

# LEWISTOWN HOTELIER TOURISM BUSINESS IMPROVEMENT DISTRICT BYLAWS

## **Article I Organization**

Section 1.1 Name. The name of the organization shall be the Lewistown Hotelier Tourism Business Improvement District, hereafter referred to as the "LHTBID."

Section 1.2 Mission. The mission of the LHTBID is to generate room nights for lodging facilities in the City of Lewistown, Montana and Fergus County by effectively marketing our region as a preferred travel destination.

Section 1.3 Powers. The LHTBID may engage in any activity consistent with the Lewistown City Charter, its Articles, Montana law, City ordinances, resolutions and these Bylaws, provided that the Board of Trustees determines that the activity is in furtherance of the purposes for which the LHTBID was formed.

Section 1.4 Definitions. The following terms used herein shall have the following definitions:

- (a) "Act" means the Montana Business Improvement District Act.
- (b) "Board" means the board of trustees and of the LHTBID.
- (c) "Governing Body" means the City Commission of the City of Lewistown, Montana.
- (d) "Trustee" means a trustee of the board of trustees of the LHTBID

## **Article II**

### **Board of Trustees**

Section 2.1 Board of Trustees. All corporate powers shall be exercised by or under authority of, and the business and affairs of the LHTBID shall be managed under the direction of, the Board of Trustees of the LHTBID except as may be otherwise provided in the Bylaws or by law.

Section 2.2 Number. The Board of Trustees shall consist of not less than five or more than seven owners of real property subject to the jurisdiction of the LHTBID or their designees. The number of trustees of the board, once established, may be

changed within these limits from time to time by resolution of the Governing Body. A resolution to reduce board membership may not require resignation of any member prior to completion of the member's appointed term.

Section 2.3 Qualifications of Trustees. Candidates for trustee should meet the following general criteria:

- (1) owners of real property subject to the jurisdiction of the LHTBID or their designee;
- (2) Property a Trustee represents must be a lodging property open for business and collecting the LHTBID assessment at the time of appointment and while serving on the board;
- (3) committed to the well-being of the LHTBID;
- (4) respected citizen or leader;
- (5) able to work effectively as part of a group;
- (6) competent in some area of value in achieving objectives of the LHTBID;
- (7) able to maintain a commitment for the term of appointment;
- (8) a lodging property with more than 65 guest rooms may designate a second trustee as a member of the LHTBID;
- (9) a trustee cannot represent more than one lodging property at a time.

Section 2.4 Nominations. A nominating committee of the Board of the Lewistown Hotelier Tourism Improvement District as designated by the Board shall submit the name or names of nominees for Board membership to the Governing Body at any time as determined by the Board.

Section 2.5 Appointment. Five initial trustees have been appointed by the Governing Body in City of Lewistown Resolution XXXX, and future trustees shall be appointed by the Governing Body and approved by the Governing Body.

Section 2.6 Term. Each trustee will be appointed for a term of 3 years. Any vacancy that occurs will be filled for the unexpired term. A trustee shall hold office until the trustee's successor has been appointed and qualified.

Section 2.7 Absences. A trustee who misses more than one third (1/3) of the regular meetings in a calendar year without health or medical excuse, shall lose their status as a trustee and shall be replaced by the Governing Body. Such removal must be preceded by delivery of a copy of a notice of removal stating the reasons therein to such member at least ten days prior to a hearing thereon before the Governing Body, should such member request a hearing on the removal.

Section 2.8 Resignation, Removal and Vacancies. A trustee may resign at any time by delivering written notice to the Board. A trustee's resignation is effective upon delivery of the notice of resignation unless the Board authorizes otherwise. A member of the Board may be removed by the direction of the Board with the consent of the Governing Body. A vacancy on the Board shall be filled by the direction of the Board with the approval of the Governing Body.

Section 2.9 Powers and Duties. The Board shall have those powers set forth in the Act. The Board's responsibilities shall include, without limitation, (1) administration of the LHTBID, including oversight of expenditure of its funds; (2) the establishment of goals and policies for the LHTBID; (3) nomination of trustees for the LHTBID to the Governing Body; (4) appointment of an Executive Director or Administrator of the LHTBID; (5) approval and implementation of projects and programs to be undertaken or administered in furtherance of the objectives of the LHTBID and the purposes of the Act; (6) compliance with the requirements of the Act, and (7) long range and strategic planning.

Section 2.10 No Compensation. Members of the Board may receive no compensation unless reimbursement is required for previously authorized expenses incurred on behalf of the LHTBID in the discharge of their official duties.

Section 2.11 Trustees in Default. Any trustee who represents a lodging property that is more than ninety (90) days in default of paying LHTBID fees to the City of Lewistown will not have a vote on board action until such time as the fees are paid to within ninety (90) days of due date. A trustee whose lodging property is more than ninety (90) days in default will not be listed in marketing projects, publications, or media until such time as LHTBID fees are paid to within ninety (90) days of due date.

### **Article III Meetings of the Board**

Section 3.1 Regular Board Meetings. The regular meetings of the Board shall be held at a time and location determined by the Board. Public notice of such meetings shall be provided by telephone, fax, U.S. mail, e-mail, or other communication, at least twenty-four hours before the regular meeting is to occur. Public notice of regular Board meetings shall be provided via news release, web site, newspaper advertisement or other method determined by the Board to adequately inform the community.

Section 3.2 Special Board Meetings. The Chair or any officer and one other member of the Board may call a special meeting of the Board upon at least twenty-four hours notice as provided in Section 3.1 to each member of the Board. Such notice shall state the purpose for which such special meeting is called. Public notice of such meeting shall be provided in the same manner as regular meetings.

Section 3.3 Quorum. A quorum of the Board consists of a majority of the number of trustees or officers in office immediately before the meeting begins. Trustees may be in attendance at any meeting in person or by telephone or electronic/internet connection, but any such connection shall permit any trustee not attending in person to hear all discussion concerning any item upon which action is to be taken, and shall permit all persons in attendance to hear the trustee attending by telephone.

Section 3.4 Board Action. If a quorum is present at a meeting of the Board, then the affirmative majority vote of the trustees present at the meeting shall constitute the act of the Board. If a quorum is not present, the trustees present may make a recommendation. Notification of this recommendation will be provided by e-mail, mail, or in person to those trustees absent. If no objection is made to the recommendation within the specified period, which shall be no less than 10 days, the absent trustees who do not respond will have concurred with the recommendation and board action authorized in the affirmative. Each trustee will have one (1) vote, except as noted in Section 2.11 regarding Trustees in Default.

Section 3.5 Proxy Prohibition. No proxy voting shall be permitted.

Section 3.6 Actions by Written Consent. Any action of the Board may be taken without a meeting and may be in the form of fax or email. A 2/3 majority of the voting members of the Board are required to pass a written motion.

Section 3.7 Committees. The Board may designate and establish such committees and task forces as it considers appropriate to carry into effect the objectives and purposes of the LHTBID. Committee chairs will be appointed by the Chair of the Board. Committee meetings or task force meetings may be called at any time by the chairperson of the committee or task force or by the Chair of the Board. At any duly called meeting of a committee or task force, those present shall constitute a quorum. Each committee and task force shall study, investigate and make recommendations to the Board on subjects within the general scope of activity assigned it by the Chair of the Board or which subsequently may be referred to it by the Chair of the Board or by the Board.

#### **Article IV**

##### **Officers**

Section 4.1 Officers. There shall be a Chair, a Vice Chair, a Secretary/Treasurer and LHTBID Executive Director or Administrator of the Board who shall be the officers of the LHTBID. In the absence of the Chair the Vice Chair shall act as chairman and Secretary/Treasurer shall follow. The Executive Director/Administrator is a non-voting member of the Board.

Section 4.2 Election of Officers. Officers shall be elected annually by the Board at the last regular meeting of the fiscal year. Any officer may sign all official documents on behalf of the organization upon approval by the Board, and shall have such other duties as the Board may direct.

Section 4.3 Chair. The Chair shall preside at all meetings of the Board and at any other meetings of the LHTBID. The Chair shall appoint members to such committees and task forces as are created by the Board of Directors. The initial chair shall be appointed by the Governing Body, pursuant to §7-12-1122 M.C.A. The term of office of the Chair shall be for one year or until his/her successor is elected.

Section 4.4 Vice Chair. The Vice Chair shall perform the duties and exercise the powers of the Chair in the absence or disability of the Chair and shall perform any other duties as prescribed by the Board of Directors.

Section 4.5 Secretary/Treasurer: The Secretary and/or Treasurer shall keep a record of all proceedings, minutes of meetings, certificates, contracts and corporate acts of the Board and shall be responsible for oversight of the financial records of the organization. The Secretary shall forward a copy of all approved Board minutes to the Governing Body. The Board may appoint an assistant Secretary/Treasurer who need not be a member of the Board.

Section 4.6 Executive Director or Administrator. An Executive Director / Administrator of the LHTBID shall be appointed by the Board. The Executive Director / Administrator must be the executive director of a nonprofit convention and visitors bureau, as defined in 15-65-101, M.C.A., if a nonprofit convention and visitors bureau is operating within the Governing Body's jurisdiction. The Executive Director / Administrator shall be charged with the general supervision and management of the business affairs of the LHTBID. The Executive Director / Administrator shall be the chief executive officer and shall be charged with initiating and implementing the marketing plan, budget and related projects, the general supervision over employees, including their duties and compensation in conformity with the policies approved by the Board. The Executive Director shall keep the minutes of the Board meetings, keep other records as the Board may direct, and perform such other duties as may be prescribed by the Board, these Bylaws, or by law. The Executive Director shall so manage the affairs of the LHTBID as to promote the objectives for which the LHTBID is organized.

Section 4.7 Other Officer Duties. The Board may provide such additional duties for any officer, as it deems necessary.

Section 4.8 Officer Vacancy. A vacancy in any office shall be filled by the Board at its next regular meeting for the remainder of the unexpired term.

## **Article V Conflict of Interest**

Section 5.1 Conflict of Interest. A conflict of interest transaction is a transaction with the LHTBID in which a trustee of the LHTBID has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the interested trustee if the transaction was fair at the time it was entered into or is approved pursuant to Mont. Code Ann. §35-2-418 . However, in no event shall the interested trustee vote on the decision to enter into such transaction. Any trustee having an interest or conflict in a transaction presented to the Board for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board prior to its acting on such transaction. Such disclosure shall include any relevant and material facts, known to such person, about the transaction which might reasonably be construed to be adverse to the LHTBID's interest. The Board shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such trustee shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to such contract or transaction, nor shall the trustee be counted in determining the quorum for the meeting. The minutes of the meeting will, upon request, reflect that a disclosure was made, the action taken with respect to such disclosure, and, if applicable, the abstention from voting and the presence of a quorum.

## **Article VI Administrative and Financial Provisions**

Section 6.1 Fiscal Year. The fiscal year of LHTBID shall be July 1 - June 30.

Section 6.2 Purchasing Policy. The Board shall establish limits on the check writing authority of trustees, officers, employees, and agents of the LHTBID.

Section 6.3 Budget and Marketing Plan. Expenditure of all income shall be allocated to meet the operating needs of the LHTBID under a budget and marketing plan prepared by the Executive Director / Administrator and adopted by the Board and the Governing Authority. The Executive Director / Administrator shall make a cumulative report each month to the Board on income and expenditures. The approved budget and marketing plan shall be reviewed as requested by the Board to assure that funds are being expended as allocated and to determine if any reallocation of resources is needed.

Section 6.4 Disbursements. Upon approval of the Fiscal Year Budget by the Board and the Governing Body, the Board or Executive Director / Administrator is authorized to

make such disbursements as necessary on accounts and expenses provided for in that budget, without additional approval from the Board. Such disbursements may be made by claim and require any two (2) of the following signatures: Chairman; Executive Director / Administrator; or any designated trustee(s). Claims shall be supported by proper requisitions, vouchers, statements, or other evidence showing the expenditure to be appropriate and authorized under the budget.

Section 6.5 Indebtedness. No loan or advance shall be made or contracted on behalf of the LHTBID, and no note, bond, or other evidence of indebtedness shall be executed or delivered in its name except in the manner provided by law and as authorized by the Board.

Section 6.6 Public Records. All financial records of the LHTBID related to assessments are public documents and shall be made available to any member of the public who wishes to see them, provided arrangements are made in advance to review said records in the office of the LHTBID during regular office hours. Approval of a majority of the Board shall be required to remove any financial record of the LHTBID from the public file.

Section 6.7 Audit. The Board shall engage an independent certified public accounting firm to audit, annually, all general and special accounts of the LHTBID. The firm may be instructed to perform unannounced audits at any given period of the year for verification of accounts, in addition to the annual audit. The Board may engage an independent certified public accounting firm from time to time to audit hotel reports of occupancy to assure proper collections of assessments. All audit results should be distributed in writing on a timely basis to the Board.

Section 6.8 Use of Assessments. Assessments collected by the LHTBID shall be used for the following purposes:

- (a) The funding of all uses and projects for tourism promotion as specified in the Lewistown Hotelier TBID budget; and
- (b) The marketing of convention and trade shows that benefit local tourism and lodging businesses in Lewistown; and
- (c) The marketing of Lewistown to the travel industry in order to benefit local tourism and the lodging businesses located within the Lewistown Hotelier TBID; and
- (d) The marketing of Lewistown to recruit major sporting events in order to promote local tourism and to benefit the lodging businesses within the Lewistown Hotelier TBID.

Section 6.9 Spokesperson. Only the Chair of the Board, the Executive Director / Administrator, or their designee, shall have authority to speak on behalf of, or to issue press releases for, the Board or the LHTBID.

**Article VII  
Amendments**

Section 7.1 These Bylaws may be amended or repealed, and new Bylaws adopted by the Board at any regular or special meeting of the Board by the affirmative vote of at least two-thirds (2/3) majority of the trustees.

**CERTIFICATE OF ADOPTION OF BYLAWS**

The undersigned hereby certifies that the above Bylaws of the **Lewistown Hotelier Tourism Business Improvement District** were duly adopted by majority vote of the Board of Directors at a duly held meeting on XXXX, and now constitute the Bylaws of the Lewistown Hotelier Tourism Business Improvement District.