

Montana Fish & Wildlife Conservation Trust
Minutes from Joint State Federal Board
Meeting – May 12, 2015

Attendees:

John Hagengruber, Chair (USFS) (jhagengruber@fs.fed.us)
David Allen, Co-Chair US Fish & Wildlife service david_allen@fws.gov
Roxanne Peterson (Bureau of Reclamation) (repeterson@usbr.gov)
Rick Hotaling; (rhotalin@blm.gov)
Sam Sheppard, Mt Fish, Wildlife & Parks ssheppard@mt.gov
Bill Orsello, Chair, CAB (williamorsello@gmail.com)
George Bettas, Montana's Outdoor Legacy Foundation (gbettas@mt.gov)
Jane Ratzlaff, Montana's Outdoor Legacy Foundation (Janelratzlaff@gmail.com)
Andrew Davidson (DADavidson)
Deb Lane, Recorder (fwctrust@mtwf.org)

John convened the meeting at 9:00 am. The Board welcomed Jane Ratzlaff the new ED for Montana's Outdoor Legacy Foundation. She will be taking over the activities of the Trust Manager when George retires.

Review Agenda Items and Minutes from Last Meeting

The minutes from the January 22, 2015 were presented for review. **Rick motioned to approve the minutes. Second by Sam. Vote: 5 – 0 to approve the minutes.**

Financials:

Andrew Davidson (DA Davidson) stated the balance of the Trust as of 03/31/2015 was \$23,461,375. The allocations are still in line although on the higher end in the equities portion. There continues to be fluctuations and volatility in the market and DAD does not recommend any changes at this time. They slightly beat the benchmark – up 1.83% vs 1.75% for the benchmark. Variances will be expected since the Trust holds international stocks and the benchmark does not take them into consideration.

Discussion occurred as to how would DAD would process a large Trust project purchase out of the account. Andrew stated DAD would keep the integrity of the asset allocations and decide which area it would be beneficial to take out of and then rebalance accordingly. The computer programs would allocate the withdrawal to keep the allocations intact.

NOTE: The balance in the Trust as of 4/30/15 was \$23,529,876.

Trust Manager Update:

CMR Update: \$6,999,500 available with \$6,005,900 already allocated for purchases. This leaves \$993,600 for the Haxby Point purchase which will be occurring in phases. Several organizations are attempting to get legislation thru that would allow the BOR to release the \$2.4 million left in the account which was set aside for administration. The Trust Manager will leave the Dillon CMR account open until a decision is made regarding the residual administrative funds so they could be transferred easily into the account if released.

Trust Update: Expenses/disbursements from the Trust thru 4/30/15 include: \$110,000 for completed projects; \$27,016 for administration and miscellaneous invoices; and Trust Manager fees of \$145,443. The new TM invoice is for \$73,266.

Financials:

The special procedures review provided the Trust with a financial template to use to complete future financial statements. This can be updated annually by the Trust itself. This information would then be reviewed perhaps every 5 years through an audited financial statement which would be completed by an outside CPA firm.

Old Business:

Project Monitoring: Continuing the various levels of secondary reviews (i.e. projects that were originally completed by one organization and then later transferred to an agency). Conservation easements were discussed and whose fiduciary responsibility is it to assure compliance with the management plan and original project proposal. A policy should be established delineating the fiduciary responsibility and procedures to follow when potential problems are encountered such as the Oyler project. **Jane and John will work to define procedures to take if non-compliance to the Grant Agreement is identified with a Trust project.** It may include informal steps first such as a letter from the Trust Manager regarding the Trust's concerns with a project and progress as needed to ensure the Trust's grant obligations are being met.

New Business:

Charles Van Hook: They have requested an extension of 1 year for the remaining \$15,000 from their 2013 grant proposal. One property has been purchased and they are in the process of reviewing the other parcels that are available. They hope to have another project ready for 2016. **Motion by Rick to approve a 1 year extension for the \$15,000. Second by John. Vote: 5 – 0 to approve.**

Trust Plan Update: **Bill will present language to specify how carryover funds are allocated to inside/outside the targeted area at the June meeting for updating of the Trust Plan.** This is based upon identifying the initial 50% criteria and how the carryover/returned funds are tracked as either outside/inside the targeted area for projects in the future.

2015 funding cycle.

The CAB has begun the 30 day public comment period for 2015 projects. It will end on June 15, 2015. Projects recommended for 2015 are:

Inside:

South Hills Habitat from Prickly Pear Land Trust. CAB recommends \$50,000. Part of the trails system for the city of Helena. Has elk winter range and will provide continuity for the trails system in that area.

Jenkins Gulch from Rocky Mountain Elk Foundation. CAB recommends \$315,000. This is 300 acres of in-holdings in the Helena National Forest. It will be added to the Elkhorns WMA.

Outside:

Musselshell Conservation Easement from Montana Fish, Wildlife & Parks. CAB recommends \$100,000. This is the second year for a grant request for this project. This also will provide for a small fee title acquisition for a fishing access site by FWP. There is little access in this area to the river.

Zeke's Meadow from Rocky Mountain Elk Foundation. CAB recommends \$150,000. This is at the headwaters of Rock Creek. Very high scoring project. Bull trout & big game are plentiful in this area. Currently the public is using the trailhead without legal access. This project will provide the legal access.

Dillon High Trails by Beaverhead Trails Coalition. CAB recommends \$100,000. This is a phased fee title purchase of 1109 acres over the next 6 years. Phase I is for 475 acres. Beaverhead County has stated they will accept the property once purchased and provide management of the area. **The Coalition will need to provide an appraisal to assure compliance that the Trust is not purchasing the property for more than fair market value.** Dillon is surrounded by mostly private land and this will be one of the few public access areas near the town and will give the community access to the Beaverhead River.

Ash Coulee CE from Montana Fish, Wildlife & Parks. CAB recommends \$107,000. This project will help purchase a conservation easement on 5000 acres of land with 11 miles of frontage on the Milk River. This will open up hunting and fishing access to the area. This is a bargain price for the size and complexity of wildlife benefits it opens up.

Alvord Lake from The Vital Ground Foundation. CAB recommends \$50,000. This is great grizzly bear habitat. This will provide a trail easement to forest service land which will be managed by the Forest Service. Vital Ground will maintain the balance of the property.

YT Timber Exchange from the Wild Sheep Foundation. CAB recommends \$100,000. This area is by Anaconda and there is a great concern regarding the potential for a residential sale. The area sportsmen groups stepped in to work with YT Timber to get the land into public hands. This is an area designated for an underground passage for bighorn sheep since so many have been killed on the interstate. A fishing access site will also be created.

Two projects were rejected due to not meeting the initial criteria. Both were looking for payment for surveys on Wall Creek and English George.

Sam reported that another project he thought was coming in from FWP was not a part of the review. (NOTE: The Ruby River project was not received by the Trust. Deb followed up on this and found out that there were actually 2 projects that had been sent to and received by the Helena Post Office but were never delivered to the Trust post office box – both were sent on similar dates. Dillon High Trails had sent in a smaller version earlier so the Trust was aware of it but the FWP request for the Ruby River was not known). Sam spoke about the request for funding of lease payments for fishing access sites on the Ruby River. The Trust would not be able to fund that type of request.

Old Business:

Sleeping Giant: Bill stated they were very disappointed in the appraisal process. The final figure was extremely high for the trail easement and parking site. The first appraisal incorrectly calculated the amount of acreage that was included. When restated the final figure of approximately \$230,000 for a trail 1 mile long, 10 feet wide and a small parking area. It was overvalued for what the Trust was willing to pay. The appraiser only used 1 comp which was at a high value level also. When presented with the appraisal, the landowners then decided that they wanted the appraised value, not the lower price that the Trust would pay.

Invoice: **Trust Manager presented their 1st quarter 2015 invoice for \$73,266.23; Motion by Roxanne to approve; Second by Rick. Vote 4 (yes) – 1 (no) approved by majority vote.**

Annual Report: the Board would like to add the financial position summary on the annual report. Deb will adjust the report and email out to everyone a revised version.

Public Comments:

No comments

Meeting Dates:

Roxanne was unable to get the facility for the June 24th meeting date. Deb will see if Montana Wild is available. If not, the meeting in June will be held at the Montana Wildlife Federation headquarters. September's meeting dates will be the 15th and 16th. The meeting will be held in Billings. Roxanne will arrange for a meeting room. The board meeting will be on the 15th and there will be a site visit to the Mussellshell project location on the 16th.