

A Meeting of the
MONTANA HERITAGE COMMISSION

September 19, 2012
Rehearsal Hall, Virginia City, MT

MISSION

The Montana Heritage commission preserves and manages historic resources in Virginia City, Nevada City and Reeder's Alley and promotes the appreciation of history through quality visitor experiences.

Commissioners Present

Marilyn Ross, Chair, Barbie Durham, Bill Howell, Randy Hafer, Bob Lawson, Philip Maechling, Colin Mathews, Jerry Walker for Chas Van Genderen, Andy Poole, Timothy Lehman, Cyndy Andrus

Commissioners Absent

Bruce Whittenberg, Diane Rice (Marilyn Ross emailed permission to vote by proxy for Commissioner Rice)

Staff Members Present

Elijah Allen, Business Development Manager, Kate McCourt, Cultural Resource Manager; Dianne Carey, Administrative Assistant; Dan Thyer, Living History Coordinator

Guests Present

John Ellingsen, Bill Koch, Lyman Bennett, Bonnie Bennett, Lois Yenny, Shelly Theiner, Evalyn Johnson, Kirk Belding, Alison LaFever, Scott Kelly

Call to Order

Marilyn Ross called the meeting to order at 9:00 am.

Approval of March Minutes

The board had corrections to the June 2012 minutes. Cyndy Andrus made a motion to approve the June meeting minutes at the December Commission meeting. Motion approved.

Public Comment

John Ellingsen spoke about the wonderful summer in Virginia City, noticing improvement and an upswing in attendance. He attributed the increase to advertising and wanted to say thank you for the efforts of the Montana Heritage Commission.

Old Business

Barbie Durham made a motion recommending the nomination of officers: Marilyn Ross as Chair, Bill Howell as Vice Chair, Barbie Durham as Treasurer. Jerry Walker seconded. Motion carried.

1. Real Estate Sales

For the benefit of new commissioners, Marilyn Ross gave an overview of how the properties were evaluated for the sale, noting the public hearing process has already been completed. We are currently waiting on the Land Board. Marilyn Ross will provide property sale documentation to the Commissioners and suggested this discussion be addressed at the December meeting. Cyndy Andrus made a motion to move this discussion to the December meeting. Jerry Walker seconded. Motion carried.

Madison County is requesting to lease or purchase a small parcel of MHC land, which is sandwiched between two county parcels, for parking purposes. To date, the Commission has not received any formal information or request to act upon. Once received, the Commission will make a determination. This property is not on the current property list for sale. Andy Poole noted that if this parcel does not contribute to our mission, then the Commission should consider selling it. Philip Maechling requested that an environmental analysis be completed. The monies from this sale will go into a trust account and not operations. The real estate sale is the first time the Commission has actually completed this process and it should be concluded prior to legislative session to avoid criticism. Elijah expressed concern over recouping the expense of the land sale due to the proceeds going into the trust fund. Timothy Lehman suggested the Commission recoup the expenses first and have the rest go into the trust fund. Colin Mathews noted a survey has to be completed at the expense of the Commission before the land board can act and the Commission should devise a strategy for buyers to bear the cost of the survey. Marilyn Ross offered to have an attorney present to clarify the meaning of the statute relating to this issue. Marilyn stated the conditions of the sale are set by the land board and they must approve the sale before any action can be taken. The Commission has the opportunity to agree on whether or not to accept the appraisal price. This price is publicized and the bidders must bid the set property value or higher. Barbie Durham suggested the Commission meet and review the property. A motion was made to move the real estate sales to the December agenda and schedule a field trip. Cyndy Andrus seconded. Motion carried.

Bob Lawson inquired about the law where we must negotiate the administrative rate with the Department of Commerce. Andy Poole suggested the Commission meet with the Director of the Department of Commerce to negotiate. Barbie Durham recommended the Executive Board take on this task. The current rated is a measure used by departments accepted statewide, which is 12-13 percent of personnel, payroll, accounting, legal, IT services, etc. A motion was

made that the Executive Board negotiate with the Department of Commerce on administrative rated. Motion seconded and carried.

Scott Kelly Land Swap

Scott identified the properties he owns on the corner of Jackson and Idaho streets. The ownership of this block is piece milled between the Commission and Scott Kelly. Scott has had this land surveyed and is requesting that these properties be consolidated in ownership. This land swap was previously denied due to an Archaeology report of not knowing the cost and loss of artifacts. Elijah Allen requested that Kate McCourt make an assessment. Cyndy Andrus would like to see a report before making a decision on this. Kate McCourt noted we are currently up to historical standards and suggested we would lose credibility if we proceeded with a land swap without first making an assessment. Kate suggested the use of the universities by the Commission and Scott Kelly to assist in the assessment. Barbie Durham made a motion for Kate McCourt to move forward with the property assessment. Motion seconded and carried. Barbie Durham asked that this be an agenda item for the December meeting. Cyndy Andrus would like to see Kate McCourt's proposal at the December meeting.

New Business

1. Long Range Funding

Marilyn attended an EQC meeting and met with the budget director. The committee is focusing on life safety in regards to funding for MHC's historic buildings. The strategy is to point out MHC's liability due to the condition of our structures which is a direct correlation to the life safety of the public.

2. Financial Report

Elijah Allen reported we had a phenomenal summer. He extended his thanks to the Train Committee for their efforts in getting #8 back on the tracks and noted we could not have had the success this season without their support. We had over 22,000 visitors and only received one complaint (they were mad we were closed for the season). Elijah complimented Kate Slawski and Joni Cabral for the wonderful job they did this summer. He also commended Dan Thyer and Kate McCourt for all their work noting it was a great team effort. Visitor Services had a 135% increase in revenue and 102% increase in tourism traffic, which was the highest percentage of increase in the state per the Office of Tourism. We have a relationship with 37 local businesses. We have volunteers (Living History, Americorp and Road Scholars, formerly known as Elder Hostel) that dedicate their time to MHC. Marilyn extended an invitation to the Commissioners to see our volunteers in action first hand.

Dan Thyer gave a few highlights of the summer. Dan Highley, a volunteer, helped establish a partnership with Montana Tech to work on the Richards Cabin (building was raised and roof was completed), and dedicated 120 hours of his own time painting the Sedman House. Dan

Thyer will be meeting with ALHFAM on what the Commission will be offering during their conference in Virginia City in 2013. The Road Scholars aka Elder Hostel, completed repairs on the overhang on the Nevada City Hotel, boardwalks and openings; picketed the historic garden and continued restoration on the wagon wheel. They would like to return to the site next year.

3. Director's Report

Elijah Allen: Although difficult, we completed the season successfully with half the staff. With the current budget, revenue is depleting with little left for long range. Commissioner Howell would like to see Museum revenue versus railroad revenue. Reeder's Alley has suffered structural damage that needs addressing immediately due to the seismic history in Helena and life and safety issue, as well as structures in Virginia City that need attention. Elijah requested direction from the Commission on what direction to take with our depleting funds. With long range building funds 1 and 2, both are used for preservation projects. Regarding the use of History Foundation designated funds, the board would have to approve the release of funds for Reeder's Alley repairs. FEMA is an option to research for funding. Barbie Durham suggested we present a proposal to the History Foundation. Jerry Walker made a motion that the problems in Reeder's Alley be addressed immediately with either long range building or other possible funding sources. Motion seconded and approved.

Elijah Allen reported that the History Foundation has an undesignated account for MHC in the amount of \$43,240 from which the loan for the train tracks came from. We have issued a check for \$15,000 to repay this loan.

We also have a fund for the Bovey Memorial to be housed at the Nevada City Train Depot and feel now is the time to move on this. John Ellingsen will be providing the design for the Commission to review. Andy Poole made a motion that the money from the History Foundation be approved for the Bovey Memorial for the Virginia City 150th Anniversary. Motion seconded and approved. Marilyn asked John Ellingsen have the design ready for the December Commission meeting.

There is currently \$36,000 in the account for #12. Bill Howell noted that during the last train committee meeting, he was asked about finding a smaller train. Due to our narrow gauge, there is no small train for our railroad.

Closed Session at 11:30 a.m.: Personnel Discussions

Public meeting reconvened at 1:00 p.m.

Strategic Planning Session

Colleen Rudio, facilitator for the session asked “What is the current state of the Commission’s mission or organization?” Elijah feels we are at a breaking point and hopes he has the tools to take MHC where it needs to be. Feedback from the public has been extremely positive. Marilyn believes the organization is stronger and in better condition than recent times. The Commission was in the position of making tough decisions in creating a new organizational model. The challenge now is a need to get the funding to preserve and restore buildings. Our successful season put us in a healthier posture.

Colleen: what is the highest priority? Philip Maechling is really interested in preservation and how we can do it better and smarter. Barbie Durham believes the restructuring has put organization in better position because we reduced expenses and have increased revenues with a new business manager. Andy Poole noted that prior to reorganization we were in peril. We are now floating. Elijah’s efforts are appreciated and Commissioner Poole would like to help Elijah see his vision of increasing revenue. Bob Lawson would like to see if we can be self-sustaining. Randy Hafer’s primary interest is in preservation and feels we should deal with those items that are not contributing to our mission. Tim Lehman is interested in preservation and interpretation of Montana history. Cyndy Andrus feels that the pressure point is in the process. There are things we could do more efficiently. Colin Mathews thinks we should approach the Legislature about revisiting their stance on our functioning without the proper resources.

Colleen sees there is a lack of understanding of our needs of resources. Jerry Walker noted it is very difficult to fund history. Our mission to preserve our community is very tough and expensive on top of having some level of sustainability. Bill Howell echoed what everyone else said. Sustainability high on his list and we need to do more with the legislature. What statute says and the reality is, are two different things. Need to convince the Legislature to supplement with a funding mechanism.

Colleen introduced the process. Need a level of awareness of something that needs to change. Awareness builds a form of understanding. Funding gaps reside between these two levels. These two levels lead to a commitment. Beyond commitment is implementation. Next comes internalizing what you want to see accomplished.

Marketing and promotion

1. Improve and fill the accommodations in town to 100%.
2. Yearly improve and update the information on brochures/pamphlets
3. Increase school tours by 50 yearly.
4. Increase marketing.
5. Continue target marketing
6. Reconstruction of website
7. Return 25% of revenue from marketing back to marketing.

Preservation-Maintenance

1. Live inventories – information on website on each building
2. Cataloging 50% in 3 years.
3. Make preservation part of visitor experience. Hands on work.
4. Preservation awareness program. Spring and Fall programs
5. Clear understanding of needs to accomplish preservations goals,

Education programs and events

1. Extend outreach
2. Online presence-
3. Extend visitor opportunities
4. Corporate sponsors
5. 150 celebration event to promote and educate

Commission Financial

1. Improve relationship on state level
2. Define scope of work
3. Identify new vision
4. Decision making authority-focusing on issues
5. Raising money to stabilize buildings significant to vc
6. Identifying revenue opportunities
7. Building a reserve
8. Financial impact on stabilizing buildings, all marketing
9. People impact – preservation and maintenance

What are major risk factors? Marilyn said many buildings are a safety risk.

Identify the 7 highest priorities for the next year.

- Increase marketing.
- Make preservation part of visitor experience. Hands on work.
- Preservation awareness program. Spring and Fall programs
- Online presence-
- Improve relationship on state level
- Identifying revenue opportunities
- Building a reserve

Colleen advised to set the order of priorities and not to rehash the past. Need to go forward with what needs to be done in order to accomplish these priorities.

Prior to the December meeting, Marilyn is to deal with the real estate issue, the Commission is to review Philip Maechling's changes to the Governance Plan and submit their thoughts/changes.

Public Comment

Alison LeFever would like to see the Living History events extend to weekdays as well as weekends. She would also like to see more of a group effort business wise. Marilyn noted the only problem having Living History during weekdays is that our volunteers have full time jobs.

Kurt Belding commented Daylight Village is a good source of revenue if we can get the funding to renovate it.

Elijah mentioned that at the December meeting, the Commission might consider setting a yearly schedule for the Commission meetings.

Next Commission meeting is scheduled for Wednesday, December 12, 2012 at 9:00 a.m. in the Rehearsal Hall, Virginia City, MT.

Meeting Adjourned at 3:36 p.m.