

A Meeting of the
MONTANA HERITAGE COMMISSION

March 15, 2013

Montana Historical Society, 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, Chair, Bill Howell, Bob Lawson, Philip Maechling, Jerry Walker, Andy Poole, Bruce Whittenberg, Cyndy Andrus, Timothy Lehman

Commissioners Absent

Colin Mathews, Barbie Durham, Randy Hafer, Diane Rice

Staff Members Present

Elijah Allen, Business Development Manager; Dianne Carey, Administrative Assistant, Bonnie Martello and Garrett Norcott from Department of Commerce Legal, Joni Cabral

Interested Persons

Amy Sullivan, Montana History Foundation, Chere Juisto, Montana Preservation Alliance

Call to Order

The Montana Heritage Commission was called to order by Chair Ross at 9:05 am.

Chair Ross thanked Bruce Whittenberg for hosting the meeting and commented on the Legislative Reception the previous night.

Diane Rice's appointment has expired. She has chosen to not seek reappointment. Randy Hafer's term will expire May 23rd and he also will not seek reappointment.

Approval of December 12, 2012 Minutes

Corrections to the December minutes were requested by Bob Lawson. Cyndy Andrus moved to approve the minutes as corrected. Motion carried.

Public Comment

Bruce Whittenberg showed a short film on the building project for the Montana Heritage Center which is part of HB 14. The Montana Historical Society is tasked with raising \$5.5 million in matching funds of which \$2.6 million has already been raised. This new center will be a launching point for getting people to Virginia and Nevada cities as well as other museums throughout the state. The state is supporting heritage and culture, which is an indication that realization is growing on how important this is.

Amy Sullivan from the Montana History Foundation spoke about the financials for the Commission regarding the funds held for the Commission, where they are listed separately and not part of the state budget (these are private donors). MHF guarantees the funds are not being used for purposes other than those requested by the donor. MHF determines the appropriateness of the use of the funds; i.e., a small fund expended for the new Grant writer position; funds for immediate expenditure; and endowment for a music machine project. Amy is currently working on a donation for work on an organ in the Music Hall. Pioneer Cabin funds help support it's preservation. Friends of #12 fund will be figured out as we go. Marilyn expressed she would like Meg O'Leary and the new Commissioners to become familiar with the train and land issues. Tim Lehman asked Amy how broad the donor base is. Endowments are funds that have permanently restricted cores. When the market suffers, MHF is liable for a significant portion. The Montana History Foundation gave the Commission a grant for the Richards Cabin. They also funded the remodeling and rewiring of the Music Hall. Amy extended an invitation to Commission to attend May 19th and 20th, or August MHF board meeting.

Financial Report

Elijah reported we are on the front cover and back of Southwest Magazine. We are in Montana Magazine as well focusing on the Gypsy. The preservation report was compiled by preservation staff and Kate Slawski. This report details our properties and the repairs needed. Bob Lawson inquired about this same type of report for Reeder's Alley.

Bed tax - we get \$33,000 each month. Vehicle tax may end up at about \$240,000. We are at 78% compliance. Visitor service revenue fiscal year will only have one month added to it will stay the same. All rental locations in Reeder's Alley are rented out with exception to Papa Tony's. Marilyn noted one unit in the alley is currently being used by MHC.

Our donations and grants are approaching \$20,000. Elijah praised the Living History program for their volunteer efforts at raising funds and donors.

Communications and marketing expenses are high. Elijah has set up for marketing costs to be paid in July, after the close of the fiscal year. Water utility costs have almost doubled. Elijah met with Risk Management on our insurance costs for our properties and questioned their coverage. Elijah feels their coverage cost is excessive and is asking the Commission as to why it is so high. Philip Maechling asked if we cover the Bale of Hay's bar equipment. The Bale of Hay has purchased their own liability coverage but we do cover for fixed equipment. Any Poole suggested it would be a good exercise to go through the list and determine the insurance value and question whether we would replace it. Bill Howell suggested we reduce the coverage on

vehicles by removing collision coverage. Elijah wants to reduce coverage from \$41 million to \$10 million. There is a need to determine what would be replaced and/or repaired, based on financial income opportunities. A question was asked about fire suppression systems. Historic preservation personnel resist alterations to historic structures. Jerry Walker stated he worked with SHPO to install smoke detectors in Bannack and felt we could do the same. Elijah proposed we insure the buildings of high historic values, but not the outhouses. Bruce Whittenburg felt Elijah should work with Risk Management on evaluating buildings. Marilyn asked that Elijah review and report back at the June Commission meeting. Long range preservation is dwindling. Elijah asked if the budget should reflect repairs and maintenance more toward preservation as the budget currently looks skewed and confusing. Bill Howell suggested a notation at the bottom of the report indicating what monies from the budget report are actually for preservation. Elijah noted we are currently at \$214,000 in unspent allocated funds and is happy that we are progressing in a good direction.

Director's Report

1. Marketing

Elijah thanked Cyndy Andrus for her suggestion to partner with the Tourism Advisory Council. Google analyzer is used to track where our traffic is coming from. They are coming from the park hoppers (Yellowstone and Glacier parks). Most people have smart phones they can use for searching places to visit. Hotels are driving the business and we are placing brochures and rack cards in regional hotels such as Bozeman, Butte, Helena and Billings. The Virginia City app is available for smart phones and we are getting a number of hits. Ecommerce is the direction marketing is headed. Also, the Chamber of Commerce sponsors have our signs and brochures.

2. Web Site

We are working with the Office of Tourism on a new site which should be up and ready by the season's start. Bill Howell would like to see a focus on gold panning as an attraction due to the increase in televising gold discovery. Brochures will be going to the printers next week.

3. Corporate Donations

Elijah presented an example for the new corporate donation brochures. Marilyn asked if there would be a plaque on the wall for donations. Elijah feels we need to focus on thanking people and asked if we should have an honorary wall for those who have contributed a lifetime of support to MHC. Marilyn likes the idea but cautions that we not leave someone out. Lehman agrees and suggested a criterion be met.

4. Montana Memory Project

Elijah reported we do have a completed inventory but is disappointed that we haven't done a better job of documenting it electronically. He noted that this does need serious addressing. Marilyn noted the EQC wants to see the collections cataloged and photographed and viewable on a website for the public. The EQC will be monitoring our progress over the next two years. Bruce offered help from the MHS. Elijah feels there should be no more excuses as staff has been

provided with all the tools to complete this. Amy stated she could raise more money if we were more organized. Amy would like to help us as she has not been able to get appropriate answers to her previous questions. Elijah said we are moving in the right direction, but need to speed up the process. Lehman asked if we are prioritizing and not focusing on duplicates. Marilyn noted we have been too frustratingly detailed in cataloging. Lehman applauds Bruce's willingness to help and seconds it. Andrus also felt Bruce's helping is valuable as a neutral party to view and assess these collections. Elijah wants the data organized where we know where everything is. Marilyn said the Commission wants a report every meeting on the progress of the cataloging. Maechling mentioned there are students who could help.

- 5. Bovey Visitor Center/Evalyn Johnson – Train Depot (Tribute)/John Ellingsen – Bovey (Tribute)**
We have withdrawn the funds from the Montana History Foundation for the Bovey Visitor Center. We have been given specific instructions to set this up in the Nevada City Depot. We would like to have a ribbon ceremony at the next Commission meeting. We have unbelievable support and have received poems and artifacts for it. Elijah has enjoyed hearing many stories about Charles Bovey. Howell asked if we had contacted General Mills on this. Marilyn stated John Ellingsen is in charge of designing the memorial.

- 6. Land Sales**

The question was asked, when we sell land, can we access the funds or not? Commission is required to deposit the proceeds in the Commission accounts. We can use the proceeds from the sale for purchase of lands or preservation, and for the repair of current properties.. Bob Lawson requested that legal staff list the statute of limitations in regards to a public hearing or the proposed sales. Marilyn advised that the Montana Historical Society holds the deeds, and they would like to get the deeds moved to the Commission. Ty and Bonnie in Legal are working on this. Philip asked if a Quit Claim could be done. Marilyn noted it is on June agenda. Philip asked about the issue with the parcels behind Content Corner and that would be a boundary relocation and should be simple. Project Archaeology will be working on that site to do an assessment prior to addressing it. Amy noted they would like to do the same with McFarland.

Staffing – The request to reclassify Dan Thyer was granted and he received a raise. Marilyn noted Kate McCourt resigned and her position is open. When looking at the reorganization and statutes, we have to have the archaeological services to report to SHPO. Lehman asked about the relationship between the archaeologist and collections. Marilyn explained the previous positions and how those positions were combined after the last reorganization. Elijah said we will be contracting with MSU for archaeology. Bob Lawson encouraged contracting services at this point in time.

New Business

- 1. Virginia City Preservation Alliance**
Removed from the agenda.

2. Legislative Discussion

Last Friday, Bill Howell, Marilyn Ross, Barbie Durham and Elijah Allen met with governor's staff and Meg O'Leary to discuss the need to revisit the statute that created the commission and to clean up the language. Marilyn asked for Commissioners to volunteer to review this and make suggestions over the next two years. Director O'Leary is willing to work with us. This is an agency bill and is requested through the governor's office. Bob volunteered as well as Philip. Marilyn asked Andy Poole for an update on HB2. There are still issues to be resolved. HB2 is also the state budget bill and the Montana Heritage Commission has no budget in that bill. There may be funding in it for the future. Jerry asked if anyone spoke to Burton about numbers for Reeders Alley. Burton is aware and has worked with the engineering firm that reported on it in the past. The winter season has created more issues. Cyndy Andrus asked about a different bill on the bed tax. Marilyn noted it never went forward. Bob Lawson asked about HJR4. It passed senate and should pass the house. Bob questioned the participation of administratively attached agencies. Can we be called to testify? We have had informational witnesses testify. Bob said the chain of command as noted by statute is fuzzy.

Old Business

We are required to renegotiate the administrative fee with the Department of Commerce. Marilyn would like a couple of Commissioners to meet with the Department of Commerce to discuss this fee. Cyndy Andrus and Bill Howell have volunteered. Marilyn will set up the appointment with Commerce. Colleen Rudio will be at the June meeting to finish the Strategic Plan. After the June Commission meeting, in the evening, at 5:00 pm, there will be a barbeque in Nevada City. To summarize, the Commission meeting will begin at 9:00 am on the 14th of June, followed by the barbeque at 5:00 pm in Nevada City. On Saturday, June 15th, at noon, there will be a ribbon cutting ceremony of the Bovey Visitor Center at the Nevada City Depot followed by a tour of Nevada City. Meg O'Leary and Governor Steve Bullock, along with the EQC committee members will be invited to the ribbon cutting ceremony.

Philip Maechling asked if the By Laws were finalized. Dianne will send a copy of the revised By Laws to all Commissioners.

Bob Lawson requested status on the 'lawsuit'. No lawsuit was filed by Billy Doyle as it was determined there were no grounds for the lawsuit.

Philip said we should do something for Randy Hafer and Diane Rice for their years of service on the Commission. Diane thought it would be useful for our Commission if Debby Barrett or Ray Shaw be appointed to our Commission. We can suggest them as replacements. His replacement is not required to be local per statute. Bob Lawson clarified the appointment from the senate, that being Diane Rice. The original statute intention was for a setting senator or setting representative on the Commission board. Marilyn suggested we consult with Legal Counsel Marty Tuttle. Cyndy cited statute and questioned the appointment by the speaker

on whether he could or not appoint a senator or representative. Andy Poole's recommended we refer to legal counsel and the Attorney General for their opinions. Timothy Lehman questioned the lobbying situation of a sitting legislator on the Commission.

Public Comment

Chere Juisto from the Montana Preservation Alliance spoke on services they could offer and whether we can contract with them and how it would look. Chere proposed to explore ideas on how we can partner with MPA on a cooperative agreement to assist the Commission and work on projects. She feels that with Kate McCourt's departure, now is the time to proceed. Marilyn provided historical background on the previous positions of Director of Collections, Interpretation, Education and Archaeology. These were our three academics that were full time. These positions were rolled into one position, Cultural Resource Manager, which was Kate McCourt. We have an Education and Interpretation plan completed by Bill Peterson. Cyndy Andrus would like to see a marketing and interpretative plan. Philip Maechling asked if it were possible that MPA can help with the Virginia City Institute and getting university personnel come back to Virginia City to keep the educational facet of the Montana Heritage Commission recharged. We will need to address this at the next June meeting. Marilyn asked Elijah to work with Chere Juisto of MPA and Andy Poole on further discussions.

Adjournment

Meeting adjourned at 1:51 p.m.

The next Commission meeting will be held on June 14, 2013 at 9:00 a.m. in Virginia City, MT at the Rehearsal Hall.