

A Meeting of the
MONTANA HERITAGE COMMISSION

June 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, Andy Poole, Philip Maechling, Cyndy Andrus, Jason Davis, Ellen Baumler for Bruce Whittenburg, Bill Beck, David Hoffman

Commissioners Absent

Barbie Durham, Bill Howell, Shera Konen, Timothy Lehman

Staff Members Present

Elijah Allen, Executive Director; Dianne Carey, Administrative Assistant, Bonnie Martello, Garrett Norcott

Interested Persons

John Ellingsen, Russ Hamilton, Janet Allestad, AmeriCorps Team, Kirk Belding, Ray Shaw

Call to Order

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

Introduction of New Board Members

Bob Lawson, Member at Large from Whitefish, Montana will no longer be serving on the Commission. Bob served for a long time and his contributions were many and valuable. Our newest members are Bill Beck, appointed by the Speaker of the House, from Whitefish; and David Hoffman, appointed by the President of the Senate, from Helena. Bill Beck served with the Montana Historical Society and is a history hobbyist. David Hoffman grew up in this area and practiced law in Virginia City. He represented Ford Bovey during his time in Virginia City. Andy Poole, who previously served as proxy for the Director of the Department of Commerce, retired from the department in May, however was appointed by the governor to serve in the at large position. Andy brings a wealth of experience to the commission. Bob Lawson wrote a letter to the governor in support of Andy's appointment. Cyndy Andrus and Tim Lehman were reappointed to serve as well.

Approval of March 13, 2014 Minutes

Marilyn Ross made a motion that the minutes be approved with corrections. Philip seconded.

Director's Comments and Report

Elijah reported an adjustment to marketing strategies and asked Kirk Belding and Russ Hamilton how the season is going for their businesses. Russ said that so far it's has been fantastic and an improvement over last year. The visitor traffic was increasing but visitors were not staying so this year we kicked of the Stay and Play package for a family of five.

Concessionaires have historically had problems housing their seasonal employees, so the Montana Heritage Commission made improvements to Daylight Village to help address this problem. Kirk said this has been huge for him and is very appreciative of Elijah's efforts. Employee housing is allowing traffic to continue into September as the concessionaires can utilize this. Russ is also grateful as it freed up his cabins for tourist accommodations.

Our new website is completed and is an improvement over our previously outdated site. The train times and a link to our rates and packages are on every page which has become a big asset due to the number of calls we receive on this subject. Elijah discussed a few of the highlights of the website with collections, donations, events, living history, and our visitor package deals. He encouraged the download of the Virginia City app and thanked the Department of Commerce's IT staff for all their efforts. Jason Davis congratulated Elijah on the new website. The next phase is making it mobile

Elijah gave a recap of the marketing efforts with a demonstration of the current commercials on both television and radio. He also showed the commission samples of our current print ads. Bill Beck asked if there was any advertising in the Beacon, noting their circulation was pretty large and would be worth it. Bill offered to go with Elijah when he visited Glacier. Cyndy Andrus feels that advertising events around the days they are occurring would help in tracking an increase in traffic.

Highlights of the last fiscal year: There were over 400,000 tourists. We are 12% over this same time last year. Cyndy Andrus asked how we were tracking traffic. We track through Visitor Services in our living history museum, our train depot and our gold panning concession. We have experienced a 165% with MHC visitor services increase since 2011.

Structural damage in Reeder's Alley has been repaired. We estimate an increase in our revenue by \$25,000 with the new convention/meeting center.

AmeriCorps is helping on a number of projects in Virginia City and Nevada City. We have completed work on the Montana Post and are now working on the Elling Store so we can make these exhibits accessible to the public.

The biggest asset is our volunteers. They work for free and even pay for their own costumes. Elijah encouraged the commission to come and see our volunteers at work.

Bill Beck asked if Montana State had performed any archaeological digs and what the results were. Elijah told him of a cleated boot, a toy gun, a tooth and evidence of bare knuckle fighting.

Financial Report

Elijah guided the commission through the Montana History Foundation financials. Philip Maechling noted that Amy Sullivan is leaving and that we need to send her some recognition for her service. The Montana History Foundation is 501-3c and very loyal to Virginia and Nevada Cities. They give us a lump sum from which we draw interest. Elijah gave an overview of the various accounts and what the funds are used for. Bill Beck inquired about the core principal. Elijah advised it varies and we can only draw on the interest. Marilyn Ross noted that we have used these funds for such things as completely rewiring the Nevada City Music Hall and restoration of the Richards cabin. These funds will also be used for the current Nevada City lighting project. Bill Beck asked if we had drawn from the core balance to which Marilyn replied that to the best of her knowledge, we had not. Andy Poole asked the status of the balance between the core balance and the available funds of \$250,000. Elijah said it could be unused interest or distribution. We recently received a donation of \$20,000. Reeder's Alley had a donation of \$11,000.

We have recently painted the two railroad cars in Nevada City located by the highway and are currently working on the static display of #12. Bill Beck asked if we were receiving any federal grants. We previously received \$2 million from the national park service, but not since then. Bill also asked if there is any reason why we could not apply for more awards from them. Elijah replied that we have applied, but not been awarded any. Philip Maechling stated that federal dollars for preservation projects have basically disappeared or dried up.

Elijah passed around updated financials. We receive \$400,000 for bed tax and have received our limit. We are hoping to see an increase in vehicle tax over last year. Other revenue is visitor services, which is estimated. We still have the month of June to include in that revenue stream. We also had an insurance rebate and a utility credit. Concessionaires also pay us a percentage of their revenue. Elijah asked for a motion to reduce the amount allowed for personal services due to our current financial state and that we cannot afford to hire additional staff. He asked that we be allowed to use this reduction to cover our operation. Andy Poole suggested we might want to consider future revenue and to increase personal services. **David Hoffman made a motion that we be allowed to use personal services and vacancy savings to cover operating expenses. Motion carried.**

Approval of the Strategic Plan

We have worked on revising this for a couple of years now. Cyndy Andrus asked for implementation plans. Marilyn suggested Elijah report on the progress of the objectives. Philip Maechling said that if we have a change in appropriations, then we should decide at that time how to approach the plan. Cyndy said we have

objectives and should be working toward it. Andy Poole said a layer of the strategic plan is missing as to how the plans are accomplished and by whom. Andy suggested Colleen Rudio be involved in completing it. Philip suggested a step of a subcommittee to address the objectives. Bill stated the more planning we do in prioritizing project will be important. Marilyn advised that we have to answer to SHPO and is dependent on funding. The Strategic Plan is an overall direction of the agency and to direct efforts into the buildings in most need of work. Philip suggested we have one item from the strategic plan on the next agenda for discussion and to have Donny Steeley and Jeff Cleverley attend to discuss the immediate needs. Bill Beck suggested that Jeff Welbourne and Debbie Barrett be invited. Jason Davis moved to table the approval of the Strategic Plan at this time. After discussion, Jason is rescinded the motion. **Jason Davis made a motion to approve the Strategic Plan. Cyndy Andrus seconded. Motion carried.**

Train Car Discussion

Ron Carter, who requested to speak to the commission, was unable to attend. The train cars to the north and behind the depot are in serious condition. Ron is in charge of the Heritage Museum in Libby, Montana. He is rescinding his offer to purchase these cars. Marilyn Ross added it was clear the reason for backing out was the cost of moving the cars. Marilyn asked Garrett Norcott from Department of Commerce's Legal department, if there was any entity in the state that would address the disposal of the cars as they are deemed a threat to health and safety.

David Hoffman said we should immediately get quotes for chain link fencing to prevent adults and children from approaching the cars. John Ellingsen said the cars behind the depot are very different. They were designated as historic due to being wood framed and lighter, and were given to Charlie Bovey. John does not feel the passenger cars have asbestos as they are too old. He thinks those can be restored but not the ones on the north end past the train barn. Jason Davis said these trains are our problem and is concerned that we will be sued. Cyndy Andrus does not feel there is enough of a historic relevance to spend money on fixing them, but does feel a fence is necessary. **Cyndy Andrus made a motion to direct staff to look into making the train cars safe by installing a fence. Jason Davis seconded the motion and suggested a historically appropriate style of fence. Motion carried.** Philip noted a standard picket fence is more difficult to climb over than a chain link. John Ellingsen would like to see a chain link against the car so as to not obstruct the view. Cyndy added we need to determine what to do with the cars. Jason Davis would like to see a history on what we have done with the cars in the past and associated costs.

Kaylee Clemmons, Living History Volunteer & Scholarship Recipient

Kaylee was introduced to the commission as a living history volunteer. Kaylee just graduated high school and has been volunteering for 10 years. This program has helped her in social skills and has had a wonderful experience doing so. She wanted to thank Marilyn Ross and the commission for the opportunity. Marilyn also introduced the commission to Leona Sedwick who plays the role of a midwife in Nevada City.

Voices of Tourism – Mike Garcia

Mike Garcia spoke on how can we prepare for the opportunities and strategies for the next legislative session. Eighty-eight percent of current travelers are domestic which is a red flag. The emerging markets are international and we need to find a way to promote these markets. Rocky Mountain International is an older model and primarily markets to Europe. Nonresident spending has increased dramatically over the last few years. Investing now would not show returns for a number of years. There is a bill in the Senate which is the framework that is guiding current efforts for tourism. We stand to gain \$750,000. This bill was previously passed in 2007 by both the House and Senate but was vetoed by the governor due to budget issues. When legislation is pending, the Department of Commerce is the promoter as the commission is an arm of the governor. The commission can ask that commerce be supportive of certain bills but not participate.

EQC Legislative Update

Elijah Allen and Bill Howell have been attending the Environmental Quality Council meetings and providing committee members with information. Representative Ray Shaw has been attending as well. They have been studying the Montana Heritage Commission for two years now; and committee members have been visiting Virginia and Nevada Cities. The EQC has voted and will request that the clause in the statute that MHC be self-sufficient be removed. They are meeting again in September and they will make their final recommendation/determination on the bill language at that time. The vote was unanimous. Andy Poole said that he got the sense that the committee was very interested in this change and that the bill includes most of the changes the commission would like to see. David Hoffman stated that as a former lobbyist this is a very powerful statement.

Public Comment

John Ellingsen thanked the commission for allowing him to make statements regarding the railroad and applauded the good job the commission is doing. Russ Hamilton added his thanks for everything the commission has done and invited commissioners to stop by and to feel free to ask questions. Janet Allestad welcomed the new members and noted she attended the governor's conference. She also noted there will be a photographer from National Geographic magazine taking pictures of the Victorian Grand Ball which will be in the Montana edition of their magazine. Janet also expressed her appreciation for all the commission has done.

The next commission meeting will be held on September 18, 2014 in Virginia City, at the Rehearsal Hall.

Adjournment

Meeting adjourned at 2:20 P.M.