

## Minutes

# The 65<sup>th</sup> Meeting of the MONTANA HERITAGE COMMISSION

June 18, 2008 – Community Hall, Virginia City 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, Colin Mathews, Philip Maechling, Joe Maurier, Marilyn Ross, Patty Dean, and Randy Hafer

**Staff Present:** Paul Reichert, Executive Director; Kelly Casillas, Legal Counsel; John Ellingsen, Curator of History; Karlee Smith, Business & Marketing; Julie Johnson, Site Coordinator; Janna Norby, Curator of Collections; Jeff MacDonald, Lead Preservation Specialist; Jeff Cleverly, Preservation Specialist; Mike Ciani, Preservation Specialist; Bill Peterson, Curator of Education; Cecile Gevock, Archaeology; Tenlee Atchison, Program Coordinator

**Guests Present:** John & Linda Hamilton, Alder Gulch Accommodations; Tawnya Nicholls, Kruer Law Firm; Amy Sullivan, Montana History Foundation

**The Commission approved the minutes from the April 2, 2008 meeting and the May 29, 2008 conference call.**

Notice has been given that Maureen Wicks and Leslie Schmidt will not reapply for a seat on the Commission. Vicki Huckle will be replaced by someone in the tourism field. These positions must be filled by the Governor's office. The director will contact Patti Keebler in the Governor's office prior to the next Commission meeting.

### **Committee Reports to Full Commission**

Staff and Commission broke into various subcommittees to discuss progress and needs for each program area. Discussion was to include Long Range Building Funds, the sale of collections and maintenance work to be completed.

#### **Preservation and Archaeology**

This committee is interested in creating more awareness so that decisionmakers better understand the complexity of the project. Commissioners feel outreach is very important. They expressed a desire to have Department of Commerce staff and legislators invited to the site for personal tours.

Virginia City Institute trainings are not getting registrations likely due to organization budget cuts. Some may not take place this year. A nationwide blacksmith conference is considering Virginia City for their meeting in September 2009. In June 7-9, 2009 the Vernacular Architecture group will be touring NC and VC. The committee will be looking into doing a mini symposium for that group. The World Monument Fund is looking to visit VC, they have heritage and cultural landscape programs. They are enthusiastic about the features that Virginia City and Nevada City have for the progress of these programs.

### **Interpretation/Collections**

Interpretation is driven by the collection so a request was made to make these two programs into one subcommittee. Bill Peterson has started work on the interpretive plan. It was decided that the place to start is with the old interpretation plan and 300 collection items. He will start focusing on the years 1864 – 1868 and everyday life during that time. As a goodwill gesture we are working to partner with and loan collections to the Mai Wah Society in Butte, and the saddle shop in Fort Benton. Fundraising ideas start with inviting newcomers to the area to tour the site. Historic interpreters would give the tour as a “welcome to the neighborhood.”

A list of potential properties to be considered for sale was developed by the MHC Real Estate ad hoc committee in 2004. That list needs to be updated, and renewed. Some buildings from that list have been stabilized since then. Staff requested that they have input on the list of items to be considered in the future. It was discussed that an interpretation plan needs to be established first. Again, Diane Rice explained that the \$2 million Long Range Building Funds were appropriated by the 2007 legislature with the caveat that the some real and personal properties on site would be sold by the next session.

### **Maintenance**

The Commission was informed that Jack Frost has announced his retirement at the end of the season. Paul must have a formal resignation from Jack prior to filling any vacancy. There needs to be some maintenance mentoring so that knowledge is passed down.

AmeriCorps is working on maintenance projects. Youth Challenge volunteers were here to help with ground maintenance in cleaning debris in the creek near the Brewery and in Nevada City.

### **Marketing**

The new VC/NC visitor guide is completed. The brochure is intended to be a one-stop informational piece about what there is to see and do in the towns. It also includes information about accommodations and restaurants. Travel Montana is funding and developing a podcast walking tour of Virginia City. They have identified 20 buildings and will have a 2-3 minute audio piece on each building. Individuals will be able to download the podcast from the Travel Montana and MHC websites so they can visit the town and have a narrated tour. This project could be expanded to include more buildings in the future.

### **Visitor Services**

Julie is working on a birding trail near and around the ponds. She will be working with the Audubon Society for signage and ideas.

## **Director's Report – Paul Reichert**

### **Historic Site Plan**

A contract is in place with A & E Architects to complete the site plan. There has been one meeting with MHC managers and the community already. The contract calls for two community meetings along with staff. Madison County Commissioners have committed \$5,000 to help with the plan. This is a plan for community needs, not how MHC operates. Copies of the contract and scope of work will be sent to commissioners.

### **Media/marketing**

An informational brochure about Montana Heritage Commission is at the printer. The brochure will be distributed from both visitor centers, at fairs and conferences. It will also be used by staff and fundraisers for getting the word out about MHC and the work we are doing. Paul spoke about the DVD project. We have a professional contractor working on this who is also raising funds for the project. The DVD will highlight our work and the sites. Karlee continues to distribute local and regional print advertising. There was a TV crew here last week and there will be media coverage for Elderhostel and Business After Hours in Helena.

### **Reeder's Alley Projects**

Projects continue to center around safety concerns for buildings and people. Sidewalks have been replaced from the parking lot in front of the old MHC office. Elderhostel service volunteers will be at the Alley next week. Planned projects include new stairs in front of Pioneer Cabin, extending and fortifying the deck in front of the Stonehouse, brickwork and new daubing for many of the buildings and landscaping will be done by a combination of contractors and volunteers. Some Virginia City staff will be coming to Helena to train and supervise projects.

### **Nevada City Improvements Projects**

Hydrology work is being done in Nevada City. Archaeology and roof work will be some major projects that will happen this season as well as some repairs to fencing.

### **Miscellaneous Project Updates**

- The National Geographic Greater Yellowstone Geo-tourism application was handed out and a request to submit an application for our sites at Virginia and Nevada Cities to be included.
- There is a meeting scheduled with David Ewer, Governor's Budget Director, July 1 regarding budget matters. The Executive Committee has been invited. A list of priorities will be brought to his attention during this meeting.
- Paul and Jeff MacDonald are applying to the Montana Preservation Alliance for a grant for the Gilbert Brewery preservation work.
- Paul has visited with FWP to share resources. This initial contact will be followed up in the off season.
- Paul gave a MHC update to the Tourism Advisory Council in May. His main message was to help the council understand that MHC is treated as a government agency but does not receive the money to meet those obligations. Funds are dwindling. Requests have been submitted to the legislature requesting operating funding to help meet overhead and staffing obligations as dictated by the statute. TAC discussed possible resurrection of the last best place bill. TAC again requested that any proposal we make be for the 3% bed tax that goes to general fund and leave the 4% bed tax alone.
- Bill Howell requested to have documentation in place for the work that has been done so far with Long Range Building Funds. Jeff MacDonald produces an annual report each year. He requested that the commission start looking past the legislature for funding.
- The September Commission meeting was changed from the September 11 to Wednesday, August 27, 2008 in Virginia City.

### **Financials and Action on 2009 FY Budget**

Earned revenues are down for FY 08 and budget short falls are expected. Long range funds have not been expended as projected to date, so the FY 09 budget will reflect considerably more to be spent. Reeder's Alley has over spent due to several major maintenance projects needed for safety reasons. Long Range monies currently fund a number of staff hours working on capital projects. There was a clarification as to what has been spent to date in Long range and what will be expended next year.

Budget FY 09 is challenging. Projected revenues are lower and expenditures have been cut in an attempt to balance the budget. Increased revenues are hoped to be reached in the new Gypsy Arcade, the music hall, housing and increased rentals in Reeder's Alley. Projections for Virginia City Institute and vehicle registration are lower. Expenditures have been reduced by not filling vacant positions, in turn resulting in lower administration and indirect costs. Travel will be cut resulting in fewer trainings and conferences. Some seasonal positions will also remain unfilled. Special project requests will be proposed for funds to the Montana History Foundation with the hope of obtaining undesignated monies.

Hopefully that list will go before the Foundation meeting in July or August. Representative Rice asked for a separate fund for sale of items in budget not to be included in regular operations for presentation to David Ewer. The Town of Virginia City has passed a resolution that utilities must be paid by landowner thus resulting in addendums to the contracts and will show as greater utility expenditures and reimbursement in the budget (resulting in a wash). A regular 3% is built into current salaries as mandated by state law. DOC may be requiring another .6% but we do not have any new funding sources to cover these mandates.

**Motion:**

**The '09 budget was approved as presented with a request to include a new "org" fund for possible revenue from the sale of property or deaccession items. Motion carried unanimously.**

**Membership report**

To date there are 86 members of the Friends of Virginia City with 73 renewals for a total of \$6600.00.

**MT History Foundation Special Projects**

The DVD project is a visual marketing piece that staff and MHF will be able to take to donors and legislators. This is a \$70,000 project with \$40,000 already raised. Shelly Chauvet has been contracted to manage the project and she has initiated a fundraising effort that will be requesting donations in honor of Karl Ohs. The Curator of Collections position has been previously funded by MHF however MHF donors have said they will only fund projects in the future, not salaries. Special projects that the History Foundation approved to fund in FY 08 include: \$25,000 for the Historic Site Plan, \$15,000 for the walk in freezer in McFarland Curatorial Center, \$25,000 for the MSU project with Terry Beaubois, \$300,000 over 4 years for the John Ellingsen book project. The Pioneer Fund has gone down slightly due to investments in bonds, etc. The music fund endowment will be able to spend funds next year. \$100,000 undesignated donation dollars are still in that fund for projects to be approved by the Foundation Board.

**Performance Audit**

Mike Winegard of the Legislative Audit Division introduced himself at the April meeting. He has contacted Paul and Karlee and they met with him to discuss many of the challenges we face, how we operate and how we have used the long range monies to date. Paul is hoping this can help us express our needs with legislators. We have not heard whether a full audit will be conducted.

**Public Comment & Local Govt. Presentations**

**VC/NC trail update**

The Commission discussed with legal counsel and staff, the legalities of a partnership of this kind. Legal advises that MHC does not commit to a 25 year use of the land for this purpose. There was discussion about the desire for the trail, commitments needed from private landowners, and access commitment over time. Several commissioners have visited the trail corridor, and many expressed their desire to see a trail created that links the two depots and utilizes the corridor.

**Motion:**

There was a **motion to approve the walking trail in partnership with the Town of Virginia City providing the agreement follows all ADA regulations, that it remains non-motorized, a license be issued by MHC and a fee be paid.** Legal will check if that fee can be paid in kind. It will be a non-motorized trail so that carriages can be used or horses as well as foot traffic. **The Motion passed 6 to 2**

**Partnerships and Relationships**

Commission discussed the retirement of John Ellingsen from MHC. He has spent his entire adult life working for and with Virginia and Nevada City artifacts. John owns property and artifacts in and around state property.

## **Motions:**

**The Commission approved a resolution to make John Ellingsen the Curator Emeritus.**

**The Commission approved an Agreement between the MHC and John describing our working relationship and mutual agreements regarding access to buildings, tours and information for the purpose of research and photos for his book writing project.**

## **University Programs (WSU, UO, MSU)**

WSU Architecture School will conduct a field school assessing two major sites as merits for an educational center. Analysis reports will come following study completion by students. Jeff MacDonald is working with MSU to promote a study program on site with the school of architecture and engineering. Oregon is coming next year. Oregon group does not pay as much as WSU. The University of Vermont looking at a partnership with us in mitigating log issues such as mold, pests and fungus.

## **History Camp**

This year MHC is partnering with the Historical Society. Their Education Officer will be acting as Camp Director and counselor. In 2009 Nevada City will be eligible for historic site nomination because it will then meet the qualification of 50-years at existing site. New archaeological discoveries can help contribute to the application process.

## **Governance and Internal Structure**

- ✓ Purchasing Policy – A purchasing policy was passed by the Commission a number of years ago. The current policy is more restrictive than state statute. Paul is proposing to work under state statute as opposed to MHC policy. Paul will put into writing what may be amended.
- ✓ 501 (c) 3, fact finding update – Karlee reported on research she has done on the possibility of developing a non-profit status within MHC. She found that MHC must have separate board, bylaws and articles. That board cannot have any authority over MHC and MHC cannot have authority over the 501 (c) 3. She spoke with the director of the FWP foundation who said they are funded by the Canyon Ferry Trust. Since we would not have any trust or funds to hire a director to manage the new non-profit, Paul recommends we continue to just work with MHF. It was agreed that perhaps we should consider hiring a fundraiser to work specifically for MHC but under the Foundation employment.
- ✓ Update on Land Issues – Scott and Amy Kelley proposed a land swap with MHC at the April 2 meeting. Staff stated that the parcels involved were the main social section of town so an archaeological mitigation must be done in order to make a swap due to the possible cultural resources that are there. Considerable time and resources are needed to mitigate this land trade. The Commission concurred that a trade could take place if the Kelley's were willing to pay for a contracted archaeological dig on that property. It was agreed that we would request that the Kelley's carry the burden of costs associated with this land trade since the trade is not a priority for MHC. **The Commission approved the process of Legal Counsel writing a letter back to the Kruer law firm to that regard.**

Central City land issues will not be brought in front of the State Land Board until early fall.

Paul had contractors complete a land survey of Nevada City. They discovered that several section corners in county are set wrong. Other landowners have experience this same issue.

The public meeting adjourned at 3:15pm.

The Commission then went into Executive session to discuss legal issues with Counsel.

**NEXT MEETING – August 27, Virginia City.**