monitor and advise on the scope, schedule, communication, and cost of the projects.
 - a. Committees should be small enough to facilitate efficient decision-making while also representing diverse community interests and expertise. Committee size may vary across projects to meet this need. When feasible, Committees should:
 - i. Be primarily comprised of residents or owners of businesses in the general service area of the project.
 - ii. Include at least one council member and, if available, a representative from a functioning neighborhood task force where the project is located.
 - iii. Not contain more than one employee or board member from the Billings Chamber of Commerce, nor more than one employee or board member from Big Sky Economic Development, nor more than one employee or board member from Billings TrailNet.
 - iv. Not include a member of another steering committee.
 - b. Committees will ensure project stakeholders are identified, appropriately engaged, and are provided timely communication throughout the design and construction phases.
 - c. Committees will make recommendations regarding major design and scope decisions to the project management team and/or Council. If a

Committee supports design or scope decisions that exceed the project budget, it should raise private funds to meet the shortfall.

- d. Committees, Council, and City staff must safeguard project budgets against encroachment from other projects.
 - e. Each Committee shall select a Chairperson. Committee meetings shall be open to the public. Minutes of all meetings shall be kept and made available to the public. Audio recordings shall suffice as minutes.
 - f. The City Administrator shall ensure residents with potential financial conflicts of interest are not appointed to any Committee.
 - g. The City Administrator will confer with Council members from the relevant ward prior to appointing Committee members.
- 4. The City Administrator shall ensure a public-facing website presents timely and relevant public information on each project, including, at a minimum, the following: master plans, concept drawings, surveys, planning documents, contracts for services, public meetings, status reports, total budget and total amount spent to-date.
 - 5. The City Administrator shall ensure summary project updates are provided to Council during a work session at least twice per year.

Section 4: Recreation Center Management

- 1. To further the mission of serving diverse recreational needs of Billings' residents and supporting economic activity through sports tourism and related events, the recreation center should be managed with minimal political interference to ensure community access to the facility while maximizing its usage and financial and operational efficiency.
- 2. The City Administrator shall appoint a committee to recommend the optimal management structure for the recreation center considering the mission and goals and make a recommendation to Council.
 - a. The committee shall consist of one member of City administration or staff, one member appointed from and by the City Council, one member appointed by the TBID, and a minimum of three members from the community with specific financial, operational, legal, functional, or community experience needed to solicit, evaluate, and recommend management proposals.
 - b. Committee meetings shall be open to the public. Minutes of all meetings shall be kept and made available to the public. Audio recordings shall suffice as minutes.

- c. If the committee determines the optimal approach is to enter into a contract for management of the facility with a non-City entity, then the committee shall also develop a recommendation regarding how the contract with the selected entity should be managed, whether directly by City staff or by a newly formed operational authority/commission.
- d. The committee should consider the following in making its determination:
 - i. A user fee structure that ensures City residents pay lower rates than non-residents for using the facility.
 - ii. Financial accessibility for low-income residents supported through scholarships, special pricing tiers, or other programs. Standard methods of means testing (e.g., participation in free/reduced school lunch program) may be used to determine eligibility for these programs.
 - iii. The facility manager or the operational authority/committee will need to define an ongoing sponsorship, advertising, and naming rights program for the recreation center consistent with other City policies.
 - iv. To reduce the amount of annual debt service that must be levied on taxpayers, the facility manager will need to generate and commit specialized revenues to the City annually over the term 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.
 - a) The amount of revenue to be generated shall be approved annually by Council as part of the budget process. It is expected, based on the 2023 Victus Advisors Sponsorship and Naming Rights Analysis for the Proposed Billings Sports and Recreation Center and the pro forma in the recreation center master plan, that the target amount will be around \$650,000 annually.
 - b) Since residents are already paying for a majority portion of the facility through property taxes, facility surcharges on regular memberships and daily admissions for City residents should not be allowed.
 - v. The annual budget and operating plan for the recreation center shall be presented to and approved by Council during the ordinary budget cycle, similar to the process for the budget and operating plan for the TBID.
 - vi. A portion of revenues from the recreation center should be used to establish a capital maintenance fund at a level recommended by the committee.
 - vii. If the committee recommends a non-City entity as the facility manager, the Parks Department must be allowed to run

recreational programs at the recreation center based on a schedule and facility fee structure mutually agreeable to the Parks Department and the facility manager.

EFFECTIVE DATE. This resolution shall be effective upon adoption.

ADOPTED AND APPROVED by the City Council of the City of Billings, Montana, on the 28th day of August, 2023.



CITY OF BILLINGS

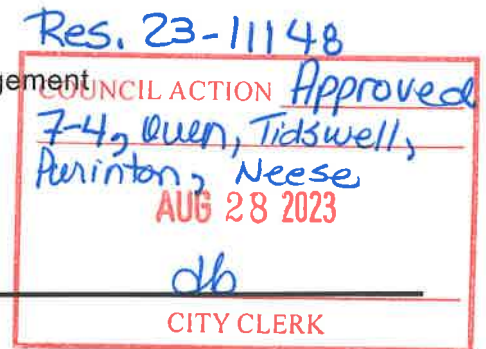
By: William A. Cole
William A. Cole, Mayor

ATTEST:

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

City Council Regular

Date: 08/28/2023
Title: Resolution - parks, trails, recreation project management
Presented by: Gina Dahl
Department: Legal
Presentation: No
Legal Review: Yes
Project Number: N/A

**RECOMMENDATION**

The Council consider changes to the enclosed resolution as proposed.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

On July 10, 2023, Council approved a resolution calling for a special election on November 7, 2023, on whether the City should be authorized to issue general obligation bonds not to exceed \$143 million for parks, trails, and recreation projects. Council also approved an Initiative directing staff to prepare a resolution related to the parks, recreation, and trails bond issue that would outline the agreements and commitments made by the City and private partners based on the information we know now and to provide guidelines regarding decision-making related to the debt financed parks projects for future Councils. Council discussed the project management resolution during the work sessions on July 17 and August 7, 2023, and made several edits and suggestions to the draft resolution provided by Council member Rupsis.

The resolution is intended to memorialize current Council's representations of what projects should be funded as well as how those projects should be scheduled and managed. The resolution is also intended to engage Billings' residents and stakeholders in the continued planning process for parks, trails, and recreation projects and to guide future Councils when making decisions about funding and policy direction.

Section 1. General Project Overview

This section of the proposed resolution provides an overview of the projects and lists the specific projects Council wants to be funded by any bonds issued. It should be noted here that the question posed to the voters on November 7 does not similarly limit the scope of parks, trails, and recreation projects that can be funded. If the voters approve the question, any projects that fall within the scope as described in the election resolution may be funded by the city council. It describes the improvements that would be authorized as those with the purpose of "designing, constructing, improving, installing, and equipping City parks, trails, and recreation properties and facilities in the City... including funds for repairs and improvements to existing City parks, trails, and playgrounds... and to pay the costs associated with the sale and issuance of the bonds." Therefore, this proposed project management resolution declares the Council's intention based on current information however a future Council is not bound by this declaration and may modify or rescind this resolution.

There is an edit to Section 1, paragraph 4 to bring to Council's attention. The original language was "the list of projects and tasks must be provided to Council and made available to the public at least 30 days in advance of a Council vote and must be placed on a Council work session agenda prior to a vote to approve the authorization to issue bonds." This resolution requires three steps before the issuance of bonds is authorized. Those steps include presentations to the Budget and Finance Committee, at a Council work session, and at a regular meeting. In the event the Budget and Finance Committee held its meeting within 10 days prior to a work session and then the matter proceeded to the next regularly scheduled Council meeting, the City would be violating the provisions of this resolution if those events occurred in less than 30 days. There are already timelines and deadlines for providing public notice that comply with public participation and notice requirements. Therefore, staff recommends the edited language included in the proposed resolution which removes the 30-day requirement and instead rely on the current agenda timelines established by the City, which comply with public notice and open meeting requirements of the law.

Section 2. Financial Commitments

This section describes the capital campaign as well as recognizing agreements and commitments for future financial obligations. This section also explains Council's intent to reduce the amount of bonds issued or to reduce the debt service depending on the amounts raised and grants obtained.

Council may want to consider the impact of paragraph 2 of Section 2 which requires the capital campaign goal to be accomplished before any project begins. This is very broad and would impact projects that could otherwise begin.

Staff recommends removing this provision or alternatively adding the phrase "with the exception of trails projects" at the end of that sentence (this language has been included in the attached draft).

Additionally, staff highlights paragraph 7 of Section 2 for Council's consideration. This appears to be inconsistent with paragraph 2 of Section 2 and therefore, unless that sentence has been deleted as requested above, the addition of the language ("with the exception of trails projects") would be necessary if the intent is to allow trails projects to begin before the \$6 million goal is reached.

Section 3. Project Management

The next section describes how parks, trails, and recreation projects should be managed and the creation of community steering committees to assist in narrowing the scope of work for each project to match the proposed budget.

Paragraph 3.f. has been deleted as shown in the attached draft because the public-facing website will have updated information that anyone can access and will accomplish the goal of keeping the Parks Board and committee chairs updated with accurate information.

Staff also requests Council reconsider the preference that any city resident not participate on more than one community steering committee (Section 3.a.iv.). In some situations, there will likely be a handful of people who possess the best qualifications and time available to serve on more than one steering committee and this preference could prevent the committees from being as effective and efficient as possible.

Additionally, staff requests Council reconsider having a separate steering committee for each and every project. It may be the case that a few steering committees would be more proficient at advising on multiple projects than a separate committee. Each project is connected to a comprehensive planning process that included public input and council review and approval. Staff recommends Council also simplify the resolution, removing the committee member selection criteria with a simple clear statement: Steering committees will be established by the city administrator in consultation with the Council members from the relevant ward.

Council should also consider the amount of staff time that will be required to implement the community steering committees. With the addition of the four City Council subcommittees, it is apparent the amount of staff time involved is more than was anticipated. If the resolution is adopted as proposed, steering committees will have requirements for open meetings and public notice which involve city staff to accomplish as well as the numerous hours of staff time to prepare for and attend the meetings.

Section 4. Recreation Center Management

Recreation Center Management is the final section that addresses how the management of the facility should be determined and the factors that should be considered when making that determination. The city has never had a multi-generational recreation center of anything close to this scale. Therefore, I want to state for the record, we don't know, what we don't know. The resolution is consistent with our discussions and sets a path forward that meets our commitment to maximize the facility to the benefit of our residents in partnership with the private sector. The TBID's commitment in the resolution is also critical to our short and long term financial success. We remain committed to operating the facility effectively and efficiently as well as the need to establish and follow financial policies that properly maintain the facility over its lifetime.

ALTERNATIVES

City Council may:

- Approve;
- Amend; or,
- Not Approve

FISCAL EFFECTS

The primary costs associated with the resolution is staff time. Public engagement is critical to making better decisions, building trust and managing expectation but in order to do it well, the administration, parks and recreation dept. and clerk's office will each need to dedicate additional hours to each committee. Decisions to delay other work or add staff will be presented with future fiscal year budget proposals.

Attachments

Resolution

RESOLUTION 23-_____

**A RESOLUTION ESTABLISHING GUIDELINES FOR THOSE
PARKS, TRAILS, AND RECREATION PROJECTS TO BE
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 - b. Continued fundraising efforts may include late-stage fundraising for specialized equipment (e.g., timers, scoreboards, etc.) needed for sporting events.
10. The Parks, Recreation, and Public Lands Department ("Parks Department") will collaborate with the capital campaign committee and the Parks, Recreation, and Cemetery Board ("Parks Board") to establish naming and sponsorship opportunities for all projects in accordance with City policies.

11. The Billings Tourism Business Improvement District (TBID) has conditionally agreed to provide funding for administrative, operational, promotional, and marketing expenses up to \$800,000 per year for 10 years to help defray the anticipated deficit in operating costs for the recreation center to be funded by the TBID assessment. An MOU between the TBID and the City will formalize this agreement, which must be signed before the November 7, 2023, election.
12. The Partners for Parks Foundation has committed to raising at least \$25,000 each year to assist individuals of limited financial means access City recreational programming and the recreation center.
13. 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 Parks Department.

Section 3: Project Management

1. The design and construction of the debt financed 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 debt financed projects will be managed as follows:
 - a. Public Works will oversee the management of trails projects within rights-of-way, which may include the installation of major paths/trails around the new water reservoir. Additional recreational paths may also be included as part of the debt financed project cost.
 - b. Various project management approaches will be evaluated for the parks projects listed in Section 1. Whenever possible, firms capable of delivering multiple streams of work without separate bidding for each component of every project is preferred.
 - i. Contracts with firms handling work across multiple projects shall specify both the total budget and individual project budgets.
 - ii. Budget allocations for individual projects cannot be increased by reallocating funds from another project without approval from City Council. However, budgets may be increased through additional funds raised from private sources.
 - iii. The project management team shall strive to define efficient and timely strategies for working through all projects to maximize their value to the community.

Council prefers an approach that will make improvements throughout the City each year, as opposed to only completing a single park project at a time. In the first tranche of bonds issued, Council's initial inclination is to

focus on the South Park Pool and building, and the community centers at Castle Rock Park, North Park, Pioneer Park, and Centennial Park, subject to expert guidance from the project management team.

- c. When contractors are hired to build the recreation center, contracts shall specify the total project budget.
 - i. If the recreation center construction costs exceed the budget, the deficit will be reduced by value engineering, reduction of scope, or an additional capital campaign to raise funds privately. The budget for the recreation center shall not be increased by using G.O. bonds allocated for other projects.
 - ii. Recreation center design cannot begin before the MOU with the TBID has been signed and the increased TBID assessment referenced in Section 2, paragraph 11 has been approved.
 - iii. Recreation center construction shall not begin before construction on the first selected group of parks projects has begun.
- 3. The City administrator shall establish community steering committees ("Committees") for each project to monitor and advise on the scope, schedule, communication, and cost of the projects.
 - a. Committees should be small enough to facilitate efficient decision-making while also representing diverse community interests and expertise. Committee size may vary across projects to meet this need. When feasible, Committees should:
 - i. Be primarily comprised of residents or owners of businesses in the general service area of the project.
 - ii. Include at least one councilmember and, if available, a representative from a functioning neighborhood task force where the project is located.
 - iii. Not contain more than one employee or board member from the Billings Chamber of Commerce, nor more than one employee or board member from Big Sky Economic Development, nor more than one employee or board member from Billings TrailNet.
 - iv. Not include a member of another steering committee.
 - b. Committees will ensure project stakeholders are identified, appropriately engaged, and are provided timely communication throughout the design and construction phases.
 - c. Committees will make recommendations regarding major design and scope decisions to the project management team and/or Council. If a Committee supports design or scope decisions that exceed the project budget, it should raise private funds to meet the shortfall.

- d. Committees, Council, and City staff must safeguard project budgets against encroachment from other projects.
 - e. Each Committee shall select a Chairperson. Committee meetings shall be open to the public. Minutes of all meetings shall be kept and made available to the public. Audio recordings shall suffice as minutes.
 - ~~f. At least once per quarter, all committee chairs, the Parks Board, and the City Administrator shall meet to review each project status and to ensure all groups have consistent information.~~
 - g. The City Administrator shall ensure residents with potential financial conflicts of interest are not appointed to any Committee.
 - h. The City Administrator will confer with Council members from the relevant ward prior to appointing Committee members.
4. The City Administrator shall ensure a public-facing website presents timely and relevant public information on each project, including, at a minimum, the following: master plans, concept drawings, surveys, planning documents, contracts for services, public meetings, status reports, total budget and total amount spent to-date.
 5. The City Administrator shall ensure summary project updates are provided to Council during a work session at least twice per year.

Section 4: Recreation Center Management

1. To further the mission of serving diverse recreational needs of Billings' residents and supporting economic activity through sports tourism and related events, the recreation center should be managed with minimal political interference to ensure community access to the facility while maximizing its usage and financial and operational efficiency.
2. The City Administrator shall appoint a committee to recommend the optimal management structure for the recreation center considering the mission and goals and make a recommendation to Council.
 - a. The committee shall consist of one member of City administration or staff, one member appointed from and by the City Council, one member appointed by the TBID, and a minimum of three members from the community with specific financial, operational, legal, functional, or community experience needed to solicit, evaluate, and recommend management proposals.
 - b. Committee meetings shall be open to the public. Minutes of all meetings shall be kept and made available to the public. Audio recordings shall suffice as minutes.

- c. If the committee determines the optimal approach is to enter into a contract for management of the facility with a non-City entity, then the committee shall also develop a recommendation regarding how the contract with the selected entity should be managed, whether directly by City staff or by a newly formed operational authority/commission.
- d. The committee should consider the following in making its determination:
 - i. A user fee structure that ensures City residents pay lower rates than non-residents for using the facility.
 - ii. Financial accessibility for low-income residents supported through scholarships, special pricing tiers, or other programs. Standard methods of means testing (e.g., participation in free/reduced school lunch program) may be used to determine eligibility for these programs.
 - iii. The facility manager or the operational authority/committee will need to define an ongoing sponsorship, advertising, and naming rights program for the recreation center consistent with other City policies.
 - iv. To reduce the amount of annual debt service that must be levied on taxpayers, the facility manager will need to generate and commit specialized revenues to the City annually over the term 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.
 - a) The amount of revenue to be generated shall be approved annually by Council as part of the budget process. It is expected, based on the 2018 Victus Advisors Yellowstone County Sports Facility Market Needs Assessment and the pro forma in the recreation center master plan, that the target amount will be around \$650,000 annually.
 - b) Since residents are already paying for a large portion of the facility through property taxes, facility surcharges on regular memberships and daily admissions for City residents should not be allowed.
 - v. The annual budget and operating plan for the recreation center shall be presented to and approved by Council during the ordinary budget cycle, similar to the process for the budget and operating plan for the TBID.
 - vi. A portion of revenues from the recreation center should be used to establish a capital maintenance fund at a level recommended by the committee.
 - vii. If the committee recommends a non-City entity as the facility manager, the Parks Department must be allowed to run

recreational programs at the recreation center based on a schedule and facility fee structure mutually agreeable to the Parks Department and the facility manager.

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