

## Minutes

### The 63<sup>rd</sup> Meeting of the MONTANA HERITAGE COMMISSION

November 16, 2007 - St. Paul's Episcopal Church in 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, Chairwoman; Bill Howell; Rep. Diane Rice, Maureen Wicks, Colin Mathews, Philip Meachling, Joe Maurier, Vicky Hucke, Leslie Schmidt, Marilyn Ross, Randy Hafer, Sen. Lynda Moss, Andy Poole, Richard Sims

**Staff Present:** Paul Reichert, Executive Director; Kelly Casillas, Legal Counsel; Karlee Smith, Business & Marketing; Julie Johnson, Visitor Services; Jeff MacDonald, Lead Preservation Specialist; Janna Norby, Curator of Collections; Marge Antolik, Museum Technician; Bill Peterson, Curator of Interpretation; Cecile Gevock, Archaeologist; Tenlee Atchison, Program Coordinator

**Guests Present:** Betsy Lane, Abby Lee, Stacey Gordon, Jim Jarvis, Shelley Thiemer,

Mary Oliver called the meeting to order at 8:30 a.m. New commissioners were introduced and guests welcomed.

**The board approved the minutes of the August 10, 2007 meeting.**

#### DIRECTORS REPORT

##### **Security**

Security topped the report due to the recent break in and theft at the Dance and Stuart Store. Janna Norby reported that an inventory was completed of missing items. Items missing include mining lamps, hats and hat pins, beaded purses and jewelry. It is estimated that between \$5,000 and \$10,000 in collections were taken. The thieves entered the building through a rear window and seemed to know exactly what they were looking for. The thieves were very careful in handling all the collections as nothing else was broken or in any way harmed. A full report has been filed and some investigation did take place by the Madison County Sheriff's Office.

This is a big concern to staff and residents due to the fact that this took place in a main street Virginia City building. Renewed funding for the night watch person hired by the Town of Virginia City, has not been approved for 2008 and must be voted on by residents. In the past MHC has contributed gas for the night watch and will continue to do so. A private fundraising drive is taking place to pay for night-watch from late November until the city election in January. **The board approved a contribution of \$900 to the Town for the night watch, from November 2007 – January 2008.** This will match the \$700 in private funds that have been raised to cover the remainder needed. Some other suggestions discussed

were security dogs for Nevada City, security cameras in MHC buildings, seasonal staff or volunteers staying in Nevada City throughout the year and MHC funds for the continuation of the night watch.

### **Agency Work Plans, Strategic Direction and Legislative Policy**

Paul shared current program work plans and a summary of the strategic direction for the board to review. This was presented as a point of departure for discussion and the upcoming board retreat in January. Paul stated that historic preservation and financial planning has to encompass all aspects of our work, not just preservation of buildings and collections. He would like the board to be more involved with future planning and come up with its own work plan to complement staff work plans. A conservation plan for all sites should include a business plan for continued operations that must also have a preservation and interpretation component. The presentation covered our current image and customer base and how we might strengthen these or expand into new areas, such as educational branding.

Volunteerism is growing out of love for the site. Education is a business opportunity that is growing and MHC needs to expand its image as a place of learning. Currently, ½ of all staffing is funded by one-time money. Paul would like the board to review our statue, and seek permanent staff and operational funding from the state. He feels MHC needs to broaden and better define our public image. Trends show that tourism has hit a plateau. MHC needs to expand our marketing base to appeal to a broader clientele.

Within the next year MHC needs to fine tune what we do, take advantage of long range funds to integrate our projects and bring in new revenue. The historic site plan is going to better define our grand vision. It is imperative to the project that the board asks the legislature for operational funding. MHC must get into the administrative budget. MHC board members can be involved with the governor and budget director now before the next legislature meets in 2009. Senator Moss stated a model presented to the legislature would be wise and will help get people excited at the state level as well as the non-profit and private sectors. Representative Rice offered some background for the new commissioners stating that the \$2,000,000 was given on the contingency that some of the properties are sold. The ARM rules are near completion, and the Deaccession Policy will need to be revised slightly to correspond with the sale ARM rules. Once this is accomplished, the sale of property can take place.

Bill Peterson explained to the board how big the educational opportunities are for the state in all the academic fields - geology, geography, education, archaeology, museum studies, collections, tourism and preservation. It is rare to find all of these disciplines in one location. Julie Johnson invited commissioners to visit the site as a tourist during a major event in order to get an accurate picture of what visitors are experiencing on-site.

In order to distribute information out to a broader audience, it was suggested that we can make the site a student film project. By placing the information on a DVD we can capture the passion of staff, volunteers and visitors.

A decision to establish new board committees and goals will happen following the MHC board planning retreat on January 15, 2008 in Bozeman.

### **Strategic Plan Goals and Objectives**

#### **Funding**

Commissioner Marilyn Ross explained that the firm A & E is being recommended as the top firm for the Historic Site Development Plan. Their strength is economic analysis and marketing, as part of the planning work. The review committee for the interview process was impressed with the depth of economic analysis this firm offered as we craft a development future. Jim MacDonald has great knowledge and resources that will contribute to the project. He has been very successful in negotiating so

that all the different components come together and has a strong understanding of the public process. This firm has done work in Yellowstone, on the State Capitol restoration, and ranches in the area. Background was given—a \$15,000 Community Development Block Grant (CDBG) was received by the Town of VC, the Montana History Foundation has committed \$25,000 and MHC has included \$25,000 as a request from reserves in our FY08 budget. **A motion was made to approve the recommendation to hire A&E architects and start contract negotiation with the top firm. Motion was approved.**

### **Budget and Financials**

Paul explained the FY 08 expenditures to date. The license plate tax revenue received is sporadic. Joe Maurier agreed and said that revenue is down 10% for Fish, Wildlife and Parks. It was suggested that the permanent licensing change for older vehicles may be affecting this funding.

It was explained that the site manager position is still reflected in this year's budget. We will be discussion a number of staffing options. Resort tax revenues for the Town of Virginia City are about the same. There are fewer businesses contributing but the tax revenues per business are higher. Revenue in September is up due to collections being more steady throughout the season. Bill Howell reported that West Yellowstone resort tax numbers are considerably higher this year even though gas prices are higher.

Long range dollars can be spent over time not necessarily in one year, however for budgeting purposes it has been split equally over two years.

Paul reviewed the proposed FY 2008 budget, and noted that most of the proposed savings are planned and that the bottom line of a balanced budget should be achieved. **Motion: The budget for fiscal year 2008 was approved by motion and vote.**

### **Partnerships and Relationships**

Stacey Gordon presented the State of the Theatres address to the board. She explained that the theatre continues to lose money. She would like to have MHC reassess her original proposal and rescind the 7% part of the contract for the next three years. This would help Ms. Gordon recoup some of the costs she used to replace props, sets, rigging and costumes and purchase tools. She stated there are other capital improvements that are required including new flooring for the stage. She is proposing to add twelve one-hour "mini" shows and is hoping to expand the matinee schedule.

The Finance and Management Committee will meet soon to discuss concessionaire contracts.

Sheri Jarvis questioned if MHC would entertain the idea to have round table discussion regarding rents and financial analyses with local merchants, concessionaires and VC officials. She stated the Chamber would like to help with that. Andy Poole will be happy to become engaged in this area. [Follow up note: Andy Poole contacted the Headwaters Rural Community & Development (RC&D) in Butte to request their assistance in helping VC/NC businesses. They will be working directly with some concessionaires and plan to set up a workshop early spring 2008 for the purpose of helping businesses develop business plans, and strategize ways to improve their net profit.]

### **Public Comment & Local Government Presentations**

Jim Jarvis presented the depot trail project to the commission. This is a non-motorized trail from Virginia City to Nevada City. He explained that the first option was an easement where the utility line runs. It has since become obvious that the most likeable option is a strip of land on top of a tailings pile that sits back from the highway and garbage area and runs from Virginia City to Nevada City. This pile currently is already flattened and provides a small trail graded and usable. It crosses from the Town of VC property onto MHC property with a small parcel of private property owned by the Johnsons. Legal counsel advised that they might look at formal easement or a license agreement. An easement would have to go

before the land board. An answer and legal issues will be available at the next board meeting. \$63,000 is currently available in grant monies to the Town of Virginia City for the trail construction, upgrade, and maintenance.

Jim Jarvis stated that he has accepted a new job with Madison County planning department. He will no longer be with the Town of Virginia City, but still wants to see this project completed.

Chris Mumm with Madison County Emergency Services presented a proposal for the Alder Gulch fire district. Currently there are 519 miles of unassigned fire district in the Gulch, with 97 square miles of unprotected land around VC. Granite Creek drainage will be the line for splitting the fire district. The new district will include Alder and Virginia City, which already have volunteer fire departments. All districts will be assigned and mutual aid agreements will be in place so that all volunteers can respond.

### **Governance and Internal Structure**

Stephanie Kruer, legal counsel for Central City LLC, presented a land swap proposal between MHC and Central City LLC. She relayed that after Central City, LLC purchased the land they became aware of an encroachment along the MHC railroad tracks. A land swap, they feel will help eliminate liability and easement issues. This proposal will have to go through the state land board. A request was made that MHC give Central City LLC a hold harmless agreement in the short term. MHC legal counsel deferred discussion until our executive session.

Paul stated the Tucker land exchange is very close to completion.

Karlee explained that the ARM rules have been simplified and are close to publication. MHC's enabling statute requires that we establish rules in order to sell real or personal property. MHC legal counsel will review the rules before publishing. If there are significant changes to the content of the document it will be brought back to the board for approval. Janna Norby added that all deaccession policies and procedures will also be reviewed with this process so they are consistent with the sale ARM rules.

**Motion: Approval was granted for staff to proceed with publishing the rules and obtaining public comment**

### **New Business, Other Business**

Emergency item: Janna Norby requested that the board move to approve the destruction of several Assay Office containers that contained mercury and other hazardous materials. Some had to be incinerated due to their contents. **Motion was approved.**

### **Quarterly meetings set for 2008:**

Wednesday, April 2, 2008 – Helena  
Wednesday, June 18, 2008 – Virginia City  
Thursday, Sept 11, 2008 – Virginia City  
Wednesday, November 5, 2008 - Helena

Mary Oliver reported that she has appointed a Nominating Committee consisting of Vicki Hucke, Maureen Wicks and Joe Maurier. The committee will be responsible for soliciting nominations for Chair and Vice Chair position for 2008. Nominees selected will be presented at the January retreat in Bozeman.

The public meeting adjourned at 2:00 P.M.

The board then went into executive session to discuss legal issues with our Attorney.