

Minutes
The 61st Meeting of the
MONTANA HERITAGE COMMISSION

Friday, June 15th, 2007 - 8:30am–5:00pm
St. Paul's Episcopal Church, Virginia City

MISSION

Manage, develop and operate Heritage Commission properties by preserving, stabilizing, rehabilitating, interpreting and exhibiting buildings and artifacts; overseeing and encouraging profitable commercial enterprises while creating and maintaining credible relationships with all stakeholders and partners, and protecting these historic resources for the educational benefit and enjoyment of all.

Commissioners Present: Mary Oliver, Chairperson, Bill Howell, Bob Hawks (for Lynda Moss), Joe Maurier, Maureen Wicks, Rosana Skelton, Diane Rice, Pat Keim, Leslie Schmidt
Commissioners Absent: Richard Sims, Andy Poole, Vicki Hucke
Staff Present: Paul Reichert, Karlee Smith, Jim Carpita, Tenlee Atchison
Others Present: Linda Hamilton-VC Mayor; Cindy Drought-Living History Volunteer; Jim Jarvis-Town of Virginia City; Sheri Jarvis-Madison County; Dave Schulz, Lewis Stahl, and Jim Hart-Madison County Commission; Colin Mathews, Joe Bardswich, Ellis Thompson, Bob Nevin-VC residents.

Meeting was officially called to order by Mary Oliver at 8:30am.

Mary thanked Senator Bob Hawks for his service with MHC and presented him with a book on Montana's historic hotels. Senator Hawk's replacement to the board is Senator Lynda Moss of Billings. Mary introduced Tenlee Atchison, new program coordinator with MHC. Other guests were acknowledged.

- ✓ **Rosana Skelton moved to approve the minutes from the December 5, 2006 and the March 21, 2007 meetings. Pat Keim seconded the motion and the motion passed.**

Director's Report – Paul Reichert

Membership – Montana History Foundation is helping with the details and the cost of the mailing will be covered from past years' membership funds collected. 5700 mailings went out. We have worked out an agreeable plan to coordinate which organization will be responsible for the various tasks associated with Historic Virginia City memberships.

Daems restoration – Paul invited Commissioners to tour the newly finished Daems house. The home recently housed our partners from Washington State University and is equipped with WiFi capabilities.

Legislative Process – Commission and Director exchanged thank you's for all the work done during this year's legislative process. It was a challenging year.

10th Anniversary Celebration - A brief update was given by Paul and Tenlee regarding the 10th Anniversary Celebration planning to be held on Saturday, July 28th in Virginia City. Mary stated she

would be interested in hosting a private dinner party for commissioners and ex-commissioners prior to the day of the event. Preliminary plans include a Street Fair with outside vendors, a dunking booth, and participation from VC Vendors and Civic Groups.

New board member appointees – There was a brief discussion on the list of possible appointees that was sent by the Governor’s office. The board requested that Karlee make a call to encourage a quick decision on appointees.

Fall meeting possibilities – It was decided that the August meeting would remain as originally planned. The commission stated they would like to spend time just touring MHC sites and property if the agenda is not full.

Strategic Plan Goals and Objectives

Funding

This year’s Legislative outcome included long range building approved for \$2,000,000. The Bed Tax became permanent. Statutory changes clarify MHC’s building authority. SB 284 did not pass but was very close. Diane Rice stated that \$500,000 in TSEP grant monies were received for water and sewer projects in Virginia City and bridge repairs for Madison and Jefferson Counties. There was discussion regarding the engineering firm hired to do the infrastructure for the water/sewer project, specifically the sewage lagoon. More growth in Virginia City is limited due to the size and location of the sewage lagoon. Diane Rice explained that HB744 passed. That bill states that property taxes for Madison County stay where they are, and that there will be no transfer of school taxes without the approval of both school districts. An example was given: when Big Sky petitioned to be moved into Gallatin County and tax dollars went with them.

Toilets - Paul Reichert and Jim Carpita met with Architecture & Engineering state architect, Rick Helms, who will request a release of the plans from Ken Sievert. This will allow value engineering to be completed by the general contractor and MHC staff. There is currently \$80,000 remaining for the construction of the bathrooms. Bob Hawks requested there be no short cuts on state and local building codes. Staff explained that there will be a breeze way between the NC Depot and the bathroom facilities. Tom O’Connell stated MHC can choose a contractor as opposed to taking bids. It was explained that this facility will include amenities for living history volunteers and train staff and will be usable year round.

Signage - Bill Howell stated he would like to see better signage. Visibility and maintenance, especially painting, seem to be an issue. This followed with some discussion regarding general maintenance.

Maintenance - There is some concern about the preservation/maintenance of current, well-used buildings. Jim Carpita explained that there are two full-time maintenance workers currently on staff. They are slightly behind schedule due to the recent bad weather. Their primary focus has been on-the-ground maintenance. Discussion ensued regarding having employees on staff versus contracting the work. Diane Rice clarified that part of \$2,000,000 received was based on ARMS rules and De-accession of some assets.

Noted Events - It was mentioned that two very good friends and supporters, both financially and otherwise passed away this year. They were Carl Nelson and Allan Hamilton.

Outstanding Grants - The Save America’s Treasures (SAT) grant application is still pending. \$1.3 million match is required. Those matching funds would come from the \$2,000,000 approved by the legislature and equipment funding already in place. NPS funding, community block grants and Preserve America still outstanding. Paul will be working on historic site plan with city/county. Paul is hoping to partner and leverage more resources for funding the plan.

Financial/Budget – Karlee presented budget approved in January. Financials show that MHC is under budget as of this time but that is normal for this time of year. It was explained that spending needs to be adjusted and curtailed or MHC will overspend this year's budget. Pat Keim stated he thought the benefits line looked too low. Karlee agreed and will increase % used to project that figure. Karlee explained that the film revenues/catalog shoots revenue line was from the National Geographic educational shoot and that Gold West Country subsidized that shoot of \$1000.

NPS II column shows that everything is on track. NPS will reimburse our state budget for rent, utilities and supplies used.

The Reeder's Alley budget is on track. There are some moisture issues/drainage issues in the alley. Staff explained that a long-term maintenance program is being planned however the biggest problem currently is with drainage. Restaurants are currently being well used by the public. Mary recommended a target date be set for discussions with the city regarding all street drainage and snowplowing above and below the alley as there is more and more traffic due to subdivision and commercial building taking place around Reeder's Alley.

The post-legislative budget was explained. The approved \$2,000,000 for preservation work only. Salaries were adjusted as a result. Special projects were adjusted and toilet money will be adjusted. The Yellowstone project will not happen so the special projects budget is \$0. This takes the budget from as negative \$13,000 to a negative \$27,000. Jim and staff will be finalizing that budget for July 1.

Travel expense is paid to living history volunteers, railroad and staff traveling off site as well as commissioner travel expenses. Pat Keim asked if MHC could purchase vehicles from the state surplus pool in order to cut some expense. Staff explained that all on site vehicles except 2 are from the state surplus pool.

The reserve cash balances were explained and discussed. Karlee reminded Commissioners that they requested 15% remain for emergencies. Reports show that fund levels are getting close to only 15%. Trends show MHC continuing to use cash reserves more and more for operations. There was some discussion of future revenue outlooks. Bill Howell suggested more amenities remain open and daily operations continue in September. September seems to be a strong month for other tourist areas. In order to do that staffing would be an issue. Bill said that in West Yellowstone, international workers are used now more than college students. Bob Hawks wondered about the possibility of using persons who are traveling and/or retired. Linda Hamilton shared with the commission that she uses the Spiritual Cultural Exchange Program to find staffing. She explained that they pay expenses typically on a 4 month exchange.

There was some discussion on how to keep concessionaires open. Jim Jarvis agrees with Bob Hawks on tapping retired senior services. Virginia City as a whole must develop RV and housing sites. This would be included in the site plan. Colin Mathews suggested the reclaimed lagoon site be used for RV parking. Bob Hawks brought up the issue of communications and technology. Discussion ensued and a consensus was that parameters should be set and options pursued for these kinds of amenities.

There was discussion on this season's operations. Staff feelings are optimistic for a good year.

Motion: There was request for a change to Fiscal Year Reporting as opposed to Calendar year reporting. There was a question as to what the real profit centers are. It was requested that better report detailing be provided. Diane Rice requested a look at salaries/benefits. **Rosana Skelton motioned that financial reporting and budgeting start following State of Montana fiscal year. Leslie Schmidt seconded the motion. Pat Keim requested that we continue yearly comparisons on income. Motion passed.**

Preservation and Maintenance (Collections staff)

Mai Wah - Jim explained a request that the sign on loan to Mai Wah remain in Butte year round rather than bringing the sign back to McFarland for the winter months. Jim explained Mai Wah is a Chinese collections/history group out of Butte and that MHC has a vast number of Chinese artifacts that a sign has been loaned to the group. Protections have been put in place to secure this artifact. Prior to the loan to that group, the sign stayed in Nevada City in storage. Mai Wah has cooperated in the interpretation of Chinese history in Virginia City.

Motion: The Commission requested that Mai Wah present, display and explain for visitors the importance of Chinese history and their contribution to the society of Nevada City and Virginia City. **Rosana Skelton moved to approve a 5 year loan agreement with MaiWah and leave the sign in Butte for the duration of the loan agreement. Diane Rice seconded that motion. Motion passed.**

Motion: Williams Plaque – There was some brief discussion on the loan for the Williams plaque to VCPA to remain in the Hangman’s building. **Bill Howell moved to approve the loan, Joe Maurier seconded the motion. Motion approved.**

Education and Interpretation (Paul & Jim)

Historic Site Plan Update - \$15,000 CBDG to be decided in August. Jim Jarvis with the town of VC continues to work on a Preserve America grant. He received approval from town counsel to submit grant. This is in cooperation with MHC. MHC hopes to start the project this Fall.

Black Smith shop donation – Jim explained what the donation consisted of and what preliminary work had been done by staff. This donation will help MHC in the expansion of interpretation of blacksmithing and will add to the display and working history in the carriage works building. There is a sense of urgency. An offer has come from a living history volunteer to help move the contents of the building. The Museum of the Rockies has also offered to help. It will become a working site and provide education opportunities. **Pat Keim moved to accept the donation and move the contents and authorize staff to determine needs. Rosana seconded the motion. Motion passed.**

Partnerships and Relationships

MSU Connection – Terry Beaubois with the School of Architecture is working on a contract for entryway signage that includes preliminary design work and construction. He is also working on 3D learning environment with historic preservation training. Terry has some great media connections that may be valuable. Terry may have funding resources that can be shared by MHC. MHC could be the first historic site in the country to use this technology. Leslie Schmidt will help with the administrative aspects for this project. Commission requested that Terry Beaubois, Barb Pahl and Jeff MacDonald be at August meeting.

WSU Field School – 10 students and 2 educators were on site for 2 weeks. Jim Carpita and Bill Peterson went there for 2 days prior to their visit to VC. These were all graduate level students, two of whom are just their dissertation away from completing their doctorates. WSU expressed interest in continuing this relationship next year. Lobbying document will be prepared for the future out of this cooperation.

Gas Station - Diane Rice asked about the gas station on the edge of town. She requested MHC contact Alfred Hokansen, owner of Norris convenience store to help with a feasibility study. Paul stated he will initiate contact.

Door Barn – It was revealed that MHC does not own the contents or the building. A purchase agreement was found and is on record with MHC and state attorney general’s office. Property is being sold.

Commission toured the Daems House during the lunch hour

Public Comment & Local Govt. Presentations

Madison County – Sheri Jarvis and Commissioners – Dave Schultz presented a history on the partnership and cooperative relationship between MHC and Madison County. He explained the current state and county law enforcement rules and issues and thus the need for a new justice center. Dave explained that the first bond issue presented to voters for a new justice center lost by only 400 votes. The County plans a new bond issue to build a justice center and just wanted to be sure there was still going to be cooperation by MHC. Madison County will have a private Archaeologist provide professional assessment. There was some brief discussion regarding parking possibilities and the use of the parking lot. Madison County will not pave that parking area and they will be responsible for the maintenance. There was discussion regarding the false front of the Wallace Street side of the building, the size and infrastructure as well as what offices will be housed in that building.

Motion: Pat Keim moved that if voters approve the new bond issue, MHC will work cooperatively with Madison County on the Justice Center Parking Lot behind the building. Rosana Skelton seconded the motion. Motion approved.

Town of Virginia City – Linda Hamilton is updating local codes. Linda is responsible for the parking lot and is working on DOT set backs for Jackson Street. Jim Jarvis is working on developing a trail system with a new route linking Virginia City and Nevada City. The trail will be on MHC and the Town of Virginia City land. Virginia City would be responsible for trail development and maintenance.

Marketing and Public Relations

Karlee explained that we have had some preliminary discussion with Travel MT to help us with a new website design

- New Entryway Signs are being worked on by the Town of Virginia City and MSU for MHC
- Paul told the commission that he will be doing a 30 minute radio program on YPR Radio, the public radio station out of Bozeman.

Karlee reported current articles that have been printed for free and the current advertising ads that will be printed in various publications. A suggestion was made that some advertising be placed in the entertainment guides of major markets around the state.

Governance and Internal Structure

Land Issues, legal service needs – Bardswich: - Paul explained that the MHC railroad spur is being disputed with the land owner has to its location near the Navajo Mill site. Joe Bardswich explained that he had a survey done in August of 2006 by Brian Thompson and that the wye clearly sits on his land. In earlier discussions with the previous director he had been assured that the wye was not on his land and because he was out of the country, he was unable to determine its placement until last year. Mr. Bardswich stated he brought the problem to the attention of MHC in Sept. 2006. Mr. Bardswich requests insurance coverage from MHC until the land issue is resolved. He states that he was told the issue would be resolved before the train began running for the 2007 season. Options to this issue include: moving the wye to the other side of the pond or a land exchange or purchase. Paul has met with Mr. Bardswich and will continue to work with him to resolve the issue. Mr. Bardswich is willing to consider a hold harmless agreement from state until end of season.

Central City Land: Ellis Thompson stated that he has a similar issue with MHC railroad tracks. His boss, Mr. Bowling recently bought property that the railroad encroaches on. Mr. Bowling is an insurance attorney. Ultimately he would like a land swap. There was discussion on where the track was laid and who originally owned it and the land it sits on prior to the states purchase.

DOC services and fee negotiations – Paul has discussed DOC services received by MHC and the fees associated with those services with Andy Poole. There are \$153,000 in administrative fees charged MHC annually by Commerce. Paul also discussed hiring process with Andy and how difficult it is to hire returning seasonal employees. Different options may need to be explored in the future. Paul will continue conversations for the future.

✓ **Tucker land exchange approval** – Jim showed the commission the survey and how the encroachment lies. The land was appraised @ \$2300. Adjacent land will be swapped. The appraiser is from Dillon. **Bill Howell motioned the exchange be made, Diane seconded the motion. Motion approved..**

Draft ARM rules – Staff has been working on Deaccession policy modification and ARM Rules. There was discussion about the level of accession/deaccession. It is determined that real estate is the priority. Real and personal property are on two different levels. Jim Carpita explained that only 100,000 items have been inventoried according to accession out of 1,000,000.

Executive Director Position – This opening closes July 16th. Interview questions must be finalized prior to release of applications. Karlee will redistribute the questions and the executive committee will approve.

The meeting adjourned at 4:45pm

Next meeting – Friday, August 10, 2007 in Virginia City