

A Meeting of the
MONTANA HERITAGE COMMISSION

March 13, 2014

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, Bob Lawson, Andy Poole, Philip Maechling, Cyndy Andrus, Jason Davis, Bill Howell

Commissioners Absent

Barbie Durham, Bruce Whittenberg, Shera Konen, Timothy Lehman

Staff Members Present

Elijah Allen, Director of Operations; Dianne Carey, Administrative Assistant, Kate Slawski, Museum Technician, Marge Antolik, Museum Technician, Garret Norcott, Legal Counsel

Interested Persons

Janet Allestad, John Ellingsen, Scott Carpenter, Bill Bennett, Mark Weber, Ray Shaw, Dan Happel, Dave Schultz, Jim Hart, Jeff Welborn, Faith Muldan, Ruth Guthrie, Chere Jiusto

Call to Order

The Montana Heritage Commission was called to order by Chair Ross at 9:44 am.

Approval of December 20, 2013 Minutes

Discussion ensued on one change to the minutes by Montana Heritage Commission (MHC) Commissioner Philip Maechling. Madison County Commissioner Happel stated the intended use of lots 8-12 and would like the flexibility of using that property for a possible generator or picnic area. The county prefers their options not be limited by a restriction to the sale that those lots "cannot be used for parking purposes." Those lots are naturally soggy at the bottom and should be used for runoff and recharge from the parking lot. Philip Maechling believes that soil and drainage problems will occur if continuous parking were to happen on that lot. Commissioner Happel said they would have to change the location of the alley for fire and equipment access. They may shape those lots for drainage. Marilyn inquired with other commission members as to their recollection of whether the commission specifically stated that there would be no parking on those lots. Scott Peterson noted that lots 8-12 are necessary for drainage holding and are an important part of the sale. Bob Lawson stated his confidence in the city and county.

Marilyn Ross made a motion that the December 20, 2013 minutes be approved with requested changes. Cyndy Andrus seconded. Motion carried with clarified language.

Director's Comments and Report

1. Marketing – Stay and Play Commercial/Family Pass Commercial (Brochures)

Elijah referred the commission to the visitor profile, which is the demographic of the tourists that visit Virginia City. Thirty-three percent of visitors come from Yellowstone National Park. According to the survey we follow Yellowstone in the number visitors. We have a new program of offering a Stay and Play package in cooperation with Alder Gulch Accommodations to provide an overnight option. Marketing is key and has increased our visitor traffic by 35%. Specials can draw families with the possibility of spending more. We will be advertising approximately 12,000 commercials throughout the summer on major channels. After viewing the commercials, Bill Howell noted the stay and play commercial needs to include it is for a family of five. Our target market is the family from the local area as well as, Idaho, Utah, Yellowstone and Glacier National Park vacationers. The visitor profile came from the Office of Tourism. Another challenge is we have to do a better job of cross selling. Our goal is to education the visitor.

School Tours are ready to explode. Dan Thyer will be the interpreter for the tours. Our goal this year is 5,000 students. We have sent information to Montana schools and we have many schools already scheduled. We are scheduling from the beginning of May to middle of June. Bill Howell noted that if you encourage these groups to stay overnight, then we should be offering more meals. Philip Maechling suggested we explore additional months to offer tours in September and October.

Elijah updated the commissioners on the rebuilding of the little train. He also advised of the steam train becoming a static exhibit and that the two cars in front of the depot will be repainted.

Bob Lawson inquired about the buy in from local government. Scott Carpenter stated the chamber and Elijah are working together on local events and promotions. Dave Schultz told of a new web search project that will direct vacationers from the interstate to Ennis and Virginia City. Commissioner Hart said he would like to explore the possibility of working with a bus service to bring more people to Virginia City. Ray Shaw reaffirmed the need of getting people off the interstate. Ray would like to see the Department of Commerce fund signage/billboards so that the Department of Transportation could contribute as well.

Elijah introduced Marge Antolik and Kate Slawski to the commission and commended them for their care of MHC's 1.2 million artifacts.

2. \$2 Million Long Range Building Proposal Request

The long range building proposal Elijah thanked Jeff and Ray for their support of MHC. Elijah shared the proposal of building restorations with the commission. Bill Bennett noted this is an outstanding

document and that Elijah has covered any and all issues on the problems we are facing with the condition of the buildings. Philip said we really do need additional staff and said Donny and Jeff really need help for the safety factor alone. Welborn said he has expressed his points with the Environmental Quality Council (EQC) and said we do, from a practical standpoint, have to address the safety issues. He said any litigation issues would be devastating to MHC. He feels the safety issue would be a point that could be pressed upon state government to strongly consider in helping to fund us. Bob Lawson asked if the History Foundation is either calendar or fiscal year.

3. MHC Financials/MHF Financials

We are currently in the 4th quarter. Even though we have had a record in revenue, we are very low in remaining funds between now and July 1. Elijah projected we will have a deficit in March, April and May. Hopefully in June, our revenue will pull us out. The bed tax is a set amount that takes care of salaries. The vehicle tax will help in monthly costs. We were 91% of plan in the 3rd quarter. Nothing we sell to the public is less than 100% mark up. This winter has been financially difficult. The extreme cold season has caused many costly problems in Reeder's Alley. We have taken precautions with the purchase of extra heaters in areas where the pipes were bursting. A grant from Office of Tourism has been earmarked for the Reeder's Alley Convention Center, Daylight Village (opening 17 units for additional revenue in the form of housing) and the Frances Meagher cabin as a vacation rental. We are looking to the Department of Commerce to float funding until seasonal revenue can pay them back. Marilyn noted that we have previously had bridge loans from Commerce to get us past these slim months, when we're not generating revenue. Andy feels MHC is moving in the direction where we will not have to request these loans in the future. Elijah said he is expecting higher revenue, but if by chance we can't make the revenue to reimburse Commerce, then cuts may be inevitable. Marilyn suggested the Executive Committee meet with Commerce's new managers to educate them on the history of MHC and Commerce.

Cyndy Andrus commented that this may not be the best way to operate and we may have to make some tough choices to achieve self sufficiency. Marilyn noted that part of the difficulty is the mandate to preserve and protect from the legislature with no financial viability to do so. Bill Howell said that until the state decides to invest real money in this area, nothing will change. Deterioration is occurring at such a rate that we can't stop it. Despite efforts made by staff, deterioration is still taking a toll on state buildings in Virginia City.

Bob Lawson is reviewing the MOU between the Commission and Commerce and feels it should be amended to clarify that we are not obligated to repair Reeder's Alley first. Bob asked about budget monies available from the History Foundation. Marilyn clarified that monies from the Montana History foundation are not considered part of MHC's budget

Elijah advised that bake sales from the Living History program has funded \$10,000 toward our solar light project along with a grant.

Old Business

1. By-Laws Language Change – Cyndy Andrus

Addition to language. Suggest we focus on the budget process by-laws. Cyndy suggested the following changes, and should be incorporated into the by-laws under section H-Budget.

The Executive Committee of the Montana Heritage Commission will work with the Director to produce an annual budget for the upcoming fiscal year, to be approved by a vote of the Heritage Commission at the June meeting.

Responsibility of the Heritage Commission

1. To approve an annual budget at the June meeting
2. To review budget reports as presented
3. To amend the budget as necessary

Responsibility of the Director

1. To execute the budget that has been adopted by the Commission
2. To report at each meeting of the Heritage Commission on the financial conditions of Virginia City, Nevada City and Reeder's Alley and the status of the overall budget.
3. To propose amendments as necessary

Andy Poole noted that the current legislature is voting on a budget that will apply July 2015. We won't know what the budget will look like until April 2015. Andy feels Cyndy's proposed changes look good.

Philip Maechling made a motion to amend the language of the by-laws from Director to Manager. Motion carried.

Bob Lawson suggested we amend the language to produce an annual budget for the upcoming two fiscal years. Jason Davis said that a two year projection is nearly impossible.

Andy Poole made a motion that the manager prepare the budget for the coming fiscal year and that it be on the agenda for the June meeting. Motion carried.

2. Board Retreat in June 2014

The Board retreat is scheduled for June 13-14, 2014. Marilyn and Elijah will get together with Chas Van Genderen to invite Fish Wildlife and Parks to a joint meeting with the Park Boards.

New Business

Statute and ARM Discussion

In 1997, when the state made the Bovey property purchase, there was language referring to being charged with preserving and protecting and becoming self sustaining. Over the years, the rules were put into place,

which are cumbersome and difficult to negotiate. These rules became contradictory. We have been working with Commerce and the EQC to clean up this language. We have a much better idea of what is functional and what isn't. Andy has reviewed the Administrative Rules and proposed suggested changes to be considered by the Commission. Each proposed change to the Administrative Rules was discussed by the Commission and agreement was reached on whether to keep the proposed modifications or not before proceeding to the next proposed change. Following this review of the Administrative Rules:

Cyndy Andrus made a motion to accept the proposed changes. Bill Howell seconded. Motion carried. (The proposed changes to the Administrative Rules are attached to these minutes.) Cyndy requested a progress report during the month of June. Garret suggested Elijah do a small business analysis to see how these changes would affect them.

HistoriCorps Presentation

Ruth Guthrie gave a slide presentation on her volunteer group's work on historic sites in various states. She worked with Preserve.net for a couple of years and is now a part of HistoriCorps. She gave an overview of the different projects they have worked on to preserve historical landmarks and feels their skill sets could be utilized by the Montana Heritage Commission in Virginia and Nevada Cities.

Public Comment

Janet thanked the Commission for working on the statute as she feels it was very necessary and is a positive step in the right direction. John Ellingsen thanked the Commission for the opportunity to make comments. Chere Jiusto updated the Commission on the status of their project on the assessment of the collections. There are two reviewers of our collections. Chere would like to be put on the next meeting's agenda to discuss broadening the current contract between MHC and MPA.

Continuation of Statute and ARM Discussion

Andy Poole reviewed Heritage and Preservation MCA changes that were suggested in cooperation with the Department of Commerce. Each proposed change to the statute was discussed by the Commission and agreement was reached on whether to keep the proposed modifications or not before proceeding to the next proposed change. Following this review of the statute:

Andy Poole made a motion to approve the modifications to the commission statutes and also moved that the proposed modifications be shared with the EQC committee or a member of that EQC committee for consideration as an EQC Committee bill. Also that these proposed changes to the MHC statute be submitted to the department of commerce for consideration as an executive branch bill. Bill Howell seconded. Motion carried. (The proposed changes to the Heritage Commission statute are attached to these minutes).

Adjournment

Meeting adjourned at 3:13 P.M.