

A Meeting of the
MONTANA HERITAGE COMMISSION
December 12, 2014
Reeder's Alley Conference Center, Helena, 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, Barbie Durham, Cyndy Andrus, Bill Beck, Bill Howell, Philip Maechling, Jennifer Pelej, Andy Poole, Bruce Whittenberg, Jason Davis, Matthew Marcinek, David Hoffman

Commissioners Absent

Shera Konen, Timothy Lehman

Staff Members Present

Elijah Allen, Executive Director; Dianne Carey, Administrative Assistant, Garrett Norcott and Bonnie Martello, Legal Staff from the Department of Commerce

Interested Persons

Chere Juisto, Marca Gibson, Vicky Soderberg, Matt Morgan, Heidi O'Brien

Call to Order

The Montana Heritage Commission was called to order by Chair Ross at 9:00 am.

Public Comments

Vicky Soderberg, a current tenant of Reeder's Alley commented that the difference in Reeder's Alley is outstanding and commended Elijah for all the improvements that have been made. She also observed that Reeder's Alley is a beloved venue for photography. Chere Juisto of the Montana Preservation Alliance (MPA) introduced Matt Morgan. Chere also noted the improvements and included information about some of the contract work MPA has completed in Virginia and Nevada Cities. She met with Jeff Cleverley to look at the buildings more in depth and sees a potential at working with Montana Conservation Corp. Elijah added we have a donation for the Pioneer Cabin that MPA will be helping us with. Heidi Obrien, another current tenant of Reeder's Alley said 2014 was a great summer in the alley with visitors and tourists. Noted many international visitors are impressed at the upkeep of the alley.

Approval of September 18, 2014 Minutes

Bill Howell made a motion that the September 18, 2014 minutes be approved with requested changes.

Bruce Whittenberg seconded the motion. Motion carried.

Director's Comments and Report

Elijah thanked the commission for hiring him and how much he loved his job. Stated our collections assets are incomparable. He updated the commission that the train cars, which were part of the property sale in 2010, are in the process of being picked up and transported by their owner. Tourism is up 15.4% from last year. The increase in tourist traffic made us the #1 state owned visited site according to the office of tourism reporting Earned Revenue which consists of rent income and visitor service income has increased 58.3% since 2012, noting we now have 42 different business relationships.

An Economic Impact Analysis for 2014 was completed by Northern Rocky Mountain Economic Development District for the purpose of valuing the economic benefits of Montana Heritage Commission operations for the year, improvements made since 1997 and one year's related visitor impacts. In essence, the combined activities and related programs benefited a total of 1,025 jobs in the local economy and an economic "footprint" of 62.2 million statewide. Elijah said this report was extremely positive and thanked Northwest Energy for funding this report. Cyndy Andrus requested more information on the investment/return ratio.

A good highlight is the increase in jobs. We will be 100% occupied in Reeder's Alley at the start of year. The Montana Heritage Commission (MHC) has repaired many of the rooms in Daylight Village for housing of concessionaire seasonal employees. The main street (Wallace) through town is a concern. The Montana Post, along with other store fronts, has been repaired. MHC received a \$25,000 donation from Tom Donnelly to upgrade our computer systems for Collections. We repaired 9 music machines and the Cremona, which was a \$12,000 investment. 12,319 cataloged artifacts have been added to the online system. We have had 309 signed volunteers with the commission who are from various locations and states.

As far as potential revenue projects are concerned, school tours are an untapped resource that we are only beginning to fully realize. Our Halloween event is a great success that we can improve upon next year with the addition of more volunteers. The Pioneer Cabin will have its 150th anniversary. It was the first structure in Helena and we want to make it interactive and a more enhanced visitor experience.

The solar lighting project in Nevada City is almost finished and will save us money. Utilities in Reeder's Alley are high. We would like to explore the idea of solar lighting in Reeder's Alley as well. The Thomas Francis Maher house in Virginia City will be restored to use as a vacation rental. The Methodist Church, also in Virginia City would make a great convention center. The Sarah Bickford house has an interested party who would like to see the house restored and would like to match funds. The Opera House has agreed to pay half for an air conditioning system as it's very hot in the summer. Philip Maechling suggested we look into a ground source system which is less intrusive. The Village Pump also needs restoring as it's the first historic building you see as you drive west into Virginia City.

Elijah recently spent time at the Department of Revenue going over our liquor licenses, which are a valuable source of income. He would like to get a license for Reeder's Alley for weddings, parties, and gatherings, to be managed by a concessionaire. We can get a cabaret license for \$5,000. Elijah gave an overview to the commission on how our current licenses work. Cyndy asked where the funding would come from to which Elijah responded, earned revenue, and our land sale. The license would reside in Caretaker's Cabin. Jason Davis asked how much revenue is projected and how long would it take to recoup that expense. He also asked if there is any chance of competition with Karmadillos. Elijah said we try to be a neutral as possible but added that Karmadillos does not see this as a threat to his business. Cyndy Andrus does not feel comfortable on voting. Marilyn Ross advised we do not need a motion as this is an operations decision. Barbi Durham did not see an issue with it. Philip Maechling would like to see liquor licensing on the March agenda. This would also include Rod Gilmore.

With our Living History program, we have been demonstrating old fashioned guns. Bill Howell suggested we entertain the idea of having a public experience to shoot an old fashioned rifle or pistol. Bill explained how the business of experiencing shooting a gun has become extremely popular with the tourists in West Yellowstone, especially with tourists from the Orient. Jennifer Pelej said Chinese tourism is definitely a topic of discussion but questioned the issue of liability with guns. The public is enamored with the black powder rifles. Bruce Whittenberg expressed concern with putting guns in the hands of the public with only the aid of volunteers. Matthew Marcinek said Fish Wildlife and Parks ceased that practice due to the liability. Philip Maechling said he doesn't think we have the capacity to handle this activity. Philip also stated that tourists who smoke should not be around gunpowder. Andy Poole is also not in favor of this and suggested we inquire with Risk Management. The decision was determined to not proceed with this venue for revenue generation because of the liability issues.

Land Transfer Update-Legislative Council

Elijah met with the Legislative Council and got their approval for the sale. Marilyn thanked the Commissioners who attended this meeting.

Land Board, Meeting set for December 15, 2014

Commissioners will be there for the public comment portion and Ray Shaw and Debbie Barrett are planning to voice their support. It will be held at the Justice Building at 9:00 a.m.

Long Range Building Funds/Governor's Budget

MHC was in the governor's budget for \$400,000 with is in the Long Range Building program and will be in HB5. This is subject to a final legislature approval. Bruce Whittenberg passed out a brochure that mentioned the Montana Historical Society's support for a full staff for the Montana Heritage Commission. Philip Maechling asked if we could still get additional funds. Marilyn said we do have advocates that will support us but we do need to support the governor's budget.

Financial Report

Elijah reported we have \$727,000 in personal services and we are only spending \$550,000 so he suggested a move of approximately \$180,000 to operating costs. **Andy Poole made a motion to ask the Department of Commerce to transfer \$180,000 from personal services to operating. Bill Howell seconded. Motion carried.**

Philip Maechling said the State Historic Preservation Office has requested we have 3 preservation staff and we currently only have 2. Philip would like to know if we have any plans on hiring another. Elijah said we are striving to do this but our budget has restricted our ability to do so. Elijah added we have to be firmer with our concessionaires in paying their rent and will be working with Garrett on dealing with the delinquencies. Our donations were over \$72,000 this year and we received a substantial endowment for the Pioneer Cabin.

We have a motion on the floor to amend an existing motion on the transfer of monies. Andy refined the motion to read: **The motion is to rescind the previous motion and to substitute it with to request the Department of Commerce to transfer all available personal services authority in the MHC budget based upon current expenditure trends to the MHC operating budget categories identified by the MHC Executive Director for fiscal year 2015. Bill Howell seconded. Motion carried.**

Mike Garcia – Voices of Tourism

What do we want to achieve with the legislative session? We need to address funding shortfalls with our partners. Why do we think this will be successful? We have increased visitation and spending. Since 2011 there has been sustainable growth. Nonresident spending has increased 30%. The economy is improving which creates a destination travel market. Competitive nature of travel will increase and there is concern if Montana will be able to compete. Tourism market has grown by 91% since 2003. We want 50% more of annual tax revenues for partners. Based on the current Governor's Budget they project \$18 million for 2015. Half will go to the Office of Tourism, half will go to multiple partners. How are we going to communicate these numbers to the legislature? If Governor's estimates are correct the Montana Heritage Commission stands to receive \$500,000 to \$800,000.

Discussions to address the infrastructure throughout Montana and how we pay for it will greatly affects this initiative and the dollars.

Elijah is in full support of the bill to address these funds and asked the commission for their insight. Bill Beck gave insight into his tenure with the legislature as to how the different committees addressed the governor's budget and the cuts that were made. He also gave insight as to how to present your request by showing what you have accomplished and what is your plan for the requested monies?

Legislative Update Discussion

There are 4 bills currently in the legislature. HB 5, LC 0725, regarding the recreational vehicle license fee where there is language being written to give us a portion of the proceeds. LC 1130, Bob Keenan will be pushing it. This will be strictly for repairs and maintenance. SB 64 is for cleaning up our statutory language.

Discussion of 2nd Priority in Strategic Plan

The commission reviewed and made changes to Strategic Priority II, Sustain, of the Montana Heritage Commission's guiding principles. **Philip Maechling made a motion that we amend Priority II as changed. Cyndy Andrus seconded. Motion carried.**

Public Comment

Marilyn Ross and Philip Maechling suggested the Executive Committee meet with Doug and Meg at the Department of Commerce in January to ensure their support. The commissioners will be notified when the date is set.

No further public comment.

The March meeting will be held in Helena, in March on a date yet to be determined, at the Reeder's Alley Convention Center.

Adjournment

Meeting adjourned at 1 pm.