



C I T Y O F
RENO

Memorandum

DATE: May 30, 2025

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager

FROM: Nathan Ullyot, Parks and Recreation Director
Karina Mercier, Project Manager – Park Planner

DEPT: Parks and Recreation

SUBJECT: Supplemental Information on Park Districts and Service Plan Development

Purpose

This memo is intended to provide Council supplemental information relating to Park Districts in advance of the Parks and Recreation Department's presentation at the June 4, 2025 Council meeting. The Parks Department is requesting approval of a Professional Services Agreement with PROS Consulting, Inc. for the development of a Service Plan to investigate the formation of a park district in the amount not to exceed \$223,550.

Background

As community demand for parks and recreation services continues to grow, the City faces an increasing gap between needs and available funding. Currently, most park funding comes from the General Fund, which is subject to economic volatility and competing priorities. The Reno Parks and Recreation system lacks sustainable funding in several critical areas:

- Capital Maintenance and Asset Replacement
- Capital Improvement
- Operational Maintenance

Council has already endorsed multiple strategies that seek to address the lack of sustainable funding for parks and recreation facilities and services as established in the following plans:

- Identify dedicated and creative funding sources for parks and recreation to address aging facilities, maintain parks and trails, expand recreational opportunities, and complete the

Parks, Recreation and Open Space (PROS) Plan. – City of Reno Strategic Plan (Goal F-Strategy 4)

- Complete a Service Plan, working with community agencies and stakeholders, to investigate and support the formation of a park and recreation special district. – Parks, Recreation and Open Space Master Plan (Goal 1 – Objective 1.2)
- Establish and Special Park District for long-term management and funding for the Truckee River Corridor. – Truckee River Vision Plan (Key Recommendation for Parks & Open Space)

What is a Park District?

A park district is a special-purpose local government created to provide parks, recreation facilities, trails, and open space services to a defined geographical area. This district operates independently, has a dedicated purpose and can be cross-jurisdictional. A parks district in Nevada is governed by NRS Title 25 Chapter 318A – the Nevada Parks, Trails and Open Space District Act.

NRS318A.090 states that a governing body **must create a service plan** for any proposed district to consider its creation. The service plan must:

- (a) Consist of a financial survey and, if applicable, a preliminary engineering or architectural survey showing how the proposed services are to be provided and financed.*
- (b) Include a map of the boundaries of the proposed district and an estimate of the population and assessed valuation of the proposed district.*
- (c) Describe the facilities, improvements or projects to be constructed, the standards of such construction, the services to be provided by the district, an estimate of costs, including, without limitation, the cost of acquiring land, engineering services, legal services, proposed indebtedness, including, without limitation, proposed maximum interest rates and any discounts, any other proposed bonds and any other securities to be issued and their type or character, annual operation and maintenance expenses and other major expenses related to the formation and operation of the district.*
- (d) Outline the details of any arrangement or proposed agreement with any county or city for the performance of any services between the proposed district and such county or city. The form of any such contract to be used, if available, must be attached to the service plan.*

The development of a service plan is the first step toward establishing a park district. If approved, the service plan would be submitted to the applicable city councils and/or county commissions upon its completion. These bodies must hold a public hearing to gather comments and objections. Then, all impacted jurisdictions must approve, typically via a Memorandum of Understanding (MOU).

Funding methods available to park districts in Nevada include:

- Property Taxes - Ad valorem taxes can be levied with voter approval to support operations or capital improvements.
- Special Assessments (CFDs, SADs) - Localized fees assessed on property owners to fund specific improvements.
- Sales Tax Revenue - With voter or legislative approval, local sales tax increments can fund regional parks or amenities.
- Transient Lodging Taxes - Room taxes from hotel stays may be allocated to park infrastructure that supports tourism.
- Grants - Federal, state, and nonprofit grants like LWCF and RTP are key for capital projects and require matching funds.
- Park Impact Fees - Fees charged to developers to mitigate impacts of new growth on park systems.
- User Fees and Program Revenues - Revenues from facility rentals, entrance fees, and programs help support operations.
- Private Donations and Sponsorships - Park foundations and conservancies can raise supplemental funding and support.
- General Obligation Bonds - Voter-approved bonds secured by property taxes for large-scale capital projects.
- Revenue Bonds - Debt repaid through dedicated revenues like user fees; does not require voter approval.

If the created district seeks to impose any taxes or issue bonds, then a public vote is required. If no new taxes or debt are included, the district can be created by governing body resolution. If taxes or bonds are proposed, a ballot measure must be submitted to voters within the proposed district and a simple majority vote is required to pass the measure.

PROS Consulting, Inc. Service Plan

The proposed service plan will be consistent with all requirements as outlined in NRS318A and explore the feasibility of a Park District specific to the region, including:

- Financial feasibility analysis
- District boundary and valuation map
- Proposed governance structure and policy framework
- Intergovernmental agreement recommendations
- Facility/improvement project list

The service plan will also outline different models that could include:

1. Regional Unified Parks & Trails District (Multi-Jurisdictional Model)

A single special district encompassing Reno, Sparks, and unincorporated Washoe County, consolidating park operations, trail systems, and open space management under one governance structure. This model ensures equity in service delivery across the region,

offers shared costs and long-term capital planning and simplified access to regional funding, grants, and partnerships.

Key features:

- Unified board with representation from each jurisdiction
- Absorbs all local parks staff and resources
- Centralized funding from a voter-approved property or sales tax
- Coordinates major amenities like the Truckee River Trail, Rancho San Rafael Park, and regional sports complexes

Active District Examples:

- East Bay Regional Park District (CA): Covers 33 cities, 125,000 acres
- Three Rivers Park District (MN): Covers suburban Twin Cities; regional trails and nature reserves

2. Subregional Park Districts with a Shared Services Agreement

Multiple small park districts (e.g., one for Reno, one for Sparks, one for unincorporated areas), each with their own governance but connected through an interlocal shared services agreement. This model has easier political buy-in as it maintains local identity while improving efficiency and can scale up to full regional unification over time.

Key features:

- Each city/county retains control of day-to-day operations
- A regional parks coordinator oversees shared use facilities, funding coordination, and trail continuity
- Shared procurement, marketing, and capital project management

Active District Examples:

- South Suburban Park and Recreation District (CO): Serves multiple cities and unincorporated areas
- Livermore Area Recreation and Park District (CA): Small-scale district with urban-rural coordination

3. Themed or Functional Park District (Focus-Based Model)

A park district that manages only specific assets or functions, such as trails, open space, and regional facilities, while neighborhood parks remain under city/county control. This model focuses resources where regional cooperation matters most, lowers resistance to consolidation and leverages tourism-related revenue for outdoor assets.

Key Features:

- The district could be responsible for maintaining:
 - Truckee River Greenbelt
 - Multi-use trails
 - Sports complexes, aquatics, and regional event parks

- Funded through a dedicated assessment or TOT (room tax) allocation

Active District Examples:

- Des Moines Water Works Park Foundation (IA): Manages a single large park and events
- Midpeninsula Regional Open Space District (CA): Focused solely on conservation lands and trails

The development process for this service plan will include the following:

1. Kickoff Buy-in: Initial memorandum of approval from participating agencies to proceed with feasibility exploration.
2. Stakeholder Feedback: Up to 40 one-on-one meetings with elected officials and agency leaders to define vision and participation level.
3. Data-Driven Inputs: Review of master plans, staffing, funding models, and existing obligations (e.g., bonds and tax measures).
4. Level of Service/Asset Inclusion Decisions: Agencies will decide what land, facilities, and services to include in the proposed district.

This plan development will span 9-12 months. If approved, completion is estimated by summer of 2026. Total costs for the service plan are \$223,550 and there are options to add a lifecycle review of fixed assets for an additional \$120,000 as well as a statistically valid survey for \$20,000-\$30,000 depending on sample size. Currently, staff are not recommending adding the optional costs.

PROS Consulting Inc. Bozeman Example

Attached to this memo is an example of the service plan created by PROS Consulting, Inc for Bozeman, Montana. This document outlines options for levels of service for a potential district. As a result of this effort, the residents of Bozeman voted to establish a special park district in 2020.

Attachments

Bozeman MT 07-23-18 Parks and Trail District Level of Service Decision



Commission Memorandum

REPORT TO: Honorable Mayor and City Commission

FROM: Mitch Overton, Parks and Recreation Department Director
Chuck Winn, Assistant City Manager
Andrea Surratt, City Manager

SUBJECT: Selection of Park and Trail District Level of Service to Pursue in the Staffing and Implementation Plan for the District.

MEETING DATE: July 23, 2018

AGENDA ITEM TYPE: Action

RECOMMENDED MOTION: *I move to accept the 2018 Park and Trail District Feasibility Study Part II and direct the City Manager to proceed with the Park & Trail District Staffing and Implementation Plan at a (choose one: bronze, silver or gold) level of service and return, within the current fiscal year, with the proposed plan and recommendations and a Resolution of Intent to create a special district for park and trail maintenance.*

PROBLEM STATEMENT: A citywide park and trail district is attempting to solve three major issues:

1. **Deferred Maintenance:** Park and Trail deferred maintenance currently sits at \$6,900,476. All three levels of service (LOS) offered with the attached study address the deferred maintenance through a 10 year catch up period. The Capital & Deferred Maintenance budget can be reduced by this amount in each LOS at year 11 of the District.
2. **Operations and Maintenance:** Current LOS is reactionary in nature. While all three LOS offered in the report prioritize asset replacement and address deferred maintenance, only Silver and Gold move park and trail maintenance from a reactionary state to more proactive maintenance and operations. A more proactive operation will result in a better level of service for all park users and less deferred maintenance over time.
3. **Equity:** All three LOS options include City maintenance responsibility for all city dedicated parks and trails. This creates a minimum standard to which all public parks and trails can be maintained, ensuring that all Bozemanites have access to quality parks and trails. Finally, a citywide district eliminates the need for homeowner associations (HOAs) to maintain city parks and trails in their subdivision through increased HOA fees.

BACKGROUND: At the February 26, 2018 City Commission meeting, the Commission voted 4-1 to “accept the 2018 Park and Trail District Feasibility Study and direct the City Manager to return with a proposed plan for the creation of a park and trail special district

at the Standard Practice Level of Service, including timing and method of creation.” However, the Commission requested to first review two additional level of service options, one that increased park and trail maintenance to at least a National Average (Bronze Level in the consultant report) and a level below Best Practice but above Standard Practice (Gold Level in consultant report). The Standard level of service was requested to remain as an option and is referred to as the Silver level of service in the consultant report. The City’s current level of service and the best practices level of service for park and trail maintenance have been removed from the options in the consultant’s report. Staff requests Commission direction as to which level of service to focus on for the Staffing and Implementation Plan.

The need to address this issue is significant. Our park and trail infrastructure is critical to Bozeman’s quality of life and a significant aspect of the City’s asset inventory. The creation of a parks and trails special district and waivers of right to protest such a district have been cited, referenced and/or studied for two decades in Bozeman. We will attempt to summarize some examples in a timeline below:

- Beginning in the mid-1990’s, waivers of right to protest a city parks maintenance district were required from some subdivisions as a specific condition of approval.
- In 2004, it became standard practice for the City of Bozeman to require property owners associations to maintain their city dedicated parkland until which time a city-wide parks maintenance district was created to do the same. This is most often indicated on the subdivision final plat.
- The current (2007) adopted Parks, Recreation, Open Space and Trails (PROST) Plan 10.2 *Top Ten Non-Facility Recommendations* calls to “*Evaluate and implement a Citywide parks maintenance district or some equivalent alternative*”. The item ranked as priority number 4 based on survey results, public input and level of service analysis.
- In 2011 and 2013 two different Montana State University (MSU) students conducted research papers on the potential creation of a parks maintenance district in Bozeman.
- In 2015, the City implemented a work order management solution (Cityworks) to record all costs associated with Park Division operations and maintenance. This information was used to compile current and future cost estimates, based on an extensive asset inventory.
- In 2016 the City of Bozeman received a grant to contract with the Trust for Public Land (TPL) to perform a Conservation Finance Feasibility Study (attached) that showed examples of how the city could create a park and trail special district similar to the city’s tree assessment or street maintenance assessment.
- In 2017, the city budgeted for and contracted with Peaks to Plains Design to conduct a Park and Trail District Feasibility Study (Part II attached).
- The current Bozeman Capital Improvement Plan Fiscal Years 2019 – 2023 removed all park and trail capital items from the proposed budget beginning in fiscal year 2020 in anticipation of the creation of a special district to fund those needs.
- The Recreation and Parks Advisory Board voted 7- 2 to recommend the City Commission pursue the Silver LOS at their July 12, 2018 meeting with the following motion: *I hereby move to recommend to the City Commission that they pursue a city-wide Park and Trail District at the Silver level of service as indicated in the Park & Trail District Study Part II and that they take all steps necessary to implement such a District prior to Fiscal Year 2020.*

RESULTING ISSUES OF CURRENT SYSTEM: Since the city began requiring property owners associations to maintain their city-dedicated parkland until a parks district was created, those neighborhood parks have grown to include 235 acres spread out over 37 parks. In addition to the acreage the city owns, the city also owns all of the associated assets within these parks (i.e., playgrounds, irrigation systems, sidewalks, basketball courts, shelters, trails systems, sand volleyball courts, benches, trash receptacles, street trees, etc...).

Admittedly, some property owners associations do a very good job of maintaining their parks and associated assets. However, some struggle to cover the most basic levels of maintenance. This creates an inequity in public park infrastructure across the city, which is then reflected upon the neighborhoods. It also contributes to some neighborhood/HOA parks becoming destination parks while others begin a downward spiral. This gap continues to widen as assets are not repaired or replaced in underserviced neighborhood parks, which then adds to the deferred maintenance costs of city owned assets within these parks and potential liability issues.

One final issue worth mentioning is the cost inequity to members of a property owners association that maintain their city park infrastructure. Many property owners pay HOA dues to cover the cost of their park maintenance as well as paying city taxes to cover maintenance of the city maintained parks. While the neighborhood park is a public space open to all to enjoy, only the property owners bear the burden of maintenance costs.

LEVELS OF SERVICE: Much of the study presented with this agenda item focuses on levels of service. The city's current level of service is one that is reactionary and creates a backlog of deferred maintenance. The city's current deferred maintenance backlog in parks is approximately \$6,900,000. Without an increase in the level of service to park infrastructure, that number will increase annually. This results in a shorter lifespan for assets, higher maintenance costs and a continually degrading level of service to the public. All three LOS options presented in the Study address deferred maintenance over the first ten years of the District. All three LOS options include City maintenance responsibility for all city dedicated parks and trails.

The *Bronze Level of Service* described in the study most closely reflects total budget costs (with the deferred maintenance catch-up amount) at a national average. This level of service continues a reactionary management strategy.

The *Silver Level of Service* reflects an increase in operations and maintenance practice and performance from the Bronze Level of Service consistently across all city owned parklands and trails. This scenario encompasses a wide range of risk mitigation strategies; however, both a proactive and reactive management strategy will apply.

The *Gold Level of Service* scenario represents the most proactive management plan for the park and trail system to provide the best possible conditions for the user. Deferred maintenance is addressed at a higher asset replacement rate, meaning the catch-up budget begins at \$8.3 million rather than \$6.9 million

NEXT STEPS: Once the level of service is selected or confirmed, staff will work with the consultants to create a park and trail district staffing and implementation plan to phase in operations and maintenance of all city owned parks and trails specifically for that level of service.

The Montana Code Annotated, Title 7, Chapter 11, Part 10 is specific to the steps and requirements regarding the creation of a special district. Once the City Commission chooses the level of service and implementation strategy for the Parks and Trails Special District several options exist for the creation of the district and will require direction and decisions from the Commission. These include but are not limited to, a resolution of intent to create the district, the assessment method (i.e., property square footage or assessed value) and will the levy be presented to the voters as a ballot measure or a protest, are a few important examples.

STRATEGIC PLAN CONFORMANCE: The City of Bozeman adopted Strategic Plan Vision Statement 4, A Well Planned City which states, “We consistently improve our community’s quality of life as it grows and changes, honoring our sense of place and the ‘Bozeman feel’ as we plan for a livable, affordable, more connected city”.

Strategy 4.3 Strategic Infrastructure Choices – Prioritizing long-term investment and maintenance for existing and new infrastructure, lists Action Item “a)” as, **“Develop a Comprehensive Parks Maintenance and Facilities Funding Program.”**

FISCAL EFFECTS: The Parks Division budget for FY’19 is:

\$1,941,621 Operations & Maintenance
\$ 326,000 (14%) Capital & Deferred Maintenance
\$2,267,621 Total

The proposed annual budget under a fully implemented Park and Trail District with maintenance responsibility for 100% of city dedicated park and trail and addressing deferred maintenance is:

Bronze LOS:

\$2,970,382 Operations & Maintenance
\$2,070,172 (41%) Capital & Deferred Maintenance
\$5,040,554 Total (year 1-5 average, depending on implementation plan)

Silver LOS:

\$3,935,291 Operations & Maintenance
\$2,070,172 (35%) Capital & Deferred Maintenance
\$6,005,463 Total (year 1-5 average, depending on implementation plan)

Gold LOS:

\$4,337,539 Operations & Maintenance
\$3,076,777 (41%) Capital & Deferred Maintenance
\$7,414,316 Total (year 1-5 average, depending on implementation plan)

While the three budget/LOS options above represent the gap to be closed for the Park and Trail District implementation, it is important to note that likely a phasing in period of 3 -5 years would need to occur to reach a fully implemented District.

The General Fund Operating Budget for FY’19 includes a \$10,000 line item to present a protest vote to property owners for the creation of a special district to fund park and trail maintenance.

The General Fund FY'19 – FY'23 Capital Improvement Plan (CIP) anticipates the creation of a parks and trails special district in FY'19, and therefore removes all park division capital items from the CIP beginning in FY'20. If the Commission chose not to pursue a park and trail special district, park and trail capital will need to be re-addressed for years FY'20 – FY'23.

ALTERNATIVES: As suggested by the City Commission.

Attachments:
-2018 Bozeman MT Park and Trail District Feasibility Study Part II
-TPL Conservation Finance Feasibility Study
Report compiled on: 7/13/18

BOZEMAN^{MT}

PARK & TRAIL DISTRICT

FEASIBILITY STUDY



Part II

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EXECUTIVE SUMMARY

VISION:

“EVERYONE
HAS ACCESS
TO A QUALITY
PUBLIC PARK.”



Bozeman has had tremendous household growth in the past twenty years that added significant acreage to the city's park system. Fortunately, Bozeman not only received land, but subdividers also installed park improvements, known as assets, at the time of dedication. While the city has been involved in the review of developer-built park plans, the city mainly relies on private entities (property owner associations) for maintenance of park facilities in newer subdivisions.

THE HONEYMOON PERIOD

When developers are building out their subdivisions, many are actively involved in the operations of the neighborhood. Property owner associations are formed and often the developer retains a majority position until most of his or her interests in the neighborhood

are built or sold. Park maintenance by private entities is a model that has served the city well as developers have a vested interest in keeping the neighborhood well-maintained in order to hold a market position. Newly installed park assets are covered under manufacturer warranties and any typical repairs can be done quickly by a developer's on-call contractor or other personnel. The city is usually not involved in the daily operations or maintenance as the private entity has performed these duties in an acceptable manner.

AGING INFRASTRUCTURE

As developers complete the sales in their subdivision, they shift management and maintenance to property owners. Some owner associations hire professional management companies to perform management tasks,



others try to perform management and maintenance services themselves. Many have little or no training in land or facility management. Ultimately, they are managing city-owned assets without any enforceable maintenance standards in place, except for playgrounds, which Parks Department staff regularly provides inspections.

The issues compound as some owner associations perform maintenance at less than a best practice level, while others may provide additional services beyond the typical maintenance regime. For the city, this becomes an equity issue for residents. Some parks have become destination parks that the adjacent property owners pay a premium in dues for maintenance, while other neighborhoods are less well-

managed, resulting in lower dues. The cost of replacing assets has significantly increased in the past twenty years. When purchased and installed by a developer, the costs are distributed to all the lots, and property owners effectively pay for the asset, which is hidden in the sale price and amortized over several years. Life cycle replacement costs for major assets are generally prohibitive to private associations who may not have the appetite to incur substantial dues increase to cover those costs.

THE CITY'S RESPONSIBILITIES

The city is ultimately responsible for the land and assets in city-owned parks and open spaces. The Parks and Recreation Department has the staff who are specialists in operating, managing

and developing park lands. The purpose of this study is to evaluate the alternatives in which the city is responsible for management and maintenance of all city-owned parks.

Several options are available to the city in how it wants to structure its administrative, operations and capital investments. To achieve the highest level of success will require shifts in organizational structure, finance and operations. The city is already poised to be successful with its commitment to using work-order management systems and the latest GIS technology. Staff has already embraced tracking costs and using the data to become more efficient and accountable to the citizens of Bozeman. The goal is that everyone has access to a quality public park.



IMPACTS TO THE USER EXPERIENCE

Much of what the user experiences in a park is the culmination of several activities that occur behind the scenes. These activities range from policy-setting to playground inspections. By investing in Bozeman’s parks in an efficient, strategic manner, three outcomes have been identified.

1. Proactively manage Bozeman’s public parks so that the amenities that users enjoy today will continue into the future. Bozeman will have the resources to extend beyond today’s parks and recreation standards.
2. Reduce the number of complaints, so users can focus on enjoying their outdoor experiences. Strive to ensure that all parks are clean, repaired and safe.

3. Increase park usage that contributes to Bozeman’s vision of “the most livable place.” The National Recreation and Parks Association’s report, “Promoting Parks and Recreation’s Role in Economic Development,” companies are looking to locate office operations are more likely to prioritize quality-of-life factors in their location decisions, including small and medium-sized entrepreneurial or family owned companies.

THE CONSEQUENCES OF DOING NOTHING

Parks are essential infrastructure components of a community. With any infrastructure, proper stewardship can be achieved by acknowledging the total cost of ownership. Without doing so, the costs of managing the system will

increase significantly, while the user experience will decrease.

Examples of these consequences are already becoming evident. Deferred maintenance costs on existing parks assets are already at \$6.9 million in 2018 and will balloon to over \$13 million by 2023. Safety and risk management will drive priority spending and slowly, playgrounds will disappear and not be replaced as will other park assets. Community values may be compromised as the city continues to grow because the city will be unable to accept city-owned park land because it cannot afford the total cost of ownership.

Bozeman is at a pivotal point in the age of its parks system to make strategic investments that will positively impact future generations.

MAINTENANCE RESPONSIBILITY HISTORY

Bozeman began its modern housing boom in the late 1990s and early 2000s. New subdivisions are required to comply with [MCA 76-3-621](#), “Park Dedication Requirement,” which calls for the subdivider to dedicate land or provide a cash donation equal to specific formulas. Local governments may stipulate additional conditions of approval regarding the type of land accepted and its development requirements. Subdividers have recognized that providing both park land and additional assets, beyond the minimum requirements, help to achieve market competitiveness, and as a result, park land acreage and asset installation were added to the city’s portfolio at an unprecedented rate.

The Parks and Recreation Department is funded primarily with general fund dollars. The general fund is a competitive bucket of money and competes with public works, safety and other departments for funding. The city lacks the resources to manage the sudden influx of new land and maintenance responsibilities. The department has held onto a practice whereby maintenance would be performed by the subdivision’s home or property owner association (HOA). This was included as a temporary measure until such time that a park maintenance district could be established by the city.

The requirement to establish a home owner’s association was added to subdivision agreements and language indicating that dedicated park land is to be maintained by the property owner association was added to subdivision plats. Various waiver language stating that property owners agree not to protest the formation of a park maintenance district is found on most recent plats. In 2007, the city adopted the Parks, Recreation, Open Space and Trails (PROST) Plan. Recommendation 10.3.4 in the plan indicates:

“Continue to require that homeowners’ or property owners’ association maintain newly dedicated park-land and trails within their development until a City-wide parks maintenance district or some equivalent alternative is created.”

Eventually, Bozeman codified the requirement in the Uniform Development Code (UDC) of the Bozeman Municipal Code ([Sec. 38.27-Park and Recreation Requirements](#)). The city established requirements for the minimum development for park lands and increased oversight for the installation of the park assets.

In response to a Montana Supreme Court ruling of a playground lawsuit based in Miles City, Montana, the parks staff began inspecting all playgrounds, beginning in 2012, in city-owned parks to address risk management concerns. This includes play equipment installed on city land but under the maintenance requirement of home owner associations. City staff were certified as Certified Playground Safety Inspectors, and strive to inspect all playgrounds at least once per year. If deficiencies are found, the HOA is contacted with a notice of correction. If the correction is not completed within a certain amount of time, the city performs the corrective action and assesses the HOA for the costs.

NEW CAPITAL INVESTMENT: TRAILS, OPEN SPACE & PARKS BOND

In 2012, the Bozeman City Commission passed Resolution 4386, which submitted to the qualified electors of the City of Bozeman the question of issuing general obligation bonds in the amount up to \$15 million for the purposes of:

“Paying the costs of designing, constructing or equipping on open space land, trails, parks and natural areas or multi-use recreational fields and facilities or employing such lands in the preservation or enhancement of water quality and acquiring the rights to or interest in or improving open space lands in or near the City.”

The resolution notes that the “City does not have a dedicated fund for acquisition and improvements of public parks, trails and recreation fields.” The electors approved the issuance of general obligation bonds overwhelmingly by 73.4 percent. General obligation bonds do not fund operations or maintenance. The table below outlines the projects approved to date utilizing these bond funds. The responsibility for maintenance for these projects is the parks department.

Table 1: Trails, Open Space & Parks Bond Projects

Trails, Open Space & Parks Bond Projects	Bond Amount	Year Approved	Construction Year
Path to the “M” & Drinking Horse Mountain	\$675,000	2013	2018
Bozeman Pond Expansion	\$1,295,000	2013	2016
Bozeman Creek at Bogert Park Enhancement	\$490,000	2013	2016-17
Story Mill Park	\$4,500,000	2014	2018-19
Bozeman Sports Park	\$8,417,000	2014	2018
Front Street Connector Path	\$178,106	2015	2019-20



As Bozeman emerged from the recession, new subdivision creation returned to pre-recession levels. New park land and assets are being added to the city’s inventory, with 235 acres having been added since 2010. In 2015, the city implemented an asset and work order management program. This program is used to evaluate cost centers and manage city-owned assets, labor, time and materials.

The Bozeman City Commission and staff commenced working on the strategic plan for Bozeman in 2016. Vision statement 4: a well planned city states, **“We consistently improve our community’s quality of life as it grows and changes, honoring our sense of place and the ‘Bozeman feel’ as we plan for livable, affordable, more connected city.”** Strategy 4.3 (Strategic Infrastructure Choices) states, **“Prioritize long-term investment and maintenance for existing and new infrastructure.”** The resulting action item (c) is to **“develop a comprehensive parks maintenance and facilities funding program.”**

The Trust for Public Land issued the “Conservation Finance Feasibility Study” in August 2016, which outlines the use of special districts, how they are created and case studies from around the region.

In 2017, the City of Bozeman hired Peaks to Plains Design and PROS Consulting to evaluate the current park land assets, cost-tracking methodology and potential costs that would be associated with the creation of a parks and trails district. This report and supporting information are the outcomes from that endeavor.



PARK & OPEN SPACE LAND INVENTORY

PARKS VERSUS OPEN SPACE

Montana Code Annotated (MCA) does not define the word “park.” Local governments can define “park” through their subdivision or development ordinances and regulations. Many local governments use the words “park” and “open space” interchangeably to describe their land-based recreational spaces. Bozeman defines both words in the Unified Development Code. Park is [defined](#) as follows:

“...an open space, under the ownership or other legal control of the city which provides area for active and passive recreational purposes.”

Open space is [defined](#) as:

“A land or water area devoid of buildings or other physical structures except where accessory to the provision of recreation, including but not limited to benches, picnic tables and interpretive signage.”

As a platting function, the plat designation of a park has separate requirements in terms of land acquisition and disposition, which are different than the requirements for open space.

Parks are dedicated to local governments under [MCA 76-3-621](#). The statute outlines the minimum amount of land that must be dedicated to a governing body. This statute also outlines the situations where local governments can waive the park land dedication requirement.

Open space is defined under [MCA 76-6-104](#) as:

“any land which is provided or preserved for (a) park or recreational purposes; (b) conservation of land or other natural resources (c) historic or scenic purposes; or (d) assisting in the shaping of the character, direction and timing of community development.”

Open space by its very nature and definition is typically not subject to extensive development like a park. Open space is typically managed to remain in a near natural state when it has been dedicated for preservation or conservation purposes, and it is managed for



The city currently provides maintenance on 74% of the city's park land acreage



noxious weeds and public safety concerns such as wildland fire and hazard trees. Publicly accessible trails are typically provided in open spaces if deemed appropriate by the governing body.

The statutes are silent on the ownership requirements for platted parks versus open space. In general, local governments are acknowledging the cost of ownership for public lands is expensive. A privately owned park or open space effectively relieves the local government of that burden and shifts those costs more directly to the property owners through self-administered assessments. Local governments are not responsible for the development or maintenance of privately owned lands beyond the requirements set forth in state statute and local subdivision regulations.

CITY-OWNED INVENTORY

The city of Bozeman owns 906 acres of park land, and the city maintains 672 acres. Property owner associations and their respective management companies maintain the remaining 235 acres. The city is responsible for the maintenance of 61.1 miles of trails located on both city-owned lands and on public access easements. Additionally, 16.8 miles of sidewalk are located in or adjacent to city-owned parks and open spaces.

Parks are generally classified according to their size, primary function and service area. The PROST Plan defines the park class definitions. The following page illustrates the acres of park lands by class. The most common park class is neighborhood park, which is followed by community parks, natural areas, open lands and linear parks.

CITY-OWNERSHIP	TRAILS AND SIDEWALKS
Park land: 906.4 acres	Length of trails: 61.1 miles
PARK LAND MAINTENANCE	• Paved: 2.20 miles
City-maintained: 671.9 acres	• Unpaved: 58.9 miles
Privately-maintained: 234.5 acres	Length of sidewalks: 16.8 miles

CITY ACREAGE BY PARK CLASSIFICATION

Acreage

Park Classification

Community Parks

200

Natural Area/Open Lands,
Linear Parks & Buffers

170

Mini-Parks

40

Neighborhood Parks

312

Special Use Parks

36

Athletic Fields

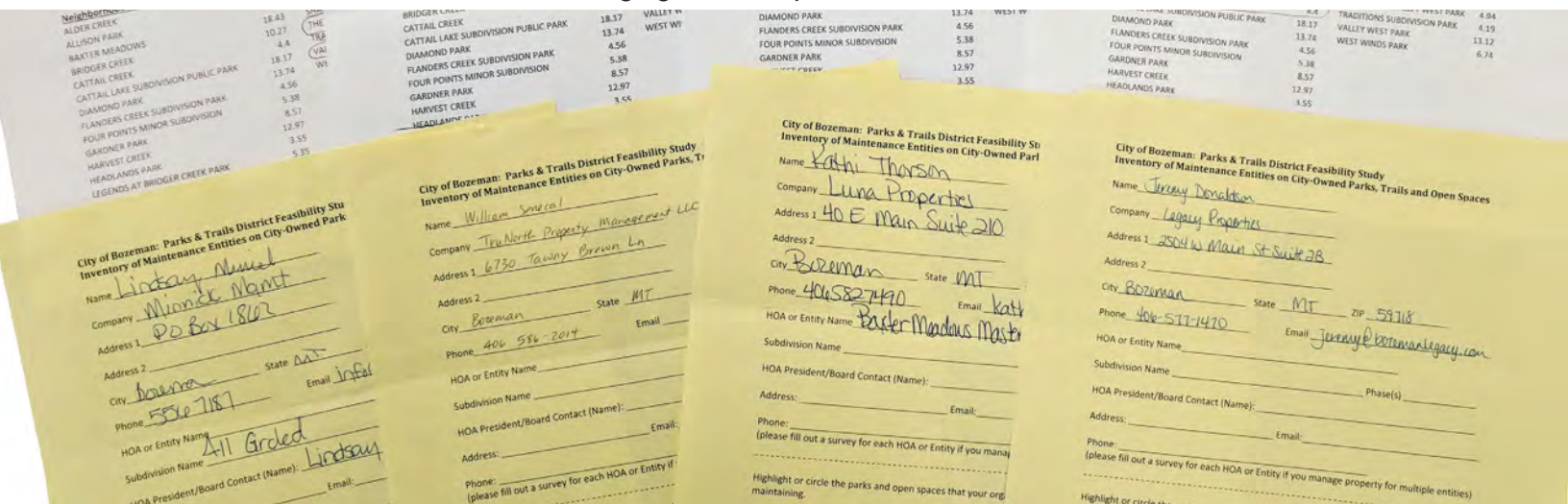
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PRIVATE MAINTENANCE CONTACTS

Property owner associations or their designated management companies maintain 235 acres of city-owned park land. The current city policy is to require the subdivider and/or a property owner association to maintain city-owned park land. Eventually, the subdivider relinquishes their interest in the subdivision and property owners bear more responsibilities. The State of Montana does not maintain a registration for property owner associations, making it difficult to track the latest contacts for the association. Some property owner associations become inactive, causing difficulty for the city to correspond with the subdivision in cases of non-compliance.

Because the park assets are located on city-owned land, the city is ultimately responsible for the safety and assumed risk of these parcels. Some associations exceed best practices, while others fail to meet them. With no formal contract or standard in place, the city has difficulty enforcing proper maintenance requirements.

The city updated its database of association contacts through this study. Annual outreach to the associations is recommended due to changing leadership for the association.

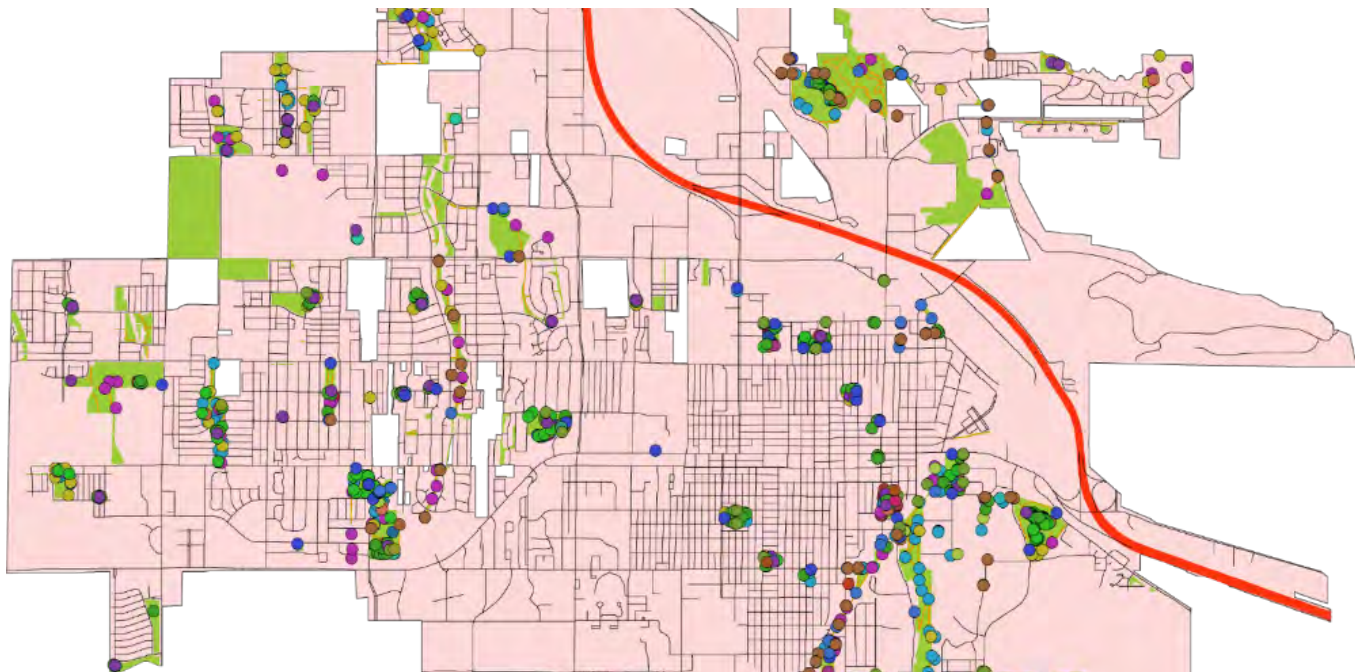


INVENTORY OF PARK ASSETS

Park assets are the items that comprise the physical improvements made to the land. These improvements consist of items such as benches, play structures, ball diamonds and irrigation systems. Bozeman utilizes a GIS-based inventory system of park assets that is tied to the city's work order management system.

As a part of this study, additional assets were inventoried such as sidewalk and trail dimensions, new structures, public art, trail surfacing and other assets not currently maintained by the city. The information was shared with the city GIS Department and the resulting inventories were updated. Because so much energy is spent on capital

investment, it is important to document assets to determine the life cycle replacement, noting the year installed, value or cost of the installation and expected years of service based upon best practices for maintenance. As Bozeman's system matures, these costs must be accounted for as a part of the total cost of ownership.



TOTAL COST OF OWNERSHIP

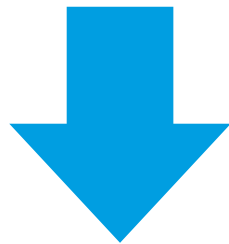
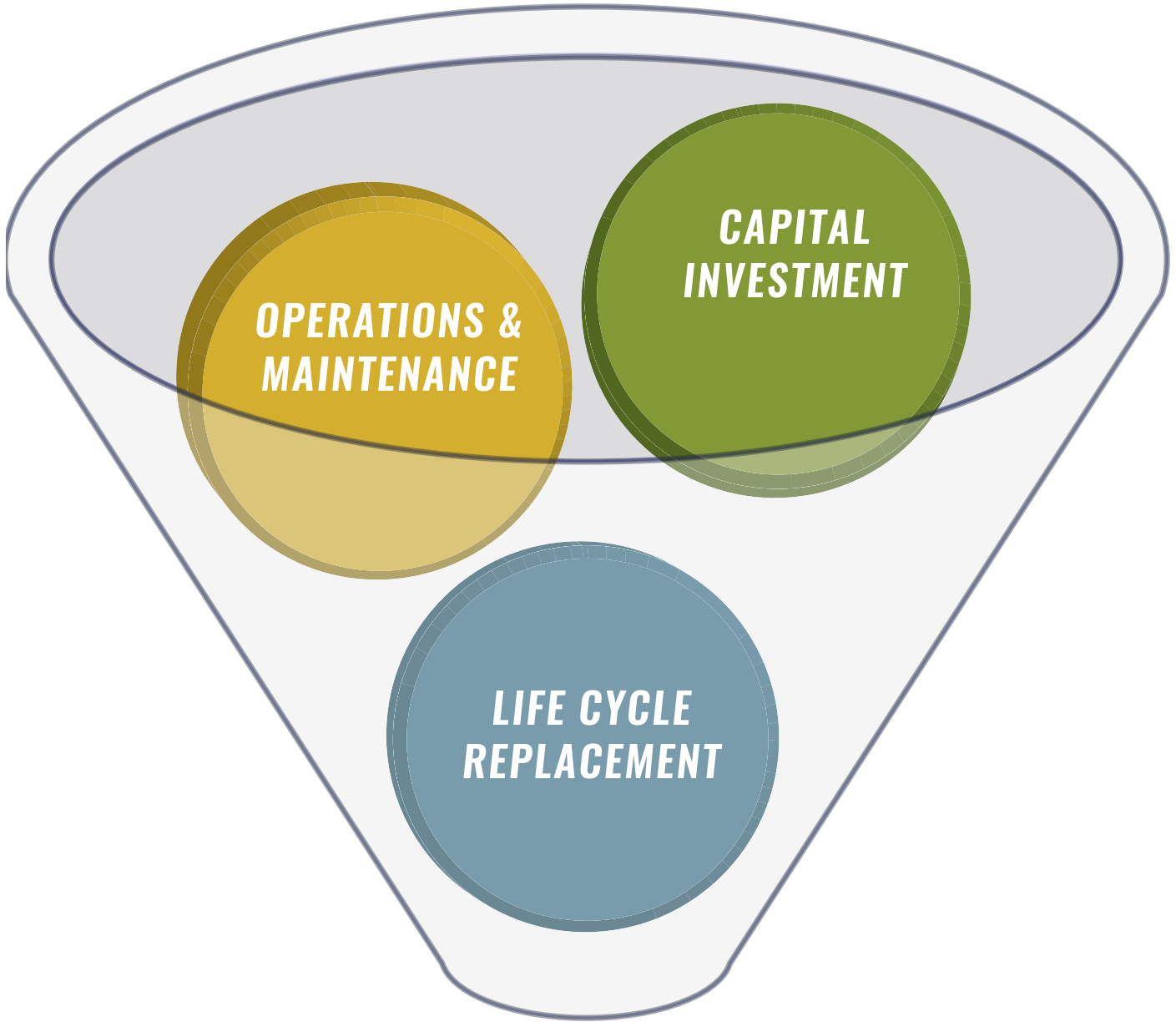
Communities spend significant time and resources in land and asset capital development. The capital funding comes from many different sources. General obligation bonds, donations and private investment are typical sources of capital. Capital investment often results in tangible assets that make a significant and immediate impact on a community. It is relatively easy to acquire these funds and recognize investors.

Operational costs, including staff, equipment and materials, are often costs that are not considered during new construction. Departments are asked to do more with fewer resources. The most common funding sources for municipal operations are the general fund, enterprise funds, special assessment-funded maintenance districts, cash-in-lieu of parkland dedication payments (50% as per [MCA Section 76-3-621](#)), and dedicated millages. Grants and donations to public entities are generally not usable for maintenance costs.

Each asset placed in a park has a useful lifespan if properly maintained. If maintenance standards fall short of best practice standards, annual repair and maintenance costs increase, and the effective lifespan of the asset decreases. Major components can be identified and addressed through the capital improvements program; however, smaller components, such as dog station replacements, are often not accounted for and are addressed in a reactive manner. Oftentimes, if the asset becomes a hazard or risk, then it is removed resulting in a reduced level of service.

Consider the short-term (5 years or less) and long-term (5-10 years) forecast with inflation to adequately gauge the level of funding needed. Together, capital investment, operations and maintenance, and life cycle replacement represent the total cost of ownership of a park system.

Capital investment often results in tangible assets that make a significant immediate impact on a community. Citizens and elected officials are more likely to support capital programs, which are highly visible, as opposed to maintenance programs, which are not.



TOTAL COST OF
OWNERSHIP

ROUTINE LAND & ASSET OPERATIONS & MAINTENANCE

GENERAL FUND IS USED FOR OPERATIONS

Operations and routine maintenance funding is primarily provided by the city's general fund. In fiscal year 2017, the parks department had 14.51 FTE's to support the workload of the city-maintained parks. In FY17, the salaries, benefits and operating budget was \$1,599,482.

The variability in assets and resulting useful life depends on the quality of the asset when installed (i.e. commercial versus residential grade) and the level of care for routine maintenance given to the asset. Those maintained to a best practices standard will generally last the full lifespan of the asset, barring extreme conditions such as weather damage and vandalism. Conversely, an asset that does not receive sufficient maintenance from a best practices standpoint will generally have a shortened useful life, resulting in higher and more frequent capital replacement costs.

Bozeman has implemented a work order management program utilizing CityWorks® work management software. The parks division has recently commenced tracking work tasks to help determine the costs associated with the task. Work orders are currently being tracked by asset. Staff continues to work on identifying the appropriate asset categories in order to best report progress and to have the ability to benchmark against best practices.





LEVEL OF SERVICE, DEFINED

The maintenance of a parks system is accomplished by developing and executing a set of maintenance standards that are organized into a tiered structure of different levels of service. These levels of service each have a unique set of standards that determine the routine maintenance tasks and their frequency. Park and trail maintenance standards are often expressed in terms of levels of service (e.g. level 1, level 2 and level 3).

A “deep-dive analysis” of the tasks and frequencies is typically accomplished through the development of a maintenance management plan, which is not a part of this scope of work. However, for purposes of the feasibility study, the consulting team analyzed the maintenance of Bozeman’s parks system through an investigation of existing asset management data, the consultant’s experience in working with communities of similar size and climates, and a series of staff workshops. The outcomes of this analysis determined that Bozeman’s current maintenance practices generally falls into a blend of level 2 and level 3, primarily because they do not have the resources necessary to perform a higher level of maintenance.

In summary, the current parks division budget does not reflect a standard or best practice level of service based on national data set forth by the National Recreation and Parks Association. In essence, staff are addressing the community’s needs as best as they can as time and resources allow. The tasks and frequency are reactive in nature and priorities are usually complaint and high usage-driven.

Standard and best practice levels of service benchmarks were set by staff through a series of workshops. Unit cost information was then derived from the consultant’s extensive data set that provided the basis in formulating the annual costs.

The bronze level of service identified in table 2 reflects operations and maintenance costs that are generally equivalent to the national average of per capita spending. The bronze level of service amount is more than the level of service that the department is currently spending.



Table 3 indicates costs for a silver level of service. Table 4 highlights the gold level of service that sets operation and maintenance costs above the silver amounts, but the costs are less than best practice standards. A similar methodology was also applied to the life cycle replacement schedule.



Table 2: Estimated operations & maintenance costs at a bronze level of service

OPERATIONS & MAINTENANCE COSTS	FY 2019 - FY 2023	FY 2024 - FY 2028
BRONZE LEVEL OF SERVICE		
Average annual operations & maintenance funding	\$2,970,382	\$3,459,025



Table 3: Estimated operations & maintenance costs at a silver level of service

OPERATIONS & MAINTENANCE COSTS	FY 2019 - FY 2023	FY 2024 - FY 2028
SILVER LEVEL OF SERVICE		
Average annual operations & maintenance funding	\$3,935,291	\$4,582,665



Table 4: Estimated operations & maintenance costs at a gold level of service

OPERATIONS & MAINTENANCE COSTS	FY 2019 - FY 2023	FY 2024 - FY 2028
GOLD LEVEL OF SERVICE		
Average annual operations & maintenance funding	\$4,337,539	\$5,051,085

LIFE CYCLE ASSET REPLACEMENT

CAPITAL IMPROVEMENT PROGRAM

Bozeman’s capital improvement program (CIP) identifies funding for adding amenities (improving the level of service) or replacing old assets (maintaining the current level of service) in the city’s park system. Funding for park assets is allocated to the department’s “parks” division and excludes improvements to recreational centers, aquatics, forestry and cemetery facilities.

Currently, the replacement park assets are identified based upon an anticipated need and obligations. The funding levels provided in the CIP has not been representative to the true costs needed to address life cycle replacement needs for all park assets across the system.

A complete inventory was conducted to document each asset’s estimated replacement cost and anticipated life cycle. The calculation incorporates a base year value for each asset and calculates inflation. The data-driven formula provides costs to replace those assets according to two schedules: a bronze and silver, which is the same schedule and a gold schedule.

A planned expenditure of \$10,000 or greater, which results in the acquisition of an asset with a useful life of one year or more is identified in the city’s capital improvement program (CIP).

The bronze and silver levels of service are the same because they represent a standard practice

asset replacement schedule. A schedule that includes anything less than a standard replacement schedule would, in essence, be a reduction in the level of service that is currently provided to the community. Since the goal is to maintain or improve the level of service, the lesser scenario was eliminated from consideration. Therefore, the bronze and silver costs are the same and both scenarios are reflected on one schedule.

Similar to the methodology applied to the operations and maintenance costs, the bronze and silver schedule of costs are more than current practice but less than best practice philosophies. The gold scenario reflects costs that are between standard and best practices.

Table 5: Life cycle asset replacement costs for both the bronze and silver level of service

LIFE CYCLE ASSET REPLACEMENT VALUE	FY 2019 - FY 2023	FY 2024 - FY 2028
BRONZE AND SILVER LEVEL OF SERVICE*		
Average annual costs based on a bronze and silver replacement schedule:	\$1,380,124	\$1,933,016
Average annual costs to catch up within 10 years on deferred asset life cycle replacement needs prior to FY19:	\$690,048	\$690,048
Total average annual cost	\$2,070,172	\$2,623,064



Table 6: Life cycle asset replacement costs at a gold level of service

LIFE CYCLE ASSET REPLACEMENT VALUE	FY 2019 - FY 2023	FY 2024 - FY 2028
GOLD LEVEL OF SERVICE*		
Average annual costs based on a standard practice plus replacement schedule:	\$2,243,966	\$1,942,706
Average annual costs to catch up within 10 years on deferred asset life cycle replacement needs prior to FY19:	\$832,811	\$832,811
Total average annual cost	\$3,076,777	\$2,775,517

*The costs reflect all assets in the ground as of June 2017, TOP bond projects scheduled to be constructed in 2018-2019, and off-parkland trails that are maintained by the City through maintenance agreements. It does not include additional costs from new parks related to development after June 2017.



A backlog of replacement needs currently exists throughout the system. The deferred asset replacements will be completed within the next 10 years. A separate line item included in tables 5 and 6 indicate the average annual cost in order to address the backlog of replacements.

Tables 7 and 8 convey the balance sheet of deferred asset replacement from FY19 - FY28. Implementation of a selected scenario will likely take three to five years and will involve changes to policy and revenue generating activities.



A large deck mower is an example of a CIP item that can be classified as a new or replacement equipment item. The addition of new turf areas require additional equipment and staff to operate the equipment.

Maintenance Entity	4,985,260 (sq ft, etc.)	Unit Type	Facility or Unit Number	Model Year, Year Acquired	Item Description	Full Life (est.)	Replace In (year)	Scheduled Replacement Per Year							
								Current 2018	1 2019	2 2020	3 2021	4 2022	5 2023	Years 1 thru 5	Years 6 thru 10
OAK SPRINGS NATURAL SPACE															
HOA	75	SF	Oak Springs Ph 4 Public Park	2009	Sidewalk: Curb Ramp	50	2059	-----	-----	-----	-----	-----	-----	-----	-----
HOA	0.07	AC	Oak Springs Ph 4 Public Park	2009	Irrigation Installation	40	2049	-----	-----	-----	-----	-----	-----	-----	-----
HOA	120	SF	Oak Springs Ph 4 Public Park	2009	Sidewalk	50	2059	-----	-----	-----	-----	-----	-----	-----	-----
HOA	990	SF	Oak Springs Ph 4 Public Park	2009	Trail: Class IIA Gravel	10	2019	-----	3,680	-----	-----	-----	-----	3,680	-----
OAK SPRINGS PARK CITY															
CITY	525	SF	Oak Springs Subdivision Park, Phase 1	2009	Sidewalk: Curb Ramp	50	2059	-----	-----	-----	-----	-----	-----	-----	-----
CITY	8	AC	Oak Springs Subdivision Park, Phase 1	2009	Irrigation Installation	40	2049	-----	-----	-----	-----	-----	-----	-----	-----
CITY	1	EA	Oak Springs Subdivision Park, Phase 1	2009	Irrigation Controller	15	2024	-----	-----	-----	-----	-----	-----	-----	980
CITY	3	EA	Oak Springs Subdivision Park, Phase 1	2009	Irrigation Well	100	2109	-----	-----	-----	-----	-----	-----	-----	-----
CITY	3	EA	Oak Springs Subdivision Park, Phase 1	2009	Irrigation Well Pump	8	2017	-----	-----	-----	-----	-----	-----	-----	21,000
CITY	11,650	SF	Oak Springs Subdivision Park, Phase 1	2009	Sidewalk	50	2059	-----	-----	-----	-----	-----	-----	-----	-----
CITY	1	EA	Oak Springs Subdivision Park, Phase 1	2009	Sign: Metal	20	2029	-----	-----	-----	-----	-----	-----	-----	-----
PETES HILL															
CITY	13,730	SF	Petes Hill	2005	Parking Lot: Asphalt	20	2025	-----	-----	-----	-----	-----	-----	-----	86,960
CITY	2	EA	Petes Hill	2005	Light Pole	30	2035	-----	-----	-----	-----	-----	-----	-----	-----
CITY	2,340	SF	Petes Hill	2005	Sidewalk	50	2055	-----	-----	-----	-----	-----	-----	-----	-----
CITY	0.25	AC	Petes Hill	2005	Irrigation Installation	40	2045	-----	-----	-----	-----	-----	-----	-----	-----
PILGRIM															
CITY	2.5	AC	Westridge North Park	1995	Irrigation Installation	40	2035	-----	-----	-----	-----	-----	-----	-----	-----
SE CORNER W VILLARD & VALLEY DR															
HOA	2,275	SF	Pine Meadow	2016	Basketball Court	20	2036	-----	-----	-----	-----	-----	-----	-----	-----
HOA	2	EA	Pine Meadow	2016	Basketball Court	20	2036	-----	-----	-----	-----	-----	-----	-----	-----
ROSE PARK															
CITY	2	EA	Rose Park	2011	Garbage Cans	10	2021	-----	-----	-----	1,800	-----	-----	1,800	-----
CITY	1	LS	Rose Park	1971	Facility: Restroom	50	2021	-----	-----	-----	80,000	-----	-----	80,000	-----
CITY	11,600	SF	Rose Park	2011	Parking Lot: Asphalt	20	2031	-----	-----	-----	-----	-----	-----	-----	-----
CITY	2	EA	Rose Park	2011	Sign: Wood	10	2021	-----	-----	-----	3,380	-----	-----	3,380	-----
CITY	3,530	SF	Rose Park	2012	Trail: Class IA Concrete	50	2062	-----	-----	-----	-----	-----	-----	-----	-----
CITY	8,718	SF	Rose Park	2011	Trail: Class III Gravel	10	2021	-----	-----	-----	34,340	-----	-----	34,340	-----
CITY	1	EA	Rose Park	2011	Trail Marker	10	2021	-----	-----	-----	80	-----	-----	80	-----
CITY	2	EA	Rose Park	2011	Trail Totem	10	2021	-----	-----	-----	-----	-----	-----	-----	-----

Screen image of the asset replacement spreadsheet

Table 7: Balance sheet of life cycle asset replacement based on both the bronze & silver level of service

DEFERRED LIFE CYCLE ASSET REPLACEMENT BALANCE SHEET	TOTAL	
BRONZE & SILVER LEVEL OF SERVICE		
Balance of deferred life cycle asset replacement prior to FY2019, based on the bronze & silver level of service	\$6,900,476	Start FY19
Additional life cycle asset replacement needed FY19-FY28, based on the bronze & silver level of service	\$10,643,860	
Less for investment based on Table 6 ending FY28, based on the bronze & silver level of service	\$(23,466,179)	
Balance of deferred life cycle asset replacement ending FY28, based on the bronze & silver level of service	\$0	End FY28

Table 8: Balance sheet of life cycle asset replacement based on a gold level of service

DEFERRED LIFE CYCLE ASSET REPLACEMENT BALANCE SHEET	TOTAL	
GOLD LEVEL OF SERVICE		
Balance of deferred life cycle asset replacement prior to FY2019, based on the gold level of service	\$8,328,110	Start FY19
Additional life cycle asset replacement needed FY19-FY28, based on the gold level of service	\$14,803,530	
Less for investment based on Table 7 ending FY28, based on the gold level of service	\$(29,261,470)	
Balance of deferred life cycle asset replacement ending FY28, based on the gold level of service	\$0	End FY28

INTRODUCTION TO THE SCENARIO OPTIONS

In all three scenarios, all city-owned park land and trails will be placed under the management of the city parks department. All scenarios reflect an increased level of service provided by the parks department from their current operations. Outside entities, primarily sole source management companies, would continue to maintain certain public parks and open space areas where the city holds a public access easement.

Three scenarios are presented for consideration:

Bronze Level of Service: This scenario reflects operations and maintenance costs on par with the per capita national average based upon 2016 data. Life cycle asset replacement follows a standard practice life span schedule, which extends the life of assets approximately 40 percent from best practice recommendations.

Silver Level of Service: The silver level of service scenario represents an ideal level of service most likely to be achieved by the parks department. This scenario encompasses a wide-range of risk mitigation strategies, although both a proactive and reactive management strategy will apply. This scenario also incorporates the standard practice life cycle asset replacement schedule.

Gold Level of Service: The gold level of service scenario is a mid-point level of service between a standard and best practice scenario of managing assets and improvements on dedicated parkland and city-maintained trail easements. Park assets are replaced according to a 20 percent increased life span from best practice recommendations, and the city has the appropriate staffing and equipment to fulfill those requirements.

SCENARIO OPTIONS SUMMARY

BRONZE LEVEL OF SERVICE	FY 2019 - FY 2023	FY 2024 - FY 2028
Average annual operations and maintenance	\$2,970,382	\$3,459,025
Average annual capital/life cycle replacement	\$2,070,172	\$2,623,064
Total average annual budget	\$5,040,554	\$6,082,089

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SILVER LEVEL OF SERVICE	FY 2019 - FY 2023	FY 2024 - FY 2028
Average annual operations and maintenance	\$3,935,291	\$4,582,665
Average annual capital/life cycle replacement	\$2,070,172	\$2,623,064
Total average annual budget	\$6,005,463	\$7,205,729

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GOLD LEVEL OF SERVICE	FY 2019 - FY 2023	FY 2024 - FY 2028
Average annual operations and maintenance	\$4,337,539	\$5,051,085
Average annual capital/life cycle replacement	\$3,076,777	\$2,775,517
Total average annual budget	\$7,414,316	\$7,826,602

BRONZE

LEVEL OF SERVICE

The bronze scenario most closely reflects costs for operations and maintenance based upon a national average of expenditures of park systems in a per capita basis. In 2016 the per capita expenditure of operations and maintenance costs for parks was \$65.64. The national average per capita continues to increase.

The asset replacement schedule includes a backlog of \$6.9 million of deferred replacements. This scenario eliminates the deferred backlog within 10 years in addition to the costs for upcoming scheduled replacements.

The average annual operations and maintenance cost would be approximately \$2,970,382 for fiscal years 2019 - 2023 and \$3,459,025 for fiscal years 2024 - 2028. Average annual asset life cycle replacement costs would be \$2,070,172 for fiscal years 2019 - 2023 and \$2,623,064 for fiscal years 2024 - 2028. The resulting target average annual budget would be \$5,040,554 for fiscal years 2019 - 2023 and \$6,082,089 for fiscal years 2024 - 2028.

Table 9: Estimated average annual costs at a bronze level of service

BRONZE LEVEL OF SERVICE	FY 2019 - FY 2023	FY 2024 - FY 2028
Average annual operations and maintenance	\$2,970,382	\$3,459,025
Average annual capital/life cycle replacement	\$2,070,172	\$2,623,064
Total average annual budget	\$5,040,554	\$6,082,089

SILVER

LEVEL OF SERVICE

The silver level of service reflects an increased level of service for operations and maintenance that is consistent across all city-owned park lands and trails. This scenario also acknowledges the deferred asset life cycle replacement backlog of \$6.9 million and strives to eliminate the backlog within ten years. Funds must be applied to both deferred life cycle asset replacement and upcoming assets due for replacement in their designated year.

This scenario acknowledges that some assets may need to be replaced sooner than others, and the risk of day to day operations continues to function in a reactive mode, but is improved greatly from the current level of service.

The average annual operations and maintenance cost would be approximately \$3,935,291 for fiscal years 2019 - 2023 and \$4,582,665 for fiscal years 2024 - 2028. Average annual asset life cycle replacement costs would be \$2,070,172 for fiscal years 2019 - 2023 and \$2,623,064 for fiscal years 2024 - 2028. The resulting target average annual budget would be \$6,005,463 for fiscal years 2019 - 2023 and \$7,205,729 for fiscal years 2024 -2028.

Table 10: Estimated average annual costs at a silver level of service

SILVER LEVEL OF SERVICE	FY 2019 - FY 2023	FY 2024 - FY 2028
Average annual operations and maintenance	\$3,935,291	\$4,582,665
Average annual capital/life cycle replacement	\$2,070,172	\$2,623,064
Total average annual budget	\$6,005,463	\$7,205,729

GOLD

LEVEL OF SERVICE

Maintaining a park system to best practices is the most ideal scenario to attain. Best practices represents the top 1 percent of agencies in the United States. In order to achieve this status, significant investment and strategic policies are ingredients to success. The gold level of service scenario reflects a compromise between the standard and best practice for both operations and asset management.

The deferred asset life cycle replacement backlog under this scenario starts at \$8.3 million, and is eliminated in ten years. Assets due for replacement in their respective year, between FY19 and FY 28, are addressed in those years. Proactive management of the system includes having adequate staffing, equipment and resources to provide the best possible conditions for the system.

The average annual operations and maintenance cost for all city-owned parks would be approximately \$4,337,539 for fiscal years 2019 - 2023 and \$5,051,085 for fiscal years 2024 - 2028. Average annual life cycle replacement costs would be \$3,076,777 for fiscal years 2019 - 2023 and \$2,775,517 for fiscal years 2024 - 2028. The resulting target average annual budget would be \$7,414,316 for fiscal years 2019 - 2023 and \$7,826,602 for fiscal years 2024 - 2028.

Table 11: Estimated average annual cost at a gold level of service

GOLD LEVEL OF SERVICE	FY 2019 - FY 2023	FY 2024 - FY 2028
Average annual operations and maintenance	\$4,337,539	\$5,051,085
Average annual capital/life cycle replacement	\$3,076,777	\$2,775,517
Total average annual budget	\$7,414,316	\$7,826,602

PEER CITY

BENCHMARKING

Peer communities can be used to help provide the strategic planning framework to analyze best practices. The National Recreation and Parks Association publishes data on park facilities, programs, responsibilities, staffing, budgets and agency funding based upon national survey data. The caveat is that park budgets are comprised of many different “buckets” and are generally difficult to compare apples-to-apples in regards to spending. For example, Missoula, has over 1400 acres of conservation lands that provide considerable recreational opportunities, but the budget and acreage are not included in the calculations. Likewise, Billings does not separate its aquatics budget from its park budget. So, the numbers include staff and expenses for aquatics, which many other communities budget for separately.

Whitefish and Colstrip are included because our research shows that they have the top spending on parks and recreation in the state of Montana. Colstrip is a true park district that is governed by an independent board with the authority to levy taxes and operate the district. Changes in statute no longer allow for these types of districts and, instead, rely on the special district format.

Table 12 represents the per capita spending comparisons of peer communities in Montana based upon research conducted by Peaks to Plains Design. The budgets only include operations, maintenance and life cycle replacements and generally excludes new capital investment.

Bozeman’s budget is near the bottom of cities of the first class in Montana in operations and management spending for parks. This is likely because this amount only reflects funds expended by the city. It does not account for private funds spent on parks by private entities or volunteers. The actual per capita spending in Bozeman is higher, but cannot be fully determined due to aforementioned inconsistencies in how private entities format their cost accounting for public park maintenance.



“A standard for parks and recreation cannot be universal, nor can one city be compared with another even though they are similar in many respects.” (Barth, 2016)

Table 12: Peer community review of parks budgets, number of parks and acreage

CITY	POPULATION (CENSUS 2016 EST)	PARKS O&M BUDGET (FY17)	O&M BUDGET PER PERSON	NUMBER OF PARKS	TOTAL PARK ACREAGE OWNED*
Billings	110,323	\$5,808,673	\$52.65	164	2093
Bozeman	45,250	\$1,542,846	\$34.10	79	906
Butte	33,853	\$1,100,468	\$32.51	29	723
Great Falls	59,178	\$2,628,748	\$44.42	79	1215
Kalispell	22,761	\$805,420	\$35.39	28	429
Helena	31,169	\$1,734,494	\$55.65	56	2297
Missoula	72,364	\$3,770,456 (FY19)	\$52.10	51	500+
Whitefish	7,279	\$777,204	\$106.77	11	66
Colstrip	2,214	\$1,992,720	\$900.05	32	170

*Acreage only includes land owned by the entity itself, not lands that the entity manages on behalf of other land owners

NEXT STEPS

The use of private entities to maintain city-owned lands and assets is a rare model in Montana, especially when those parties are not subject to any formal contract with the local government. Under this model, a compelling argument can be made for enhancing private sector business and job creation. Privately held contracts are not required to pay prevailing wage rates or carry bonds or insurance. This makes their costs less than if the contracts were procured through a public entity.

The implication of utilizing private entities for park maintenance as a long-term strategy may expose the city to greater risk in terms of unforeseen and unclear liability due to poor maintenance practices, as well as greater long-term asset replacement costs. Additionally, there is the potential for an inequitable approach to park maintenance. Some property owner associations appear to be maintaining their parks at a level that exceeds best practice standards, while others are failing to keep trails and other assets up to a minimum level of service. Parks that have extensive amenities become destinations for citizens across Bozeman and the neighborhood owners association is the sole bearer of the burden for maintenance of the attraction.

The next step is to determine the level of service that the city wants to achieve within a given time period. One of the three scenarios presented in the report can be considered. In scenarios other than the status quo, the parks division will need to develop a strategy to phase-in the maintenance responsibility of park maintenance and operations in a three to five year time period.

Utilizing the projected cost data for the total cost of ownership for parks, the city will need to consider the options for assessment methodology and procedures. [Montana Code Annotated 7-11-1001 et. seq.](#) outlines the requirements for the creation of a special district, which are included in the appendix of this report. Other options include, but are not limited to, raising the millage dedicated to parks or special assessment-funded maintenance districts.

APPENDIX: MCA 7-11-10

SPECIAL DISTRICTS

Montana Code Annotated
Title 7. Local Government
Chapter 11. General Provisions Related to Services
Part 10. Special Districts – Creation and Governance

7-11-1001. Purpose. The purpose of this part is to allow for the creation and governance of special districts.

7-11-1002. Definitions. As used in this part, the following definitions apply:

(1) "Governing body" means the legislative authority of a local government.

(2) "Local government" means a city, town, county, or consolidated city-county government or any combination of these acting jointly.

(3) (a) "Special district" means a unit of local government that is authorized by law to perform a single function or a limited number of functions.

(b) The term includes but is not limited to cemetery districts, museum districts, park districts, fair districts, solid waste districts, local improvement districts, mosquito control districts, multijurisdictional districts, road districts, rodent control districts, television districts, and districts created for any public or governmental purpose not specifically prohibited by law. The term also includes any district or other entity formed to perform a single or limited number of functions by interlocal agreement.

(c) The term does not include business improvement districts, cattle protective districts, conservancy districts, conservation districts, water and sewer districts, planning and zoning districts, drainage districts, grazing districts, hospital districts, irrigation districts, library districts, livestock protective committees, parking districts, resort area districts, rural improvement districts, special improvement districts, lighting districts, rural fire districts, street maintenance districts, tax increment financing districts, urban transportation districts, water conservation and flood control projects, and weed management districts.

7-11-1003. Authorization to create special districts. (1) Whenever the public convenience and necessity may require:

(a) the governing body may:

(i) create a special district by resolution; or

(ii) order a referendum on the creation of a special district to serve the inhabitants of the special district as provided in **7-11-1011**; or

(b) petitioners may initiate the creation of a special district to serve inhabitants of the special district as provided in subsection (2).

(2) (a) (i) Upon receipt of a petition to institute the creation of a special district that is signed by at least 25% of the registered voters or by the owners of at least 25% of the real property within the boundary of the proposed special district and that is submitted to the clerk of the governing body, the governing body shall order a referendum on the creation of the special district pursuant to **7-11-1011**.

(ii) Upon receipt of a petition to institute the creation of a special district that is signed by more than 50% of the registered voters or by the owners of more than 50% of the real property within the boundary of the proposed special district, the governing body shall conduct a public hearing pursuant to **7-11-1007**. Following the hearing and if insufficient protests are made as provided in **7-11-1008**, the governing body shall order the creation of the special district in accordance with **7-11-1013**.

(b) If a proposed special district would be financed by a mill levy, a petition to institute the creation of the special district must be signed by at least 40% of the registered voters or at least 40% of the property taxpayers within the boundary of the proposed district.

(c) The form of the petition may be prescribed by the governing body, and the clerk of the governing body shall verify the signatures on the petition.

- (d) Subject to subsection (2)(c), the petition must:
 - (i) require the printed name of each signatory;
 - (ii) specify whether the signatory is a property taxpayer or owner of real property within the proposed special district and either the street address or the legal description, whichever the signatory prefers, of that property;
 - (iii) describe the type of special district being proposed and the general character of any proposed improvements and program to be administered within the special district;
 - (iv) designate the method of financing any proposed improvements or maintenance program within the special district;
 - (v) include a description of the areas to be included in the proposed special district; and
 - (vi) specify whether the proposed special district would be administered by the local governing body or an appointed or elected board.
- (3) Within 60 days of receipt of a petition to create a special district, the clerk of the governing body shall:
 - (a) certify that the petition is sufficient under the provisions of subsection (2) and present it to the governing body at its next meeting; or
 - (b) reject the petition if it is insufficient under the provisions of subsection (2).
- (4) A defect in the contents of the petition or in its title, form of notice, or signatures may not invalidate the petition and subsequent proceedings as long as the petition has a sufficient number of qualified signatures attached.

7-11-1004 and 7-11-1005 reserved.

7-11-1006. Determining special district boundaries. (1) The boundaries of the proposed special district must be mapped, clearly described, and made available to the public at the time of the publication of the notice of public hearing pursuant to **7-11-1007** before the district may be approved.

(2) The governing body or petitioners shall consult with a professional land surveyor, as defined in **37-67-101**, to prepare a legal description of the boundaries for the proposed special district.

(3) The boundaries must follow property ownership, precinct, school district, municipal, and county lines as far as practical.

7-11-1007. Public hearing -- resolution of intention to create special district. (1) The governing body shall hold at least one public hearing concerning the creation of a proposed special district prior to the passage of a resolution of intention to create the special district. A resolution of intention to create a special district may be based upon a decision of the governing body as provided in **7-11-1003(1)(a)** or upon a petition that contains the required number of signatures as provided in **7-11-1003(1)(b)**.

- (2) The resolution must designate:
 - (a) the proposed name of the special district;
 - (b) the necessity for the proposed special district;
 - (c) a general description of the territory or lands to be included within the proposed special district, giving the boundaries of the proposed special district;
 - (d) the general character of any proposed improvements and the proposed location for the proposed program or improvements;
 - (e) the estimated cost and method of financing the proposed program or improvements;
 - (f) any requirements specifically applicable to the type of special district;
 - (g) whether the proposed special district would be administered by the governing body or an appointed or elected board; and

(h) the duration of the proposed special district.

(3) (a) The governing body shall publish notice of passage of the resolution of intention to create a special district as provided in **7-1-2121** and **7-1-2122** or **7-1-4127** and **7-1-4129**, as applicable. The notice must contain a notice of a hearing and the time and place where the hearing will be held.

(b) At the same time that notice is published pursuant to subsection (3)(a), the governing body shall provide a list of those properties subject to potential assessment, fees, or taxation under the creation of the proposed special district. The list may not be distributed or sold for use as a distribution list in accordance with **2-6-1017**.

(c) A copy of the notice described in subsection (3)(a) must be mailed to each owner or purchaser under contract for deed of the property included on the list referred to in subsection (3)(b) as shown by the current property tax record maintained by the department of revenue for the county.

7-11-1008. Right to protest -- procedure -- hearing. (1) An owner of property that is liable to be assessed for the program or improvements in the proposed special district has 60 days from either the date of the first publication of the notice of passage of the resolution of intention or the date the protest form provided for in subsection (2)(c) was sent to property owners, whichever is later, to make a written protest against the proposed program or improvements.

(2) (a) A property owner may register a written protest under either subsection (2)(b) or (2)(c).

(b) A property owner may register a written protest in any format in conformity with this section. The protest must identify the property in the district owned by the protestor by either its street address or its legal description, whichever the property owner prefers, be signed by a majority of the owners of that property, and be delivered to the clerk of the governing body, who shall endorse on the protest the date of receipt.

(c) The governing body shall send each person referred to in **7-11-1007(3)(c)** a protest form with space for any information required under subsection (2)(b) of this section, mailing instructions, and the date the form must be returned to the governing body. The form must allow a property owner to select either support for or opposition against the creation of the district. The forms returned with an indication of either support for or opposition against the creation of the district may be used, along with written protests submitted under subsection (2)(b), in determining whether sufficient protest has been filed to prevent further proceedings.

(3) (a) For purposes of this section, "owner" means, as of the date a protest is filed, a record owner of fee simple title to the property or a contract buyer on file with the county clerk and recorder.

(b) The term does not include a tenant of or other holder of a leasehold interest in the property.

(4) An owner of property created as a condominium may protest pursuant to the provisions in **7-11-1027**.

(5) (a) At the hearing provided for in **7-11-1007**, the governing body shall consider all protests.

(b) If the protest is made by the owners of property in the proposed district to be assessed for:

(i) 50% or more of the cost of the proposed program or improvements, in accordance with the method or methods of assessment, further proceedings may not be taken by the governing body for at least 12 months; or

(ii) more than 10% but less than 50% of the cost of the proposed program or improvements, in accordance with the method or methods of assessment, and if the governing body decides to proceed with proposing the district, the governing body shall order a referendum in accordance with **7-11-1011**.

(c) In determining whether or not sufficient protests have been filed in the proposed special district to prevent further proceedings, property owned by a governmental entity must be considered the same as any other property in the district.

(d) The decision of the governing body is final and conclusive.

(e) The governing body may adjourn the hearing from time to time.

7-11-1009 reserved.

7-11-1010. Combination of elections -- term of board members if election combined. (1) (a) If the governing body orders a referendum on the creation of a proposed special district and the special district would be administered by an elected board, the governing body may combine the referendum on the formation of the district with the election of the members of the board so that the qualified electors of the district may vote on these matters on the same date and at the same time.

(b) If the elections are combined, the notice of the election must contain the names of the candidates. Candidates for the board must file a declaration of candidacy with the election administrator within the time period specified in **13-1-502**. The election administrator shall endorse on the declaration the date on which it was presented.

(2) If the governing body orders a combined election pursuant to subsection (1) and unless otherwise provided by resolution by the governing body pursuant to **7-1-201**:

(a) a board member elected pursuant to this section shall hold office until the election and qualification or the appointment and qualification of the member's successor.

(b) Except as provided in subsection (2)(c), a board member has a term of office of 4 years.

(c) (i) In a special district requiring the election of five directors, three of the initial directors shall serve for a term of 2 years and two of the initial directors shall serve for a term of 4 years.

(ii) In a special district requiring the election of three directors, one initial director shall serve for a term of 2 years and two initial directors shall serve for a term of 4 years.

(iii) At the first meeting following an initial election of board members, the board shall determine by lot who shall serve a 2-year term.

7-11-1011. Referendum -- conduct of election on creating special district. (1) The governing body may order a referendum on the creation of the proposed special district.

(2) The resolution ordering the referendum must state:

(a) the type and maximum rate of the initial proposed assessments or fees that would be imposed, consistent with the requirements of **7-11-1007(2)(e)** and **7-11-1024**;

(b) the type of activities proposed to be financed, including a general description of the program or improvements;

(c) a description of the areas included in the proposed special district; and

(d) whether the proposed special district would be administered by the governing body or an appointed or elected board.

(3) The election must be conducted in accordance with Title 13, chapter 1, part 5.

(4) The proposition to be submitted to the electorate must read: "Shall the proposition to organize (name of proposed special district) be adopted?"

(5) An individual is entitled to vote on the proposition if the individual:

(a) is a registered elector of the state; and

(b) is a resident of or owner of taxable real property in the area subject to the proposed special district.

(6) If the proposition is approved, the election administrator of each county shall:

(a) immediately file with the secretary of state a certificate stating that the proposition was adopted;

(b) record the certificate in the office of the clerk and recorder of the county or counties in which the special district is situated; and

(c) notify any municipalities lying within the boundaries of the special district.

7-11-1012. Certificate of establishment. (1) On receipt of the certificate referred to in **7-11-1011(6)**, the secretary of state shall, within 10 days, issue a certificate reciting that the specified district has been established according to the laws of the state of Montana. A copy of the certificate must be transmitted to and filed with the clerk and recorder of the county or counties in which the district is situated.

(2) When the certificate is issued by the secretary of state, the district named in the certificate is established with all the rights, privileges, and powers set forth in **7-11-1021**.

7-11-1013. Order creating district -- power to implement program. (1) The governing body shall create a special district and establish assessments or fees if the governing body finds that insufficient protests have been made in accordance with **7-11-1008** or if the eligible registered voters have approved a referendum as provided in **7-11-1011**.

(2) To create a special district, the governing body shall issue an order or pass an ordinance or resolution in accordance with the resolution of intention introduced and passed by the governing body or in accordance with the terms of the referendum required under **7-11-1011**. This must be done within 30 days of the end of the protest period or approval of the referendum.

(3) If the governing body creates the special district of its own accord and without a referendum being held, a copy of the order, ordinance, or resolution creating the district, certified by the clerk of the governing body, must be delivered to the clerk and recorder of the county or counties in which the special district is situated and to the secretary of state, who shall issue a certificate of establishment in accordance with **7-11-1012**.

7-11-1014. Additional reporting procedures -- coordination of information collection, transfer, and accessibility. (1) Within 60 days after the creation of a special district or by January 1 of the effective tax year, whichever occurs first, the governing body shall provide to the department of revenue a:

- (a) legal description of the special district;
- (b) map of its boundaries;
- (c) list of the property taxpayers or owners of real property within the special district's boundaries; and
- (d) copy of the resolution establishing the special district, including any adopted method of assessment.

(2) The department of revenue shall review the information provided in accordance with subsection (1) and work with the governing body to identify and correct any discrepancies before the information is recorded by the department.

(3) If the governing body intends to submit any digital information to the department of revenue for the purposes of subsection (4)(b), the governing body shall notify the department of revenue as to the expected date of submission and submit the digital information in a manner prescribed by the department of revenue in consultation with the state library.

(4) The state library, in coordination with the department of revenue, governing bodies, and other appropriate entities, may develop standards, best practices, and procedures for:

(a) collecting and transferring between agencies any digital information submitted by a governing body for purposes of subsection (4)(b); and

(b) creating digital information to map special districts for land information purposes authorized in Title 90, chapter 1, part 4, that can be accessed through the website of the state library.

7-11-1015. Limitations on lawsuits. (1) A finding of the governing body in favor of the genuineness and sufficiency of the petition or election is final and conclusive against all persons except the state of Montana upon suit brought by the attorney general.

(2) A lawsuit filed by the attorney general must be filed by the earlier of:

(a) 1 year after the order, ordinance, or resolution creating the special district is approved by the governing body; or

- (b) the issuance of bonds to implement the program or improvements approved for the special district.

7-11-1016 through 7-11-1020 reserved.

7-11-1021. Governance -- powers and duties. (1) A special district must be administered and operated either by the governing body or by a separate elected or appointed board as determined by the governing body.

(2) (a) If the special district is governed by a separate board, the board must be established in accordance with Title 7, chapter 1, part 2, except as provided in **7-11-1010**, and specific powers and duties granted to the board and those specifically withheld must be stated.

(b) A vacancy created pursuant to **2-16-501** occurring during a term must be filled for the unexpired term by the governing body. The member appointed to fill the vacancy holds the office until a successor has been appointed and qualified.

(c) The governing body may grant additional powers to the board. This includes the authorization to use privately contracted legal counsel or the attorney of the governing body. If privately contracted counsel is used, notice must be provided to the attorney of the governing body.

(d) The governing body has ultimate authority under this subsection (2).

(3) The entity chosen to administer the special district, as provided in subsection (1), may:

(a) implement a program and order improvements for the special district designed to fulfill the purposes of the special district;

(b) employ personnel directly related to the specific improvement or program;

(c) purchase, rent, or lease equipment, personal property, and material necessary to develop and implement an effective program;

(d) cooperate or contract with any corporation, association, individual, or group of individuals, including any agency of federal, state, or local government, in order to develop and implement an effective program;

(e) receive gifts, grants, or donations for the purpose of advancing the program and, by gift, deed, devise, or purchase, acquire land, facilities, buildings, and material necessary to implement the purposes of the special district;

(f) construct, improve, and maintain new or existing facilities and buildings necessary to accomplish the purposes of the special district;

(g) provide grants to private, nonprofit entities as part of implementing an effective program;

(h) adopt a seal and alter it at the entity's pleasure;

(i) administer local ordinances as appropriate;

(j) establish district capital improvement funds pursuant to **7-6-616**, maintenance funds, and debt service funds; and

(k) borrow money by the issuance of:

(i) general obligation bonds as authorized by the governing body pursuant to Title 7, chapter 6, part 40, and the appropriate provisions of Title 7, chapter 7, part 22 or 42; or

(ii) revenue bonds for the lease, purchase, and maintenance of land, facilities, and buildings and the funding of projects in the manner and subject to the appropriate provisions of Title 7, chapter 7, part 25 or 44.

(4) If the special district is administered by a separate board, the board shall submit annual budget and work plans to the governing body for review and approval.

(5) The right to exercise eminent domain pursuant to **70-30-102** is limited to cemetery districts.

7-11-1022. Multiple jurisdictions. (1) A special district created by a combination of local governments acting together must be administered according to an interlocal agreement. The interlocal agreement may determine

whether the administrative body of the special district consists of the entire membership of all governing bodies from the participating jurisdictions or representatives of each governing body or jurisdiction.

(2) A special district created by a combination of local governments acting together may enlarge an existing service district, but may not supersede or void an existing contract, district, or interlocal agreement under which the same service is currently provided to residents of one or more of the participating jurisdictions. The local governments acting together may agree to alter an existing contract, district, or interlocal agreement as necessary.

(3) The local governments shall proportionally share the ownership of real or personal property acquired by the district pursuant to their interlocal agreement.

7-11-1023. Alteration of special districts. (1) Subject to subsections (2) and (3), the governing body may change the boundaries of any special district by resolution.

(2) The boundaries may be altered by petition after complying with the requirements for petitions as provided in **7-11-1003**.

(3) Alteration of special district boundaries is also subject to procedures for public notice, protest, referendum, certification, reporting, and establishment of assessment as provided in **7-11-1006** through **7-11-1008**, **7-11-1011** through **7-11-1015**, and **7-11-1024**.

(4) Changes made to the boundaries may not:

(a) occur more than once each year unless the governing body makes a special finding that an alteration is necessary;

(b) delete any portion of the area if the deletion will create an island of included or excluded lands;

(c) delete any portion of the area that is negatively contributing or may reasonably be expected to negatively contribute to environmental impacts that fall within the scope of the special district's program; and

(d) affect indebtedness existing at the time of the change.

7-11-1024. Financing for special district. (1) The governing body shall make assessments or impose fees for the costs and expenses of the special district based upon a budget proposed by the governing body or separate board administering the district pursuant to **7-11-1021**.

(2) For the purposes of this section, "assessable area" means the portion of a lot or parcel of land that is benefited by the special district. The assessable area may be less than but may not exceed the actual area of the lot or parcel.

(3) The governing body shall assess the percentage of the cost of the program or improvements:

(a) against the entire district as follows:

(i) each lot or parcel of land within the special district may be assessed for that part of the cost that its assessable area bears to the assessable area of the entire special district, exclusive of roads, streets, avenues, alleys, and public places;

(ii) if the governing body determines that the benefits derived from the program or improvements by each lot or parcel are substantially equivalent, the cost may be assessed equally to each lot or parcel located within the special district without regard to the assessable area of the lot or parcel;

(iii) each lot or parcel of land, including the improvements on the lot or parcel, may be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property of the district;

(iv) each lot or parcel of land may be assessed based on the lineal front footage of any part of the lot or parcel that is in the district and abuts the area to be improved or maintained;

(v) each lot or parcel of land within the district may be assessed for that part of the cost that the reasonably estimated vehicle trips generated for a lot or parcel of its size in its zoning classification bear to the reasonably estimated vehicle trips generated for all lots in the district based on their size and zoning classification;

(vi) each lot or parcel of land within the district may be assessed based on each family residential unit or one or more business units; or

(vii) any combination of the assessment options provided in subsections (3)(a)(i) through (3)(a)(vi) may be used for the special district as a whole; or

(b) based upon the character, kind, and quality of service for a residential or commercial unit, taking into consideration:

(i) the nature of the property or entity assessed;

(ii) a calculated basis for the program or service, including volume or weight;

(iii) the cost, incentives, or penalties applicable to the program or service practices; or

(iv) any combination of these factors.

(4) If property created as a condominium is subject to assessment, each unit within the condominium is considered a separate parcel of real property subject to separate assessment and the lien of the assessment. Each unit must be assessed for the unit's percentage of undivided interest in the common elements of the condominium. The percentage of the undivided ownership interest must be as set forth in the condominium declaration.

7-11-1025. Notice of resolution for assessment -- assessment. (1) The governing body shall estimate, as near as practicable, the cost of each established special district annually by the later of the first Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values from the department of revenue.

(2) (a) The governing body shall pass and finally adopt a resolution specifying the special district assessment option and levying and assessing all the property within the special district with an amount equal to the annual cost of the program and improvements as provided in **7-6-4012** and **7-6-4013**.

(b) If the entity chosen to administer the special district is the governing body, the governing body may not charge more than 15% of the annual fees or assessments collected to administer the special district.

(3) The resolution levying the assessment to defray the cost of the special district must contain or refer to a list that describes the lot or parcel of land assessed with the name of the owner of the lot or parcel, if known, and the amount assessed.

(4) The resolution must be kept on file in the office of the clerk of the governing body.

(5) A notice, signed by the clerk of the governing body, stating that the resolution levying a special assessment or changing the method of assessment to defray the cost of the special district is on file in the clerk's office and subject to inspection must be published as provided in **7-1-2121** or **7-1-4127**. The notice must state the time and place at which objections to the final adoption of the resolution will be heard by the governing body and must contain a statement setting out the method of assessment being proposed for adoption or the change in assessment being proposed for adoption. The time for the hearing must be at least 5 days after the final publication of the notice.

(6) The notice and hearing process may be included in the local government's general budgeting process as provided in Title 7, chapter 6, part 40.

(7) At the time set, the governing body shall meet and hear all objections that may be made to the assessment or any part of the assessment, may adjourn from time to time for that purpose, and may by resolution modify the assessment.

(8) A copy of the resolution, certified by the clerk of the governing body, must be delivered to the department of revenue by the later of the first Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values from the department of revenue.

7-11-1026. Collection of special district assessments. (1) When a resolution of assessment has been certified by the clerk of the local government, the county treasurer, the city treasurer, or the town clerk, as provided in **7-12-4182**, shall collect the assessment in the same manner and at the same time as property taxes for general purposes are collected.

(2) All money received by the special district, including interest and earnings accrued, must be deposited in an account held only for the special district by the office of the county treasurer, city treasurer, or town clerk.

7-11-1027. Payment of assessment under protest -- action to recover. (1) (a) When an assessment made under this part is considered erroneous by the party whose property is charged or from whom the payment is demanded, the person may:

(i) prior to the assessment becoming delinquent, file an appeal to the administrative board of the district; or

(ii) pay the assessment or any part of the assessment considered to be erroneous under protest to the county treasurer, city treasurer, or town clerk, whoever is charged with collection of the assessment, and either file an appeal to the administrative board of the district or initiate action in court as provided in subsection (2).

(b) (i) If an appeal is filed before the administrative board and the board finds in favor of the taxpayer, the board shall order the assessment or the contested portion of the assessment removed, and if the payment was made under protest, it must be refunded by the county treasurer, city treasurer, or town clerk.

(ii) If an appeal is filed before the administrative board and the board does not find in favor of the taxpayer and if a payment was made under protest or the taxpayer makes a payment under protest before the assessment becomes delinquent, the taxpayer may initiate an action in court as provided in subsection (2).

(2) The party paying under protest or the party's legal representative may bring an action in any court of competent jurisdiction against the officer to whom the assessment was paid or against the local government on whose behalf the assessment was collected to recover the assessment or any portion of the assessment paid under protest. An action instituted to recover the assessment paid under protest must be commenced within 90 days after the date of payment.

(3) The assessment paid under protest must be held by the county treasurer, city treasurer, or town clerk until the determination of an action brought for the recovery of the assessment.

(4) If the assessment considered to be unlawful pertains to property created as a condominium and the property is not solely a certain unit in the condominium, then the owner of the property created as a condominium that is entitled to protest is considered to be the collective owners of all units having an undivided ownership interest in the common elements of the condominium.

(5) An owner of property created as a condominium may protest against the method of assessment or vote at an election of the special district only through a president, vice president, secretary, or treasurer of the condominium owners' association who timely presents to the secretary of the special district the following:

(a) a writing identifying the condominium property;

(b) the condominium declaration or other condominium document that shows how votes of unit owners in the condominium are calculated;

(c) original signatures of owners of units in the condominium having an undivided ownership interest in the common elements of the condominium sufficient to constitute an affirmative vote for an undertaking relating to the common elements under the condominium declaration; and

(d) a certificate signed by the president, vice president, secretary, or treasurer of the condominium owners' association certifying that the votes of the unit owners, as evidenced by the signatures of the owners, are sufficient to constitute an affirmative vote of the condominium owners' association to protest against the method of assessment.

7-11-1028. Assessments as liens. (1) An assessment made and levied to defray the cost and expenses of the program or improvements, together with any percentages imposed for delinquency and for cost of collection, constitutes a lien upon the property on which the assessment is made and levied from the date of the passage of

the resolution levying the assessment. This lien may be extinguished only by payment of the assessment, with all penalties, costs, and interest, or by sale of the property as provided in subsection (2).

(2) When the payment of an installment of an assessment becomes delinquent, all payments of subsequent installments of the assessment may, at the option of the governing body and upon adoption of the appropriate resolutions, become delinquent. Upon delinquency in one or all installments, the whole property must be sold in the same manner as other property is sold for taxes. The enforcement of the lien of any installment of a special assessment by any method authorized by law does not prevent the enforcement of the lien of any subsequent installment when it becomes delinquent.

7-11-1029. Dissolution of special district. (1) A special district may be dissolved if it is considered to be in the best interest of a local government or the inhabitants of the local government or if the purpose for creating the special district has been fulfilled and the special district is not needed in perpetuity.

(2) The governing body may pass a resolution of intention to dissolve a special district upon its own request or upon request of the separate board administering the special district.

(3) After the passage of the resolution provided for in subsection (2), the clerk of the local government that established the special district shall publish a notice, as provided in **7-1-2121** or **7-1-4127**, of the intention to dissolve the district.

(4) (a) The notice must specify the boundaries of the special district to be dissolved, the date of the passage of the resolution of intention to dissolve, the date set for the passage of the resolution of dissolution, and that the resolution will be passed unless the clerk of the local government receives written protest in advance from the owners of property in the district who are assessed for:

- (i) 50% or more of the cost of the program or improvements; or
- (ii) more than 10% but less than 50% of the cost of the program or improvements.

(b) If the governing body receives the protest as provided in subsection (4)(a)(i), further dissolution proceedings may not be taken by the governing body for at least 12 months.

(c) If the governing body receives the protest as provided in subsection (4)(a)(ii), the governing body shall order a referendum on the dissolution in accordance with **7-11-1011**.

(d) In determining whether or not sufficient protests have been filed, property owned by a governmental entity must be considered the same as any other property in the district.

(e) The decision of the governing body is final and conclusive.

(5) If the special district is dissolved, the clerk of the local government shall immediately send written notice to:

(a) the secretary of state; and

(b) the department of revenue, providing the same information required in **7-11-1014** when a district is created. The department of revenue and the state library shall respond to the dissolution in the same manner as they respond to the creation of a district, as described in **7-11-1014**.

(6) The dissolution of a special district may not relieve the property owners from the assessment and payment of a sufficient amount to liquidate all charges existing against the special district prior to the date of dissolution.

(7) Any assets remaining after all debts and obligations of the special district have been paid, discharged, or irrevocably settled must be:

(a) deposited in the general fund of the local government;

(b) in the case of multiple local governments, divided in accordance with their interlocal agreement and deposited in the general fund of each local government; or

(c) transferred to a new special district that has been created to provide substantially the same service as provided by the dissolved special district.

(8) If the remaining assets are derived from private grants or gifts that restrict the use of those funds, the funds must be returned to the grantor or donor.

7-11-1030. Minutes. The board or governing body administering and operating the special district as provided by **7-11-1021** shall submit the minutes of its proceedings for electronic storage as provided in **7-1-204** unless:

- (1) the special district is operated by the governing body of a municipality; and
- (2) the governing body has designated an alternative place for the minutes to be recorded or maintained.

7-11-1031 through 7-11-1034 reserved.

7-11-1035. Energy performance contracts exempt. This part does not apply to solicitation and award of an investment-grade energy audit or energy performance contract pursuant to Title 90, chapter 4, part 11, or to the construction or installation of conservation measures pursuant to the energy performance contract.

Prepared by:



Peaks to Plains Design^{PC}

LANDSCAPE ARCHITECTURE / PLANNING / CIVIL ENGINEERING

In association with:



CONSERVATION FINANCE FEASIBILITY STUDY | AUGUST 2016

BOZEMAN, MONTANA



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INTRODUCTION

The Trust for Public Land (“TPL”) is an independent 501(c)(3) nonprofit organization specializing in conservation research, finance, land and water protection and urban parks. TPL is based in San Francisco with 40 offices nationwide, including a program for land protection and parks in Oregon. The Trust for Public Land’s Conservation Finance program helps public agencies and communities create a vision for parks and conservation and raise funds from state and local public sources, including local ballot measures. TPL’s land protection team helps public agencies and other NGOs complete conservation real estate transactions, and our urban team helps to design and build parks and playgrounds.

The Trust for Public Land differs from other conservation nonprofits because it works across the full range of landscapes necessary for human health and well-being — from inner city to wilderness. TPL has the expertise and resources to tackle the most complex parks and land protection projects. And TPL is the only national conservation group working to provide close-to-home nature in cities and metropolitan areas, where 85 percent of Americans live.

The Conservation Finance Program provides professional, technical assistance services to government officials and administrators that need to research and evaluate conservation finance options. Since 1996, TPL has worked on over 500 state and local ballot measures and legislative campaigns to generate more than \$57 billion to protect special places nationwide for parks, trails, beaches, historic landmarks, forests, rivers and lakes, wilderness, farms, and ranches. Voters have approved 81 percent of the ballot measures supported by The Trust for Public Land.

In Montana, The Trust for Public Land’s Conservation Finance staff has provided technical assistance and planning services to several jurisdictions including Bozeman, Missoula, Whitefish, Gallatin County, and Missoula County. In all, since 1996, TPL has supported 8 successful conservation finance ballot measures in Montana generating more than \$120 million for parks, trails, and open space conservation.

The following study presents options for the Bozeman Parks and Recreation Department to consider in exploring the potential to create a special district. This research provides a stand-alone, fact-based reference document that can be used to evaluate financing mechanisms from an objective vantage point.^{1,2}

¹ The contents of this report are based on the best available information at the time of research and drafting, June 2016.

² This feasibility study is not a legal document and should not be relied upon for legal purposes.

SPECIAL DISTRICTS OVERVIEW

Special districts are units of local government that provide specific services within a defined area. Most districts perform a single function, but in some instances, their enabling legislation allows them to provide several, usually related, types of services. The services provided by these districts range from such basic social needs, such as hospitals and fire protection, to the less conspicuous tasks of mosquito abatement and upkeep of cemeteries. According to the U.S. Census Bureau, there are more than 1,082 special purpose districts in Montana.³ The most common form of special purpose district is the independent school district. Other prevalent districts in the state include water and wastewater districts, improvement districts, and economic development districts. These districts are given significant powers including the power to acquire, purchase, sell, or lease real property; sue and be sued; borrow money; and contract with other entities. Some districts are granted the power to impose and collect taxes and to issue bonds. Many districts have differing requirements for their creation, administration, funding, and structure.

Advocates of special districts say they are more popular with citizens than general purpose governments because people understand what they are getting for their money. On the other hand, many people are not aware that special districts exist, making it unlikely they will show up at meetings or demand accountability and leaving districts potentially vulnerable to special interest control.

Special Districts in Bozeman

The City of Bozeman has created assessment districts for a number of functions, including Street Maintenance, Tree Maintenance, Street Paving, Street Lighting, Business Improvement, Tourism Business Improvement and Infrastructure Improvements. For example, in 2015 the city commission created a new special assessment district to assist in funding the construction and improvement of streets classified as arterials and collectors. The currently estimated costs of the Arterial and Collector Street Special District in Fiscal Year 2016 are \$576,000; in Fiscal Year 2017 are \$1,130,000; and in Fiscal Year 2018 are \$2,000,000. Each year, as part of its regular budget process, the City estimates the total costs of the District for the ensuing fiscal year.

The costs of the District are assessed annually to all owners of real property within the incorporated city limits based upon the assessable area of each lot or parcel, expressed in square feet. The lot or parcel area is limited to the maximum square footage assessed for zoning designations. This same method of assessment is used for the city's existing Street Maintenance District assessment. For FY 2017 the average sized residential lot (7,500 square feet) will be assessed \$41.33 for the year for arterial streets. The city wide street maintenance district assessment is \$169.24 for the averaged sized lot and the tree maintenance district's annual assessment will be \$22.70 for an average sized city lot.

³ <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>. 1,082 total districts: 763 special purpose districts; 319 independent school districts.

Lot Size	FY15 Approved 6.39% Streets & - 1.2% Trees	FY16 Approved 10% Streets & 2% Trees, with Arterial Street District	FY17 Recommended 15% Streets & 30% Trees, 90% Arterial Street District
Small = 5,000 sq ft.	Streets - \$89.18	Streets - \$98.10	Streets - \$112.81
	Trees - \$11.11	Trees - \$11.33	Trees - \$14.73
		New! Arterial Streets - \$14.36	Arterial Streets - \$27.55
Average = 7,500 sq ft.	Streets - \$133.79	Streets - \$147.17	Streets - \$169.24
	Trees - \$16.67	Trees - \$17.00	Trees - \$22.10
		New! Arterials Streets - \$21.54	Arterials Streets - \$41.33
Large = 10,000 sq ft.	Streets - \$178.39	Streets - \$196.23	Streets - \$225.66
	Trees - \$22.23	Trees - \$22.67	Trees - \$29.47
		New! Arterial Streets - \$28.73	Arterial Streets - \$55.10

Source: City Manager’s Recommended Budget Message for Fiscal Year 2016-2017 (FY17).

The cities of Billings and Missoula have established similar maintenance districts for parks. More information about the Billings Park Maintenance District is provided in a later section of this study.

Authorization to Create Special Districts

Special districts in Montana are authorized by MCA §7-11-1003. By this authority the city commission may create a special district by resolution or by referring a ballot measure for approval by the local electorate.⁴ Alternatively, citizens may petition the local government for the creation of a special district.⁵ If the special district is proposed by a resolution of the city commission then the commission must hold at least one public hearing on the matter. A notice of the resolution and hearing must be mailed to each property owner in the proposed district along with a protest form and instructions.⁶ If written protest is made by the owners of property to be assessed for 50 percent or more of the cost of the proposed program (in accordance with the methods of assessment) proceedings are terminated and the matter may not be considered again for at least a year. If the protest represents more than 10 percent but less than 50 percent of the cost of the assessments then the governing body may abandon the proposal or proceed by putting the question to a vote at a public referendum.⁷

If insufficient protests have been made (or if eligible voters have approved a referendum) the city commission would approve an ordinance or resolution creating the district and establishing assessments.

⁴ The city commission may refer the question to the ballot (either primary or general election) through the resolution/ordinance process. An individual entitled to vote on the proposition must be a registered voter of the state and a resident or owner of taxable real property in the area subject to the proposed special district.

⁵ MCA §7-11-1003(2)(a). If the petition is signed by at least 25 percent of the registered voters or by the owner of at least 25 percent of the real property within the boundaries of the proposed district the question shall be referred to the ballot. If the petition is signed by at least 50 percent of the voters or property owners the governing body will hold a public hearing and the matter will be subject to a protest process.

⁶ Property owners have 60 days from either the date of first publication on the notice passing the resolution of the date the protest form is provided to make written protest.

⁷ MCA §7-11-1008(5)(b)(i).

Special District Governance and Powers⁸

A special district may be administered and operated either by the governing body (city commission) or by a separate elected or appointed board as determined by the governing body. If the special district is administered by a separate board, the board shall submit annual budgets and work plans to the governing body for review and approval. Powers and duties that may be granted to the board include establishing a capital improvement fund and issuing general obligation bonds or revenue bonds.

Methods of Assessment⁹

The city commission will make assessments or impose fees for the costs and expenses of the special district based on a budget proposed by the commission or separate board administering the district. Several methods for assessing the percentage of cost of the program or improvements are authorized. For example, assessments may be assigned to each lot or parcel equally within the special district with regard to the size of the lot or parcel. Alternatively, each lot or parcel may be assessed based on the square footage. The governing body may not charge more than 15 percent of the annual fees or assessments collected to administer the district.

BOZEMAN PARKS AND RECREATION

The Bozeman Parks and Recreation Department comprises five divisions: parks; recreation; aquatics; forestry; and cemetery. Additionally, the department manages and acts as administrator for the Trails, Open Space and Parks (TOP) program.

The City of Bozeman Parks Division is responsible for the overall development and maintenance of 45 public parks, 52 miles of trails and associated sports fields and open space within the city limits totaling 474 acres. Many homeowners associations (HOAs) are responsible for basic maintenance of their neighborhood city parks. HOAs maintain nearly 300 acres of park lands and natural areas.

The Trails, Open Space, and Parks (TOP) program was created in 2012 when city voters approved a \$15 bond initiative with 73 percent voter approval. The bonds will support the costs of designing, constructing or equipping on open-space land, trails, parks and natural areas or multi-use recreational fields and facilities, or employing such lands in the preservation or enhancement of water quality, and acquiring rights to or interests in or improving open-space lands in or near the City. To date, three major acquisitions of new parkland have been completed, including:

- 55 acres for Story Mill Community Park
- 80 acres for the Bozeman Sports Park
- 9 acres for Bozeman Pond expansion

Three additional projects have been approved and will require Parks Division management, maintenance and operation:

⁸ MCA §7-11-1021.

⁹ MCA §7-11-1024.

- Bozeman Creek Enhancement at Bogert Park
- Path to the “M” and Drinking Horse
- Front Street Connector Trail

The city’s budget is organized on the basis of funds, each of which is considered a separate entity. Governmental funds include the General Fund, Special Revenue, Debt Service, and Capital Projects Funds. Enterprise funds consist of Water, Wastewater, Solid Waste, Parking, and Storm-water Utility Funds. The General Fund represents about 31 percent of total appropriations to support the majority of administration, public safety and public welfare operations. The FY 2017 recommended general fund budget for Bozeman of \$29,882,201 includes \$2,161,670 for parks which represents roughly 7 percent of general fund expenditures. Recreation is budgeted at \$2,026,743 (including the Aquatics Division). The largest expenditure categories are police and fire which combined comprise 49 percent of the total.

Bozeman’s population grew by approximately 4.2 percent from 2013 to 2014 – much higher than comparable communities in Montana and regionally. The city’s current population of 43,400 is expected to continue to increase creating additional needs for parks, trails and recreation facilities and programming. See Appendix A for more information about population growth.

The cost to manage the existing city-owned parks (474 acres) is approximately \$1.9 million. The TOPs parks, once completed, will add another \$741,950. The cost to the city to pay for management of HOA parks (286) is roughly \$938,400 for a total of about \$3.6 million annually.¹⁰

Potential Park Maintenance District in Bozeman

The City of Bozeman could consider creating a special district to fund parks and trails maintenance and operations. As mentioned earlier, the district could be administered by the City Council or by a separate elected or appointed board and may be supported by assessments or fees.

Assessments

The City of Bozeman could impose an assessment to support a new park district similar to the existing assessments for streets and tree maintenance. In order to create an estimate of the revenue generating capacity and cost of a hypothetical assessment rate based on square footage of property in the city, TPL will require data from the assessor including total square footage of property in the city and the square footage of the average residential property.

Alternatively, a parks maintenance district assessment may be based on the taxable value of property (similar to the city mill levy). For example, the City of Missoula created a park district in 2010 that levies an assessment of 7.08 mills.¹¹ The Missoula park district levy is estimated to generate roughly \$770,000 annually at a cost to the owner of a \$225,000 house (taxable value = \$2,864) of approximately \$20 per year.¹²

¹⁰ Personal communication with Carolyn Poissant, MLA, AICP, Manager of Trails, Open Space and Parks Design and Development City of Bozeman - Department of Parks and Recreation

¹¹ <http://www.ci.missoula.mt.us/DocumentCenter/Home/View/30219>.

¹² City of Missoula, Budget Analysis 2016, p. 2.

MUNICIPAL PARK DISTRICT EXAMPLES

Municipal park and recreation districts exist in many forms around the country. Several examples are examined in this section. Details include mission, management structure, budget, funding sources, and implementation authority.

BEND PARK AND RECREATION DISTRICT, OREGON

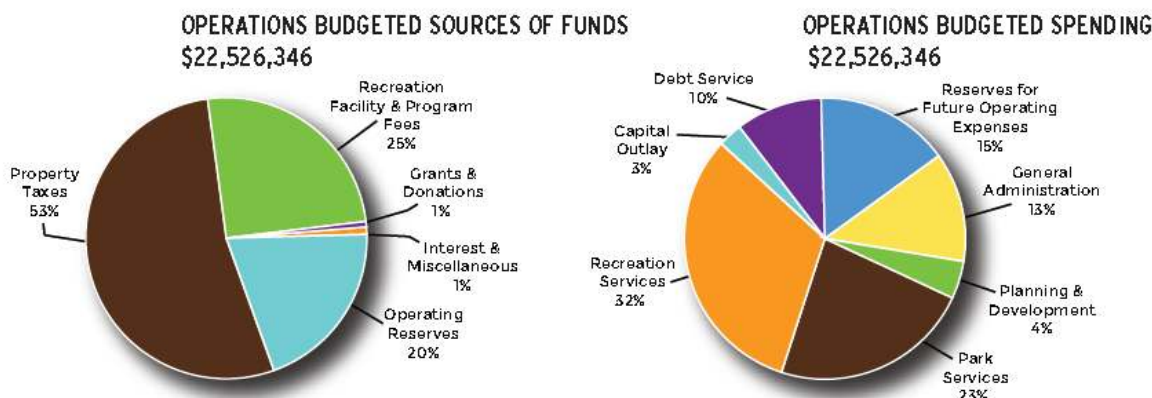
Overview and Governance

The Bend Park and Recreation District is a special tax district created in 1974. It is separate from the City of Bend, governed by a five-member, elected board of directors, and managed by an executive director. The district operates independently of other government agencies and adopts its own budget. The district serves a local population of 84,362 with 106 full-time staff and 380 part-time employees. District properties total 2,706 acres including regional parks (1,011 acres), natural areas (918 acres), community parks (619 acres), neighborhood parks (158 acres), and 65 miles of trails.

Budget and Funding

District operations are largely supported by a permanent tax rate (property tax) and program fees as shown in the charts below. District voters have been asked to approve several tax levies and bonds to support the district over the past 40 years. The majority of these measures passed. Most recently, in November 2012, the citizens of Bend Park and Recreation District passed a \$29 million bond measure to fund a number of park, trail and recreation projects. The capital projects budget (\$46.6 million) is funded by bonds and system development charges (SDCs). SDCs are collected from new residential building permits to be used for new park and trail land acquisition and development projects.

2014-15 OPERATIONS BUDGET



EASTMONT METROPOLITAN PARK AND RECREATION DISTRICT, WASHINGTON

Overview and Governance

The Eastmont Metropolitan Park and Recreation District (EMPRD) was created by a voter-approved ballot measure in 2004. The district serves a population of just over 30,000 in the cities of East Wenatchee and Rock Island in Douglas County, Washington. EMPRD manages 44 acres of parks and seven miles of waterfront asphalt trail (The Apple Capital Loop Trail). Other district amenities include baseball, basketball, soccer, and football fields; lighted basketball and tennis courts; horseshoe pits, a disc golf course, picnic shelters, playgrounds, walking and biking trails, a radio control car race track, and an indoor swimming pool. Organized recreation offerings include indoor and outdoor sports leagues, sports camps and specialized day camps.

The district is governed by a five-member board of directors. Board members are elected for six-year terms. The Board appoints a Director to oversee the district’s daily operations as well as its six full-time employees and a varying number of seasonal employees.

Budget and Funding

Revenue for the park district¹³ is derived primarily from district-wide residential property taxes. Other revenues are generated by activity fees, program fees, and compensation for intergovernmental services, advertising, donations, concessions and grants. The EMPRD has a voter-set levy rate of \$0.35 per \$1,000 of assessed value that was established as part of the EMPRD formation. Expenses in the 2015 budget totaled just over \$1 million, leaving a positive balance of roughly \$7,500.

Eastmont Park District Revenues	
Source	2015
UNRESERVED FUNDS	\$120,000
GENERAL PROPERTY TAXES	\$783,148
LEASEHOLD EXCISE	\$1,200
PROPERTY MANAGEMENT SERVICES	\$12,000
ACTIVITY FEES	\$15,990
PROGRAM FEES	\$64,910
ADVERTISING FEES	\$9,150
INVESTMENT INTEREST	\$240
CONCESSIONS PROCEEDS	\$2,275
TOTAL ESTIMATED REVENUE	\$1,008,913

The district has placed a \$4 million bond measure on the November 8, 2016 ballot. The bond will upgrade and improve the public Eastmont pool and continue the district’s partnership with the YMCA to provide recreation programming, renovate a community park and expand and upgrade other local parks trails and pathways. The measure requires 60 percent voter approval to pass.

BILLINGS DISTRICT, MONTANA

Overview and Governance

The Parks and Recreation department manages approximately 2,580 acres of parkland that includes: 171 Park Areas, 40 playgrounds, 29 basketball courts, 19 tennis courts, 29 park shelters, 66 horseshoe pits, over 100 athletic fields (soccer, baseball and softball), 6 neighborhood centers,

¹³ 2015 EMPD Approved Budget.

30 miles of paved multi-use trails, 3 cemeteries in two locations, 2 outdoor pools, and a minor league baseball stadium. The department serves a city population of 108,869.

Budget and Funding

The City of Billings created a city-wide park maintenance district in 2011 to support the Billings Park and Recreation Department by providing certain maintenance and improvement services for city-owned park facilities. The parks to be improved were previously supported through the general fund, which draws most of its revenue from the property tax mill levy that is capped by the City Charter. The intent of creating a district was to add \$2 million annually in council-mandated assessments to whatever general fund revenues the council budgets for parks to allow the department to address a backlog of deferred maintenance. The proposed resolution to create the citywide park district states that raising \$2 million in fiscal 2013 would require a levy estimated at 12.39 mills on each parcel of property within the city. That would be about \$16 annually for a home with a value of \$100,000.

The total FY 2017 proposed city budget was \$329 million. The budget designates roughly 3 percent of that amount for the Billings Park, Recreation, and Public Lands Department (\$11 million). Funds for the department come from four major sources: General Fund Contributions (45 percent); the city-wide park district (24 percent), and 35 individual park maintenance districts (13 percent); and fees and charges (14 percent).

BAINBRIDGE ISLAND METRO PARK AND RECREATION DISTRICT, WASHINGTON

Overview and Governance

The Bainbridge Island Park and Recreation District was created in 1965 to provide park facilities and in particular a swimming pool for city residents. The park district grew as properties were acquired or donated. As of 2014, the district operates and maintains more than 1,500 acres in parks, trails, and open space that is available to the community for both active and passive use. Recreation programming ranges from sports to cultural arts and aquatics to boating. The district serves a population of 23,293 with a staff of 40 full-time employees and 5 regular part-time employees. The Park Board of Commissioners consists of five elected members who serve six-year terms of office.

Budget and Funding

During its first forty years, the District operated under a tax structure that relied upon the passage of maintenance and operations excess levies every two years to obtain funding for basic operations. The uncertainty over whether the District would have funding every two years curtailed the District's ability to look ahead and plan for the island's future.

To stabilize funding for the District, city residents voted in 2004 to approve the formation of the Bainbridge Island Metropolitan Park and Recreation District. As a metropolitan park district, the Park District now operates under a tax structure that provides the community with on-going funding and thereby assures residents of continued park and recreation services from year to year.

District voters also have approved a number of bond measures to support parks, trails, and the protection of natural areas. In 2015, voters overwhelmingly approved a \$5.9 bond to purchase 23 acres in the Winslow area. In 2001, island residents approved an \$8 million open space bond authorizing the City of Bainbridge Island to collect tax funds for the purchase of open space, forested areas, wildlife habitat and properties for trails and passive parks. The City worked in partnership with the Park District and the properties purchased with these funds are gradually being transferred into Park District ownership to operate as park land for the island.

Bainbridge Island MPRD General Fund			
Revenue	2016 Projected	Expenses	2016 Projected
Beginning Cash	\$1,532,789	Administrative	\$1,793,651
Property Tax Operations	\$4,493,823	Park Services	\$1,634,502
Property Tax Lid Lift	\$244,156	Recreation	\$3,767,267
Program Revenue	\$2,342,945	Transfers Out	\$362,656
Donations/Rentals	\$374,830		
Total Resources	\$8,988,543	Total	\$7,558,076

Appendix A



Bozeman's growth rate tops 4 percent, population likely past 45,000

[By Eric Dietrich Chronicle Staff Writer](#)

June 21, 2016

Bozeman added 1,760 people to its population between 2014 and 2015, bringing the city to 43,400 residents, according to U.S. Census Bureau estimates.

The city-level statistics put the city's growth rate at a blistering 4.2 percent — well higher than comparable communities both in Montana and regionally.

Because Census Bureau population estimates are released on an annual cycle for the previous year, an official population estimate for 2016 isn't yet available. Assuming a constant rate of growth, however, puts Bozeman's current population at roughly 45,200.

Local population growth far outstrips Montana's other major cities, on both a raw number and a percentage basis. Billings, with a population of 110,000 and Missoula with 71,000, for instance, added roughly 1,400 and 1,200 residents, respectively, between 2014 and 2015, putting their growth rates at less than 2 percent.

Helena and Kalispell are the state's next-fastest growing cities, each adding several hundred residents for growth rates near 2 percent.

Other western U.S. cities comparable to Bozeman are also seeing growth, but at rates that pale in comparison to Bozeman. Bend, Oregon, for example, is estimated at 3.4 percent annual growth, while Fort Collins, Colorado, and Flagstaff, Arizona, are clocked at 2.5 and 2.1 percent rates, respectively.

Several smaller municipalities in the Bozeman area are also seeing substantial growth. Manhattan, for example, added an estimated 66 people between 2014 and 2015, bringing its population to 1,630 with a growth rate nearly equal to Bozeman's 4.2 percent. Belgrade grew at 3.1 percent, adding 240 residents to break the 8,000-resident mark.

Unincorporated Gallatin County also added 1,356 people, putting it at a 3.1 percent growth rate.

http://www.bozemandailychronicle.com/news/city/bozeman-s-growth-rate-tops-percent-population-likely-past/article_4388bda0-d225-57f7-a221-0e1d9db6db64.html/#utm_source=bozemandailychronicle.com&utm_campaign=related-by-section&utm_medium=direct&utm_term=bozeman%E2%80%99s%20growth%20rate%20tops%204%20percent%2C%20population%20likely%20past%2045%2C000

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