

A Meeting of the  
**MONTANA HERITAGE COMMISSION**

June 20, 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**

Bill Howell, Acting Chair, Barbie Durham, Bob Lawson, Philip Maechling, Jerry Walker for Chas Van Genderen, Andy Poole, Diane Rice, Denise King for Bruce Whittenberg, Dr. Timothy Lehman, Cyndy Andrus

**Commissioners Absent**

Marilyn Ross, Randy Hafer, Colin Matthews

**Staff Members Present**

Elijah Allen, Business Development Manager, Kate McCourt, Cultural Resource Manager; Dianne Carey, Administrative Assistant

**Guests Present**

Kim Miller, Karen Fisher, Evalyn Johnson, John Ellingsen, Rebecca Ramsey, Mike Edwards, Nancy Allen, John Benedict, Bill Koch, Janet Allsted

**Call to Order**

Bill Howell called the meeting to order at 9:00 am.

**Approval of March Minutes**

Motion: The board approved the minutes of the March 22, 2012 meeting with corrections.

**Public Comment**

Kim Miller expressed concerns about the hiring of an Executive Director. Past directors failed to reap any rewards. Organization was top heavy and business model did not work. She applauded the Commission for restructuring the organization. Requested the Commission not recreate a top heavy organization and allow the current structure a chance to develop.

Rebecca Ramsey, Virginia City Chamber President, agreed with Kim Miller's sentiments. Rebecca is seeing success with the new and current staff and all are working well with the town. Please allow a 3-5 year opportunity for success. A top heavy organization did not play out well and the team is moving forward on behalf of the state of Montana. Feels an Executive Director is not the best idea at this time.

Janet Allsted supported Kim Miller and Rebecca Ramsey's comments.

John Benedict, concessionaire of the Opera House stated he has worked with all previous Executive Directors and would like to compliment the Commission and Marilyn for the restructure. Feels we don't need an Executive Director and Elijah has created a new feeling in the community and would like to see this move forward. Would like to see Elijah as the Operations Manager.

Bill Koch also reiterated all previous comments. The restructure has had positive effects. Staff has made extensive efforts to advertise. Elijah's plan with the passes and offering of discounts throughout Virginia City is working. Bill would like to applaud Elijah and the staff for their efforts. It is great seeing families coming back and staying.

Karen Fisher echoed everyone's sentiments.

### **Old Business**

Bob Lawson requested the status of the real property sale. With the personal property sale completed, feels we need to follow through with the real property sale. Diane Rice advised that all the work has been done to date. We pulled out the houses that were objected to. Now the attorneys need to go before the land board, make a presentation and move forward. This may need to be addressed in the Fall.

Bob Lawson asked where we were on HJ32. Bill Howell updated that he was able to attend one of the EQC (Environmental Quality Council) meetings in Helena and it seemed like they were concerned about where we should be. The Council toured Virginia and Nevada Cities. Elijah did a great job putting materials together and the last word was that this does not need to become a state park. Elijah thanked the town for everyone coming together. The members of the committee commented that they were impressed with the degree of passion all exhibited for Virginia and Nevada City. Bill Howell stated the Council's attitude has completely changed and this proves that people just need to see the area. Andy Poole said the EQC bill which proposed to eliminate the MHC and place the management of Virginia City, Nevada City and Reeder's Alley under Parks was not approved by the EQC. The EQC has now offered assistance. Credit should go to Elijah and staff for their presentation.

Bob Lawson expressed his confusion regarding inventory. Kate McCourt's documentation and explanation on the inventory and cataloging process helped clarify how this was done. The Collections inventory is complete. The cataloging of each historic item is more time consuming and in-depth due to the amount of research that has to be done to document the historic data on each individual item. Bob Lawson expressed concern that Colin Matthews has missed numerous meetings. Feels we are lacking a key member of our group and that the Commission needs the appointee by the Speaker of the House. Diane Rice noted confusion regarding the Speaker of the House appointment in that state elected officials might not be on the Commission due to being civil officers who are dealing with monies being dispensed. After that issue was brought up, the House Speaker never appointed anyone again.

Bill Howell asked for an update from the Train Committee. Philip Maechling noted the little train is running for the season. Elijah reported it runs on approximately 5 gallons per day and that revenue is good. Our breakeven point on the train is \$5,300 for the season. Museum attendance does increase with the train. Regarding #12, Moorehead quoted \$40,000 to disassemble, test and reassemble. We currently have only \$20,000 for the railroad. Question on whether we could install a smaller boiler. We can, but still have to use the remainder of the delivery system and we would not make it pay back. We have a match for \$25,000 but need to look for grants to match.

Philip Maechling requested an update on another railroad from Alaska wanting to test their cars on our 30 gauge rail. Elijah decided it would not be cost effective to shut down our train for this test as their donation would not cover our revenue losses. Bill Howell said it would only be feasible during the post season. The Montana Office of Tourism would like to film the steam train for possibly \$25,000. Philip said if the Steam train is fixed, a soil analysis would need to be completed to determine if the ground can support the weight. Philip knows of a company that would donate their services. The radius needs to be 200 ft to make the turns. Kate McCourt said an engineer came and looked at the tracks and said the bridge will need to be redesigned.

Philip Maechling if we needed to keep the large steam locomotive or could we possibly look at selling #12 and purchase a smaller type of steam train. Suggestion from the public that we use the summer to get more money in the kitty. Question arose if we can statutorily sell the train and if it is part of the collections? We need to determine that we are not trading away anything of historic value and should go through the proper process to see if the legislature would need to vote. Diane Rice wanted everyone to realize the tremendous amount of emotion surrounding #12. Bill Howell feels there has to be a small steam engine that can economically run 7 days per week and that he would like to get in contract with Cumbres Toltec for their input. Noted inspections on #12 will be a problem in the years to come and the gingerbread on the train contributes to the high cost of the inspection.

Kate McCourt said that from a collections standpoint, #12 is not part of the collections and is also not accessioned. Karen Fisher asked if #12 was on display. We don't have enough volunteers to monitor #12 for public viewing. Philip cautioned that there are pieces on the locomotive that could be removed by the public and we don't need that. Supervision is advised.

Andy Poole expressed his support in repairing #12, but that concern goes to the operation of it. We need to make a cost analysis. The little train always netted more than the steam train.

## **New Business**

### Director's Report

Elijah Allen expressed his appreciation to Andy Poole and Dore Schwinden for their support and noted we are not the easiest department to manage. Andy complimented the Commission on getting MHC to where they aren't so much of a burden on Commerce

Elijah expressed his optimism about the future. The EQC site visit was a testament and effective way to inform our legislative visitors.

Elijah would like to create a more family friendly environment in Virginia City. Kids have big eyes for the train and gold panning. He gave an overview of the different passes we offer focusing on the Family Pass. An example is the River of Gold product of a bag of dirt; a gold pan, vial and instructions that is selling well; and presented a list of businesses participating in offering discounts associated with the Family Pass. Feels our marketing efforts are working. He showed the Commission one of the signs for display in the Bozeman Airport, West Yellowstone Chamber and Jackson Hole, Wyoming Chamber. He offered a cell phone app in exchange for marketing space to the two chambers. Is filming John Ellingsen give a historic talk on multiple buildings for the purpose of creating individual cell phone apps. Noted he would also like to put informational app logos under the building's historic sign so the visitor could view the information about the building.

Elijah showed the Commission the television commercial that was shot for advertising markets in Butte and Bozeman. Target market is the female mom. Cyndy Andrus suggested we link with Get Lost in Montana. Bill Howell asked Cyndy Andrus if there were any matching funds in the Council, and she replied the regional board could match the advertising. Diane Rice added the commercial is great and she is happy to see it. Bill Howell said that when funds allow, to not forget Idaho Falls and Salt Lake City, noting a Jack Slade connection to the latter. Also said cable channels may be cheap to advertise on.

Elijah turned the discussion to Kate McCourt for her to report on coming events this summer and fall. Project Archaeology is returning this year and it's becoming an annual event. The participants are learning how to teach their students about archaeology. This field school is

unique in that it is hands on. In August, two interns from Montana Tech will be coming to help with the backlog of artifacts. The University of Delaware is also returning for architectural drawings. Americorp is on site and working with Donny and Jeff replacing the roof on the Richards Cabin and working on the Sullivan Saddlery. If time allows, they will also work on the interior of the Greenfront. Kate submitted a long range building request for \$3 million. She is currently working on interpretation for marketing and tourism. Reported we are getting an entire issue of the Livingston Current focusing on history and archaeology, and including our walking tour maps.

On Collections – all loans are up to date. The Gypsy is in the process of being appraised by Tim Gordon. We are working on upgrading Past Perfect software to make cataloging quicker. Mike Edwards is on site and continuing to repair and restore our music machines. Barbara Rudio from Alaska is volunteering again this year and is proceeding with cataloging in the Elling Store and Dance and Stuart. The public is able to view processed artifacts in McFarland by special request. Cyndy Andrus asked what the \$3 million would be used for. Kate replied it would be mostly for Virginia and Nevada City and some for Reeder’s Alley. The focus would be on historic structures first. Concessionaire buildings are also a priority.

Bill Howell asked Mike Edwards about the Cremona in the Opera House. Mike reported that when the Cremona was lifted out of the pit, there was 6” of ice on the bottom and a lot of work had to be done to repair that. He is still putting it back together. The hoses he replaced were too short due to the reconfiguration of the stage which had to be torn up as it was actually screwed to the top of the Cremona. They are planning on presenting silent movies with music by the Cremona which it was originally used for. This is the last one being used for it’s purpose in a public setting and has all the sound effects. It is the size of 3 upright pianos and includes drums, symbols, sleigh bells, door chimes, horse hoofs, etc. Was built in 1915 and valued at approximately \$200,000. Funds for repairing the Cremona came from the History Foundation by private donor.

#### License Fee Revenue

Jerry Walker showed two television ads for Montana State Parks. Ads are for making State Parks relevant and influence the public to opt in when Montanans register their vehicles. Trying to convince people the value of our parks whether they visit them or not. HB 370 increased fee from \$4 to \$6.

First point to make – in south central Montana – Chas Van Genderen does represent all entities that benefit from this funding source. In their analysis, due to the fee hike, this did increase revenue. Compliance with fee for first quarter was 74%. Last year was 75%. Only saw 1% decline. More vehicles are registered in Montana during the 2nd quarter than 1st quarter. Madison County is one of the lowest compliance counties, running at 53% which is the same as

last year. County treasurer at county level has a big influence. Jerry and Elijah have work to do with Madison County. Larger counties do not discuss the opt out. Madison County is resistant to promoting opt in. These fees also support fishing accesses that are not within a park.

Reporting from the Department of Justice to Fish Wildlife and Parks is delayed by 2 months..

Denise King said the delay comes from counties not reporting on time. June 30 will be cut off for the 2nd quarter. Posters are being distributed to counties promoting the license fee.

#### Review and Approval of Governance Plan

Due to reduction of staff, some items could be eliminated. There are some items we may want to do again if we increase in revenue and staff.

Bob Lawson requested to discuss the changes on pages 6 and 7 of minutes. He has not utilized this plan since he's been on the Commission. Do we really need this plan? Why do we have it? Look at the Executive Committee; we do not have what the plan says we have.

Andy Poole said some elements are important as to voting and representation. Cyndy Andrus also feels rewriting to make them into bylaws would be advantageous and offered to take this on. Diane Rice advised this plan has been in existence since the beginning of the Commission. The current plan is different from the original plan. This one is more optimistic and we should keep it in some form. Philip Maechling would like to work with Cyndy Andrus on simplifying the plan and making it more a procedures manual. Bill Howell suggested the Governance Plan be discussed in December and the September meeting will be for the Strategic Plan.

Bob Lawson – does nominating committee follow guidelines of governance plan? Cyndy Andrus suggested we adopt the current changes and then see about adopting a revision.

Motion: The board approved to adopt governance plan changes as submitted.

#### Discuss Strategic Plan and Set Date for Fall Strategic Plan Workshop

Set for Fall workshop at next Commission meeting in September. Timothy Lehman would like a discussion on the issues in the Strategic Plan. Due to reorganization, some items no longer exist. Suggest the Commission go paragraph by paragraph to determine if realistic and if we can do. Bob Lawson asked if the Commission needs a facilitator/board retreat?. Dianne will look for meeting documentation held November 3, 2009. Cyndy Andrus would like a document summary of what has been accomplished and what has not been met.

#### Election of Officers – Appointment of Nominating Committee

Nominating committee needed to elect officers, Chairman, Vice Chairman and Secretary-Treasurer, in September. Barbie Durham will chair the Nominating Committee to bring recommendations to Bob Lawson and Philip Maechling. Philip asked if the Commission could

take nominations right now? Barbie Durham would like to see Marilyn Ross remain as Chair and Bill Howell as Vice Chair.

## **Financial Reports**

Elijah Allen reports there are three sources of revenue: bed tax, license plate and earned revenue. Currently projecting \$863,000, with operating costs at \$850,000. Elijah expressed concerns for cost recovery. Some concessionaires are paying utilities with their rents, some are not. Cyndy Andrus asked where the FY 2013 version of this is? Elijah explained that we cannot project our budget until after September when we review the season ending revenue. Bob Lawson said it's hard when the state runs on fiscal year and most everyone else runs on calendar year. There was a misconception on a huge reserve we didn't have. Revenue stream goes into two fiscal years. Andy Poole said the Commission needs to adopt a 2013 budget based on numbers that come from the end of the season. Timothy Lehman would like to review and adopt the budget during the September meeting with the Strategic Plan study. Put budget first on the agenda.

Elijah Allen projected merchandise may be less while rents will be ahead. Bob Lawson would like more detail and become less reliant on the Dept of Commerce. He feels we are not sustainable and we are a time bomb on a short fuse. Need an operations budget as well as to include a preservation budget. Bob Lawson does not see the cash flow as it should be. Cyndy Andrus agrees with Lawson to have a complete picture and to include Montana History Foundation funding with our budget. Lehman would also like to see that included. Long range funding was left off. Lehman would like to know more about how we could use undesignated funds and what for? Denise King asked about the appropriation for bed tax. Can it change? Bed tax can go away. Lehman, would like to understand the salaries. Budget shows a vacancy. Need to check to see if line in the budget makes sense as we receive no legislative funding.

***Closed Session at 1:15 p.m.: Executive Director/Personnel – Marty Roos, DOC-Human Resources***

Public meeting reconvened at 2:15

Denise King requested to revisit the Election of Officers. Denise nominated Barbie Durham to remain in her term position as Secretary-Treasurer.

Motion: Board approved a motion to review Elijah Allen's classification.

Motion: Board approved that the Commission not fill the Executive Director position at this time.

## **Public Comment**

Karen Fisher would like to support the filling of Colin Mathew's position with another party from Virginia City. Mentioned the 150th Virginia City celebration next year and John Ellingsen's designing of

the celebration logo. Planning on a non motorized parade, reenactments on the creek, and an Indian pow wow. Candy shop will have gold candies. Jerry Walker suggested cross promoting, and would like to work with Elijah and the manager from Bannack.

**Next Commission meeting is scheduled for Wednesday, September 19, 2012 at 9:00 a.m. in the Rehearsal Hall, Virginia City, MT.**

Meeting Adjourned at 2:47 p.m.