

Minutes

The 64th Meeting of the MONTANA HERITAGE COMMISSION

April 2, 2008 – Scriver Center, Helena Montana

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, Chair; Bill Howell, Vice Chair; Diane Rice, Maureen Wicks, Colin Mathews, Philip Maechling, Joe Maurier, Vicki Hucke, Leslie Schmidt, Marilyn Ross, Patty Dean, Andy Poole

Staff Present: Paul Reichert, Executive Director; Kelly Casillas, Legal Counsel; Karlee Smith, Business & Marketing; Julie Johnson, Visitor Services; Janna Norby, Curator of Collections; Jeff Cleverly, Preservation Specialist; Mike Ciani, Preservation Specialist; Don Steely, Preservation Specialist; Bill Peterson, Curator of Education; Dan Thyer, Living History Coordinator; Jack Frost, Maintenance; Cecile Gevock, Archaeology; Tenlee Atchison, Program Coordinator.

Guests Present: Stephanie Kruer, Legal Counsel for Central City LLC; Ellis Thompson, Amy Sullivan, Montana History Foundation

Mary Oliver called the meeting to order at 8:30am. Patty Dean was introduced as our new commissioner and guests were welcomed.

The board approved the minutes from the November 16, 2007 meeting.

Committee Reports to Full Board

Staff met with respective commission members following a brief explanation and description of the process and purpose by Mary Oliver and Paul Reichert. Each committee gave a follow up report to the full Commission.

Education/Interpretation

Bill Peterson is currently working on an interpretive plan. Dan has implemented a training program required for on site interpreters and how they interact with visitors. Staff is currently working on signage for the Nevada City gate. Museum rules will be placed on the back of entrance tickets for the next printing. Living history is moving forward and has been very well accepted. Vernacular Architecture will be touring VC June 2009. It was suggested that there should be a day long symposium with that group.

Preservation/Archaeology

The group discussed what has been accomplished in the past. Cecile reported that she has not had enough people to finish some projects. She shared that keeping up with work has been difficult. Commissioner Maechling initiated some conversation on how to create a slightly different structure to get targeted money. It was decided that a 501(c) 3 needs to be pursued quickly for better partnerships. Karlee has been researching that area. Upcoming site visits include the World Monument Foundation which brings an international scope to the project. This organization can help with possible private funding out of NYC. John Stubbs is the current director. They are very committed to heritage preservation training in multiple disciplines and historic tourism. They are familiar with remote sites and have the expertise to help with our operation. They really want to see the projects while they are running. Archaeology's focus will be on projects with matches built in.

Maintenance

Jack shared that he will be looking at retiring within the next 2 years. We need to look for someone who can spend time with Jack to learn nuances of the various systems before Jack leaves so that the knowledge will be passed along.

Visitor Services/Marketing

A Brewery grant application has been put in to FEMA. Julie has been invited to participate in the evaluation process by FEMA who will be paying for her travel and accommodations to Washington DC. The announcement for award will come in August but we may hear something in June. The idea for brewing and marketing root beer came from the research and work Julie did for this grant. A lot of cooperative work from one grant will increase marketing and profitability. Concessions and housing continue to be a challenge for visitors and workers. The Nevada City bathrooms will be up and should be running by mid-season. Karlee is working with G & G Advertising on a new visitor guide, MHC brochure, and ad copy for the site. She continues to research a 501(c) 3 status for the commission.

Collections

Current accession and deaccession policies need to be updated in order for the Collections staff to move forward with the sale of artifacts now that the Sale Administrative Rules (ARMs) are in place. More flexibility of policies will be required. Collections items will be assessed for levels of historic importance based on criteria in the MHC enabling statute. Items acquired as part of the Bovey assets which are subsequently sold, must be put into a trust. The major question is where to start.

DIRECTORS REPORT

Performance Audit

Mike Wingard was introduced as the auditor with the Legislative Audit Division. An audit was requested by Senator Lynda Moss. Mike reported that he is doing some investigating to determine whether an audit is needed or not. The audit is only for Virginia City and Nevada City. He is just beginning to get background info. Will be conducting interviews and looking at documents. It will be determined by June whether a full audit will happen. He will be looking at a number of issues raised in the last performance audit and current functions such as:

- financial records
- information services functions
- efficiency and effectiveness
- issues reported to legislative bodies
- transfer of ownership issues
- forcible timelines

Membership report

Our goal is to make the membership pitch part of everything MHC does. The entire membership program was turned over to MHC from the Montana History Foundation. They gave us membership funds from previous years to use for seed money. We will be looking at tracking how people are joining to come up with best approaches for recruiting members.

Legislative Proposals

Paul reported that he had been working with Dept. of Commerce because initial Legislative requests must go through them. Paul is planning to ask for additional dollars on top of current level. There was a discussion of what funding source should be sought. It was suggested that we proceed cautiously with seeking accommodations funds. Paul decided to prepare proposals for both accommodations tax and general fund because it is easier to cancel a bill request rather than slip it in later. **The board approved the list of priorities and authorized staff to work with the Department of Commerce to successfully develop these legislative efforts.**

Pending Grants report

- NEH grant submitted by Bill Peterson/Janna Norby
- FAVROT private grant submitted by Paul
- SAT grant to be submitted for McGovern block. Original needs to be submitted into two different proposals.

Miscellaneous

- Senator Tester visited the VC site with positive encouragement. He stated all grants should go through his office so a support letter can be submitted by his staff especially federal grants. Federal agencies don't have the money for grant programs because of the tightening federal budget that they used to have.
- Historic site planning efforts are moving forward. No official contract has been signed to date but should be in place soon.
- The ARM rules for the sale of state property are done. Staff will begin efforts to identify both real and personal properties that should be considered for sale.
- The 2008 Washington State Field Schools may coincide with the World Monument Fund visit in May. There will be an Architecture field school in June. They will be looking at a visitor center site. Oregon is considering a field school later in season. Housing is the issue for keeping and getting more schools and dollars.
- A hydrologic report is being done to study the wetlands and property survey with some proposed solution for mitigation in Nevada City.
- Paul is working on a GIS system with Dept. of Commerce. We may use some formats currently being used by Fish, Wildlife & Parks.
- DVD with Montana History Foundation will be a great media tool to share with donors, legislators, etc. will be almost all publicly funded. \$75,000 is needed to make it work. This is not a home movie. It is a professionally funded media packet to cover overall projects. Staff have used paper packets for informational needs. The DVD will upscale all or our contacts with media, travel writers, granting agencies, donors, and educational institutions.
- We are currently working to improve the marketing materials we now have. The ad firm we contracted with is working on new brochures - MHC brochure and VC/NC Visitor Guide.

Financials and Budget

Paul reported that the vehicle registration tax collections and interest income are down. We continue to dip into our cash reserves to balance the budget and cover daily operating costs. Insurance will be going up substantially in 2011. The Membership program is up and Reeder's Alley will be receiving more rental income due to some office shuffling and the move of the Helena office to another space on the Alley. Additional costs have been incurred from various land issues. These costs have been absorbed but are tracked on the financial reports as "explainable variances" at the bottom of the report.

The Executive Committee will meet Wednesday, April 30 to discuss the FY 2009 proposed budget. The final budget needs to be approved at the June meeting. Forty percent of staff costs are being paid out of Long Range Building Funds. Those funds will be gone at the end of June 2009.

Public Comment & Local Govt. Presentations

Legal counsel has been working with all entities to make the VC/NC Trail project with the Town of Virginia City possible. The DNRC Land Board will not approve an agreement without some sort of rental fee. Also, the agreement must be revocable at will. Flexibility to get out of an easement agreement at any time would be the best for the Commission with the unknowns of future management and development. The Commission agreed that the trail is not a high risk and will be a win/win for MHC and the public. Kelly will discuss further language with DNRC and report back to the commission at the June meeting.

A resident has requested to lease land from MHC behind daylight village to graze their horses. After discussion it was decided that the commission will allow grazing on any lands.

PARTNERSHIPS AND RELATIONSHIPS

Tourism Charter and Support Decision

The Greater Yellowstone geotourism project by National Geographic is a high profile map and charter that is in the early stages of development. One has already been done for the Glacier Park area and was shown in the Crown of

the Continent map hand out. **The board approved a motion to partner in the charter.** Paul will sign the charter and submit to the Tourism Advisory Council.

Montana History Foundation

Amy Sullivan, MHF Executive Director, provided an annual report to the Commission. MHF has committed to help fund and partner in the DVD project by giving \$25,000. They have also agreed to give \$25,000 in funding for the Historic Site plan. A \$100,000 endowment has been secured for maintaining the music machine collection.

Montana History Textbooks have gone to the publisher. This book was written by Krys Holmes with some collaboration from the Office of Public Instruction and focus groups. An August deadline for distribution is set to take place from the MHF offices in the Scriver Center. They will be distributing 5000 copies for free to school groups around Montana.

MHF is partnering with the Montana Preservation Alliance and National Trust for Historic Preservation to provide grants for industrial preservation. \$300,000 has been raised to date.

A large individual donor to MHC will be announced in June.

GOVERNANCE AND INTERNAL STRUCTURE

Update on Land Issues

Stephanie Kruer and Kelly Casillas (Commerce Legal Counsel) have been working together on settling some land issues with Central City LLC. Stephanie presented the proposed land and easements that will help resolve potential liability. The prospect road was made a public road in 1988 by Madison County Commissioners. Easements already run along the existing road. There would be mutual use by both parties to that road. This would not open the road or deem the road open to the public. The benefit to MHC would be access to all railroad tracks and ownership of land that the tracks use. The land board is supportive of the proposal. There was clarification of land ownership along the easement proposal. The property around prospector road is co-owned by MHC and Strausberry 5 to 1. Two areas are questioned. There was discussion about straightening the road off of Johnson land and onto MHC property. Acreage comparison is very close. MHC would receive 2.84 acres in exchange for 3.51 to Central City, values should be comparable. Costs would be carried by Central City LLC as directed by the State Land Board. MHC is required to carry costs for public hearings. Surveys would be Central City's costs, however they are asking for a cost share. Current use of the Central City property is agriculture. Hold Harmless agreement would be initiated until the trade can be made. Tolling agreement means all would honor timelines of the more pressing matter. Names on the deeds still have the Montana Historical Society. That needs to be addressed.

Ms. Kruer also presented a proposal for a land exchange between Scott Kelley and MHC between Idaho and Wallace Street. Currently there is a patchwork of land owned by both behind Contents Corner. A land swap is proposed to clean up boundaries. No specific use is proposed at this time.

The public meeting adjourned at 2:00pm.

The board then went into executive session to discuss legal issues with Legal Counsel.