

Montana Fish & Wildlife Conservation Trust
Minutes from Joint State Federal Board
Meeting – April 27, 2017

Attendees:

David Allen, Chair (USFWS) (david_allen@fws.gov)
Roxanne Peterson, Co-Chair (Bureau of Reclamation) (repeterson@usbr.gov)
John Hagengruber, (USFS) (jhagengruber@fs.fed.us)
Rick Hotaling, BLM, (rhotaling@blm.gov)
Sam Shepherd (MFWP) sshepherd@mt.gov
Bill Orsello, Chair, CAB (williamorsello@gmail.com)
Jane Ratzlaff, Montana's Outdoor Legacy Foundation (jratzlaff@gmail.com)
Deb Lane, Recorder (deb@mtoutdoorlegacy.org)

Dave convened the meeting at 10:00 am.

The 1/25/2017 minutes were presented. Motion by John to approve; Second by Rick; Vote to approve 5 – 0.

Financial:

The quarterly summary was presented by Jane. The Trust balance as of 3/31/17 was \$23,746,727. The portfolio is doing well this first quarter, stocks are up. The quarterly summary included a new column which reflects the amount of funds allocated each year for projects and corrected the yearly disbursement column to the audit figures; same totals just adjusting the activity to the year in which the project closed and funds released. A request was made to also add to the graph a line representing the corpus figure.

The 1st quarter Trust Manager invoice was reviewed. This has already been approved by the JB and CAB Chairs for payment.

Trust Manager Update:

Jane informed the JB that the Trust Manager has been reviewing the performance of DA Davidson (DAD) and also looking at other potential investment firms for the Trust. To date, the TM committee has not found a firm that looks better or offers what DAD does. This review was being completed as part of their fiduciary responsibility for performance and satisfaction of the Trust investments. Major changes occurred with DAD in 2016. They have become more diversified and use 3 different companies to perform various duties such as information provided, release of funds, etc. The separation was always there, however, Andrew Davidson funneled all the information, now (since Andrew is involved less with the Trust) the TM has to work with the 3 separate entities. The TM has an annual contract with DAD. While the fees have remained consistent each year, the amount of services provided has lessened and in some instances they are now charging for work done that previously was provided for free (i.e. financial summary and other items). As a reminder, the Trust Manager is in control of where the funds are invested thru their agreement with a financial firm and the Trust board provides the investment mix percentages for the portfolio.

Nevada Mountain appraisal:

The JB had previously approved spending up to \$2500 for an appraisal of a 160 acre Nevada Mountain project that FWP was interested in pursuing. The landowner has been difficult to work with and it was determined that he would be requesting a sale price higher than an appraisal would support so it was not done.

There are two new projects that Bill is researching at this time. There are some mining claim inholdings near Jericho Mountain. There is a mixed family ownership of the property but they may be open to a fee title purchase. Jeanne Holmgren will be looking into this in more detail. It may be that the Trust would purchase the land and then donate the property to the Forest Service or perhaps the Legacy Foundation could facilitate the transfer. It is approximately \$1000 per acre for the 60 acres.

The second project has been approved & returned to the Trust previously – Sixteenmile. There is still interest in getting this project done but an adjacent landowner has clouded the title by claiming access. Steve Johnson is still attempting to clear the title. Most of the adjacent landowners are against this project, however, this project received the most public comments of any project the Trust has awarded – all in favor of pursuing the purchase. It is a 70 ft by 5 mile abandoned railroad bed along Sixteenmile.

Grant Agreement Review:

There is continuing work on a few major revisions to the Grant Agreement which include an agreement that will contain stipulations and conditions which can be binding and/or recorded in the deed. The Trust is attempting to set up on the front end all requirements that will protect the project in perpetuity for the Trust. These revisions need to be concise and fit both Conservation Easements and fee title purchases; clarifications may be needed to determine if deed restrictions are the only way to keep intact the initial stipulations of the Grant? David will make a few minor changes to the template and send out for review and email vote.

Trust Manager Invoice:

The 4th quarter 2016 TM invoice was reviewed. It had already been approved by the board chairs for payment. The amount of the invoice was for \$71,807.16.

2017 CAB project review:

Outside the target area:

Grosswiller Bird Viewing CE: This is the 2nd year for a request of funding. They have been continuing their fundraising efforts. Their ask this year is \$40,000. This is a CE to preserve 328 acres of wetlands. The landowner will provide a donation to help fund the CE. FWP would hold the easement and provide road maintenance and manage the bird viewing area.

Dillon High Trails: This is the 3rd year/phase for this project as it continues to expand. This project has provided the only public accessible land adjacent to the town of Dillon. They have huge community support. The first two phases are complete; the new trail system is in place; and they are working with the College and local schools to provide educational areas, etc. for their use. The organization would eventually like to convey the property to the County which is receptive to the idea. The CAB is looking at a funding level of \$50,000.

Whitefish Lake CE: This project is a conservation easement thru FWP. This project did score well and the CAB is recommending a funding level of \$50,000. A deed of conservation easement would need to be submitted for review prior to closing.

Teton River: This project was approved in 2016 for funding, however, Pheasants Forever chose to use those funds on their Mission Valley project. A landowner has gifted their property to PF and they are now attempting

to “bookend” that property by purchasing the adjacent properties. A deed restriction is suggested by the CAB to assure that the property is open for public use and not just for PF members. The CAB will be recommending \$50,000.

Wilson Park: RMEF is asking for a 2nd year funding for their Wilson Park project. It is for 362 acres in the Little Belts and it will probably be a pass thru straight to the Forest Service. The CAB would recommend \$30,000 for funding. No stipulations are recommended.

Wild River: This is a project of Vital Ground. It is to purchase a subdivision in order to enhance a wildlife corridor area. They have already generated most of the funding needed for the project. This was difficult as it has a very high cost per acre due to the subdivision potential. There is a public access point very close by already so it would not be opening up any new access to land. They also may close off access if the wildlife used it as an access point to the river. The CAB is not recommending this project for funding at this time.

Yellowstone River Restoration Projects: This application was not for a specific project. There is \$10 million in remediation funds available from the settlement of the oil spill on the Yellowstone River. Trust funding along with remediation funding could help facilitate purchases of land and its rehabilitation in the area. Several individuals have already expressed interest in selling their land with two ready to begin the process. The CAB is suggesting \$100,000 be made available for projects within the remediation area. Each project when available will have to be submitted to the Trust for approval.

Waterloo Grove: Jefferson River Canoe has asked for \$195,000 to purchase 32 acres for an river access/camping site. The CAB does have some concerns regarding the clubs ability to own and maintain this site. They have done an exceptional job with their prior purchase (Shoshone Landing). FWP is not willing to take on another easement in this region, already over capacity for management of easements. BLM might be a better fit and may eventually be interested in a transfer in the future. The CAB would like to see some deed restrictions or other methods to assure the Trust’s interest in the property. They will be recommending full funding of \$195,000.

Inside the Area:

Peeks to Creeks: This is a project from Prickly Pear Land Trust. PPLT already owns the property and is looking for funding to pay off their bridge loan with LWCF. Originally the Dept of Defense provide PPLT with the majority of funding to purchase the properties. The CAB has concerns as to whether the DOF has any deed restrictions or what possible stipulations may have been tied to that funding that might impact the project as a whole. This project has both 7 mile and 10 mile Creeks running thru it and PPLT will put in hiking paths, a bridge, and other improvements. During the CAB meeting presentation by PPLT, the exchange became rather contentious and heated between CAB member Jay Erickson and Mary. There was an evasiveness by Mary to answer the funding questions and the articulation of their reasons for not pursuing Open Space funding (the Trust has the same restrictions as the Open Space funding). Note: Mary Hollow (PPLT) did provide at the JB meeting a letter from the County as to why they could not use L&C Open Space funding. The CAB has not pursued funding projects that are already complete and discussed whether this project should be approved or not. The decision was to recommend funding in the amount of \$167,500 (half of the ask).

The JB discussed this project and the CAB’s recommendation to fund a project that has already been acquired and paid for. Jane stated that if the project came before them as it has been presented, part of their review would be based upon current policies. Current policies state that Trust funds will not reimburse an applicant for an already acquired property. They would turn down the request. Discussion continued as to whether the policy should be changed; it has worked well for 14 years and enough projects are available to fund prior to acquisition. **Motion by Sam to retain the current policy as written: Trust funds will not be used to reduce debt on an already acquired parcel. Second by Dave. Vote: 5 – 0 to approve.**

Dave will notify Mary (PPLT) of the decision. He will let her know that the Trust would be receptive to an application when the property is transferred to another entity.

Concerns were expressed by Dave regarding the questioning of the participants during PPLT's presentation at the CAB meeting; he felt that Jay's (Erickson-CAB member) behavior was unacceptable. Others that had attended the meeting felt that PPLT was evasive in answering funding questions and Jay was persistent in attempting to get a response. The JB understands that the CAB is an independent board, however, they felt it could have been handled in a more professional manner.

Project Extension Request:

A one year extension was requested by Mt Fish, Wildlife & Parks for the Ash Coulee project. They are working on completing this project by November 2017. **Motion by Dave to approve a one year extension: Second by Rick. Vote 4 – 0 to approve the extension. Sam recused FWP from the vote.**

Annual Report:

It is complete with the exception of the financials. Changes required in the disclosure of activity (all detail must be listed) starting in 2017. Also, DAD made changes in their reporting format in March. With all the detail and no summary sheet available at this time, it may not be possible to assure that all items are reported accurately. Deb will continue working on it to see if she can finalize the figures or if the summary information is needed.

No public comments.

June 29th was selected as the next JB meeting date. Roxanne will check to see if the Canyon Ferry Field office is available. It will begin at 10 AM.

Meeting Adjourned.