

## MINUTES

### The 60th Meeting of the MONTANA HERITAGE COMMISSION

March 21, 2007 – 6:00-9:00 p.m.  
Bootleggers (@ the Stonehouse), Reeder's Alley – Helena

### 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, Mark Baumler (for Richard Sims), Bob Hawks, Bill Howell, Vicki Hucke, Joe Maurier, Andy Poole, Maureen Wicks.  
**Commissioners Absent:** Anne Cossitt, Judy McNally, Leslie Schmidt, Rosana Skelton, Diane Rice, Richard Sims, Pat Keim.  
**Staff Present:** Paul Reichert, Jim Carpita, Julie Johnson.  
**Others Present:** Amy Sullivan.

The meeting was officially called to order by Mary Oliver at 6:25. Mary called for approval of the minutes from the December 5, 2007 meeting minutes. **A motion was made to approve the minutes. The motion was seconded and it passed.**

Mary Oliver expressed appreciation for all of the people who keep stepping up to the plate to protect Montana's history, and particularly those who have stood up for the Montana Heritage Commission. Mary thanked Paul Reichert and Karlee Smith for their stellar support. She also thanked the people on the ground in Virginia City—Jim Carpita, Julie Johnson, and VC staff. Thanks to Julie Johnson for being available to take minutes at this meeting in Karlee's absence. Mary also expressed special thanks to Senator Hawks and Representative Rice—it has been a challenging legislative session.

Mary reported that the rotunda event had a very good turn out and was very successful. She again thanked Bob and Diane for hanging in there and representing our cause throughout the session.

#### **Legislative Update - Senator Hawks**

**SB 88** – Sen. Hawks reported that the bill had passed both houses, bringing MHC \$400,000 in bed tax funds without a sunset, making the legislation clean, simple and long term. The bill will soon be sent to the Governor for signature.

**HB 5** – Attempts to bring back our funding in the long-term planning budget is down the road a ways. Next week should show how it will unfold. Bob said a lot will depend on how staff can keep the Governor informed for the appropriate time to be at committee hearings for executive action.

**HB 830** – This bill may replace HB 5. If that is the case, House Appropriation Committee will table HB 5 and replace it with this bill. Then VC NC will be totally cut-out of HB 830, and will need to be amended back in on the Senate version.

**SB 284** – “Best Place First” tourism business plan bill that gives VC a % of the 3% bed tax now going to general fund. It’s still too early to predict where this bill will end up.

**SB 184** – Has been transmitted to the House but a hearing date has not been set at this time. This bill gives MHC a little more spending authority on construction projects.

### **Financial Reports**

**Budget fiscal year** – Paul discussed the benefits of going to a fiscal year budget. He said the best rationale is that financial records are kept through the state system on the fiscal year (July 1-June 30). Paul explained that we spend considerable time reformatting reports to a calendar year in order to compare spending with budget. Paul said that it’s also difficult to spend a lot of time formulating a budget during the summer so late winter/early spring would definitely be easier for that process. **Paul suggested that F & M Committee put this item on their next meeting agenda, probably in May.** There was discussion about the benefits of staying with a calendar year budget. It was mentioned that contracts are on a calendar year and would be hard to compare if the budget were cut off in June and begin anew on July 1. Bob Hawks suggested that we need some sort of a crossover so we can still show trends.

**Calendar Year End 2006** – Paul pointed out that operating budget actual expenses exceeded revenues because of low cash flow this time of year, but expenditures were still below those budgeted. Paul further explained that we operate with a lag in income for obvious reasons due to summer income. The reserve funds we have help provide a cash flow cushion. The NPS II budget ended the year with a cash balance of \$301,000. We hope this amount will carry us until June. Reeder’s Alley is doing well. Income is primarily rent and it’s fully occupied. Some salaries are paid partially from Reeder’s Alley, but the primary expenditures consist of maintenance. Paul said he would like to bring tenants together and set out a long range maintenance plan for Reeder’s Alley. We need to start putting money in roof, gutters, bricks, etc. Pioneer Cabin is just starting to collect rent now. The year end report reflects an interest payment that came from the cabin’s endowment. We opted to begin receiving dividends rather than reinvesting them so we will have funds to do needed maintenance of the properties. **2007 Year to Date** – All expenditures for January-February are below budget with the exception of NPS 2 which is 28.4% expended with 16.7% of the year past. NPS 2 has about \$236,000 left to make it to June. The separate funds are in good shape and general operations are consistent. Everyone who owed us money from last year has paid.

**Safety Policy** – Paul presented safety language amendments to the Strategic Plan and referred to the handout provided to Commissioners in their packets. **Joe Maurier made a motion to accept the proposed amendments. Maureen Wicks seconded the motion.** Discussion: It was explained that MHC has made a commitment to Dept. of Commerce (DOC) regarding safety. Managers met with DOC regarding the proposed safety language. In addition to modifying the strategic plan to include safety language, we are developing a safety handbook for all staff and volunteers. Also, every employee job profile will have safety language included in it so each employee will be evaluated on their commitment to, and use of safe work habits. Jim Carpita also reported that Safety Officer Donny Steeley has been trained and is doing a great job.

Mark Baumler thought it was an odd place to put safety in the Strategic Plan. Mary Oliver mentioned that safety of visitors isn’t mentioned. She suggested that language be changed to insure safe conditions for employees and others at the sites, rather than stated as working conditions. Andy Poole commented that these changes are good steps towards meeting the safety needs. Safety is everyone’s responsibility. It’s a good idea to develop a handbook stressing to the employee and the manager the importance of safety. It was suggested that we send a final letter to DOC and Worker’s Comp that we have accomplished the requested recommendations of the safety audit. **Mary called for a vote for the motion on the floor and it passed.**

**Historic Site Development Plan Update** – Paul asked for Commission consideration to allocate \$55,000 for a Historic Site Development Plan from some of the special project reserves identified in the 2007 budget approval—the amount approved was for \$50,000. Discussion: Paul reported that he has met with county commissioners who have agreed to support the project and will apply for Community Development Block Grant (CDBG) funds. Paul is working with county staff on a grant that is due April 20. In addition, he is writing a grant to Rural Development for economic planning. The City is also in full support of an effort to provide master planning for the town. The current proposal is for authorization to hire a consultant who will prepare the plan. The public involvement process is a huge component of the plan. Part of the cost estimate, if we get the other source of funds from grants, will also include a preliminary design for a Visitor Center. Paul stressed that it is critical for the whole town to work together on this project.

Paul plans to incorporate the private sector as well. There will be a sharing of ideas for how to incorporate the plan for what the common goals are in the town and for the historic sites as a whole. Paul said he would like to start the process in September. Bob Hawks asked about cost estimates. Paul said he had developed them based on his background with similar planning projects in Bozeman and Helena. Amy Sullivan added that the Site Development Plan is a fantastic idea. She constantly receives questions from potential donors about where the project is, where it's going and what the long range future will be. She said the Montana History Foundation is also supportive of this idea and could help with funding. She mentioned that the critical part will be who writes the plan as the town is very unique—she felt the estimate may be a little on the low side.

Paul said the stage we're at right now is just applying for grants. He will also be in contact with Barb Pahl from the National Trust for an overview of the process. The goal is to use MHC funds to leverage other grants. **Andy Poole made a motion to approve the request for \$55,000 in starter funds for the project. Bill Howell seconded the motion. Bob Hawks amended the motion, adding that the Finance & Management Committee will provide general approval and oversight as the project progresses. Bill Howell seconded the amended motion. The motion passed unanimously as amended.**

### Updates

- ARM Rules and Deaccession Policy – Paul reported that he has asked Karlee to wrap this up. We will attempt to have a final “draft” ready for board action at the June meeting. She will be mapping out a graph of what the policy says including steps to deaccession property. Commission action will be needed to propose administrative rules before it goes to public comment. Paul will also be attending the Montana Historical Board to receive comment from the Board of Trustees.
- Strategic Plan update
  - There will be an agenda item at every Commission meeting re: Strategic Plan updates.
  - We will begin holding one special P & I meeting each year to address Strategic Plan implementation.
  - We will set up a fundraising framework to map grants and private fundraising efforts going forward.
  - On site staff has continued to diligently work at funding. Grant applications have been submitted to FEMA, SAT (Save America's Treasurers), and NEH (National Endowment for the Humanities).

**FEMA** - \$2.4 mil grant for a pre-disaster mitigation retrofit of seismic issues. Matching funds would come from long-range building fund money if approved. If this doesn't come through, we can use state, private, volunteer, city, county but not federal dollars as match. This will require close to \$600,000 matching funds. The long-range building plan has a project line for hydrology and several other items that can be used as match.

**SAT** – This application is for preservation work of the McGovern Block. This site has been identified as one of the most unique and valuable, from the standpoint that much of the original fabric is still present, many different medium, with hides on the roof to water proof, and

- subsequent wall coverings. This is a bricks and mortar request, \$1.4 million grant to be submitted end of April. Requires a 100% match which we would use \$700K federal, \$700K state)
- Paul has been putting together work plans for 2007 that tie the Strategic Plan to each employee's job profile. Jim Carpita and on-site program managers have worked on this as well to put specific implementation goals under employees' names.
  - Jim & Paul spoke to a number of items being worked on:
    - Visitor service staff and living history – Credit card machine added to VC Depot. Calendars, shirts, post cards have been printed that promote living history, Nevada City and the train.
    - Explore America group.
    - Identify collections most at risk. List primarily consists of outdoor exhibits. Develop a comprehensive list that continues.
    - Update and implement Strategic plan.
    - Draft outline for interpretive plan has been completed. Curator of Interpretation is scheduled to attend training to become certified and accredited.
  - Partnership agreements in place:
    - Bannack, Washington State University, University of Montana, Montana Tech.
    - Draft agreement to provide fire protection classified as an unassigned fire district.
    - U of M-Western, teaching education, interpretation, collections; heritage education, National Center for Preservation Technology and Training (NCPTT) flying in from Louisiana Monday-Wednesday.
  - Plaque policy – Paul reported that through discussion with staff that a plaque policy is more connected with fundraising/marketing. We will work on a plan to customize a recognition display on-site instead of a stand alone plaque for each individual contribution made by donors or volunteers. There is concern that we need consistency and that we should be very sensitive about putting up more signs. Some feel that the national register signs even detract from the buildings and photos. P & I committee basically voted there would be a NO plaques policy. They would rather have donors recognized in the verbiage of the interpretation rather than on a specific recognition plaque.
  - Land issues update – Jim reported there are three issues specifically showing progress. 1) The Tucker boundary realignment agreement approved by the Commission in December—we have since found out a full appraisal is needed. We have requested surveyor quotes and should receive one by tomorrow or Friday. The property appraisal was estimated at \$2,400-\$2,500 based on one received. This cost was not budgeted but will go under explainable variances as will the cost of the appraisal. Costs will be shared 50/50 with Maryann and Loren Tucker. 2) Bob Nevin's request for an access easement through state property is still under discussion. At one time the county commission urged land owners to file a petition to run a road through and to the top of the hill by the VC depot. The County said they didn't want anything to do with the road, but they still have to maintain access to the Sheriff's repeater. We considered closing the road along railroad tracks to clear up some issues but now Mr. Nevin is saying he has other access and is leaving it alone. 3) Jim met with Evalyn Johnson and she is willing to extend the railroad lease for one more year. An agreement has not been reached as far as dollars. Evalyn requested a profit and loss statement from railroad which we provided. The statement shows that train revenues are up, but expenses are up even more. We are awaiting her response regarding trading, divide, or relocation of railroad. We have asked if she would honor last year's price but have not received a response. Our lease with Johnsons expired 12/31/06.
  - Visitation tracking survey - Managers met with a private consultant (Econ. professor at UM Western) and discussed a proposal to conduct a visitor survey this summer. The survey is estimated to cost about \$3,000. We have looked at similar surveys through museum associations, and even a canned, uncustomized survey was about \$3,500. Survey details are still being discussed. Money has been budgeted.
  - A request for NPS-3 funds was submitted for \$2.9 million. Bill Howell has already made some follow up contacts and will be visiting D.C. in April. Gilbert Brewery is still highlighted as the most

significant at risk structure that we have. Other key elements in the request included funding for the Virginia City Institute to move toward accreditation. Washington State University, University of Montana, University of Montana-Western, have all expressed interest in the institute.

**Board Appointments – Status** - Several Commissioner terms expire in May this year. Pat Keim has already reapplied. Judy McNally and Anne Cossitt have said they do not plan to reapply, and we don't know yet what Rosana Skelton's plans are. It was also mentioned that Bob Hawks and Diane Rice's terms are up. Sen. Hawks said he has interests in serving on other boards but it still be available, but we need to consider who else might be interested—start broadening our base and get new people on board.

**Executive Director Position** – Paul's six-month contract was discussed and it was suggested that we might want to extend the contract by another six months. The way it currently stands, his contract ends mid-April. Mary Oliver requested a motion to extend Paul's contract an additional six months to October 2007, and to have a vacancy announcement published soon to fill the position before October. Mary said she would set up an Executive Committee meeting to discuss the vacancy. **Joe Maurier made a motion to extend Paul's contract an additional six months until October 2007 or until the permanent position is filled. Bill Howell seconded the motion and it passed.**

Amy Sullivan presented the Montana History Foundation's year-end written report. She recapped the highlights of 2006 relative to fundraising for the Montana Heritage Commission. The next MHF board meeting will be held at the Daly Mansion in Hamilton on May 20-21, 2007.

The meeting adjourned at 8:42 pm.

**Next meeting – Friday, June 15, 2007, Virginia City**

#### TASK LIST

Who?	What?	When?
Paul Reichert	<ul style="list-style-type: none"> <li>• Memo regarding final safety policy</li> <li>• Begin Historic Site Development Plan process</li> </ul>	Soon September
Karlee Smith	Deaccession Policy	June
Jim Carpita, Donny Steele, Paul Reichert	Change to "safe conditions at the site, rather than working."	June
Paul Reichert	CD copies of building assessment to Amy Sullivan	April
Executive Committee	Begin process to recruit and hire Executive Director before Paul's one year is up in October	Advertise soon , hire by October