

**Montana Fish & Wildlife Conservation Trust**  
**Minutes from Joint State Federal Board**  
**Meeting – February 8, 2019**

**Attendees:**

David Allen, Chair (USFWS) [david\\_allen@fws.gov](mailto:david_allen@fws.gov)  
John Hagenruber (FS) [jhagenruber@fs.fed.us](mailto:jhagenruber@fs.fed.us)  
Tom Sawatzke (BOR) [tsawatzke@usbr.gov](mailto:tsawatzke@usbr.gov)  
Kim Prill (BLM) [kprill@blm.gov](mailto:kprill@blm.gov) (conferenced in)  
Rick Northrup (MFWP) [rnorthrup@mt.gov](mailto:rnorthrup@mt.gov)  
Chuck Hahn (CAB Co-Chair) [hahn ranch1@hotmail.com](mailto:hahn ranch1@hotmail.com)  
Bill Orsello (CAB member) [williamorsello@gmail.com](mailto:williamorsello@gmail.com)  
Jeff Hagener, Montana's Outdoor Legacy Foundation [jdhagener@icloud.com](mailto:jdhagener@icloud.com)  
Mitch King, Montana's Outdoor Legacy Foundation [mitch@mtoutdoorlegacy.org](mailto:mitch@mtoutdoorlegacy.org)  
Leroy Schram, PPLT board member  
Evan Kulesa, PPLT staff  
Travis Vincent, PPLT staff  
Mike Kubas, DA Davidson [mkubas@dadco.com](mailto:mkubas@dadco.com)  
Gary Sullivan, The Conservation Fund  
Ryan Weiss, MT Public Access Coordinator  
Deb Lane, Recorder [deb@mtoutdoorlegacy.org](mailto:deb@mtoutdoorlegacy.org)

Dave convened the meeting at 9:00 am.

**Introductions**

**New Chair:**

BOR is the next in line for JB chair. The BOR representative (Tom) is new to the JB and offered to allow the immediate past chair take the next two years to allow Tom the ability to learn how the Trust works, etc. **Motion was made by Rick to approve John Hagenruber as the new chair of the JB; Second by Kim; Vote 5 – 0 to approve. John took over as chair of the JB for the next two years.**

**Minutes:**

**The 09/18/2018 minutes were presented. Motion by David to approve; Second by Rick; Vote to approve 5 – 0.**

**Financials:**

Summary figures thru 1/31/2019 were presented along with an account overview:

Ending balance of the Trust was \$24,847,741;  
Mike Kubas presented a summary of DAD's investment strategies and other performance indicators which they consider while managing the Trust account. DAD follows 3 investment philosophies: 1) Long term investments which compound and grow; 2) DAD is an active investor consisting of a 10 member team each bringing their own strengths to the strategies that are followed; and 3) use of a risk/reward structure thru disciplined portfolio management.  
Strategic asset allocation is 70% equities; 25% bonds; 5% cash which targets growth for the account.

Current allocation is slightly above target allocations due to a decrease in equities which increases the percentages in bonds to the total.

2018 reflected a negative 4.56% return as compared to a negative 2.89 for the benchmark.

MOLF, DAD and John will review the investment policies, establish a balance that would create a comfort level for the Trust to maintain the corpus in case of a down market. They will provide the Trust boards with their recommendations at the next JB meeting.

### **TM Update:**

Funding recommendation by TM is 4% of the net available in the account (\$21,540,704.95) for a total of \$861,628.20. There is potential for additional funding to be needed if the GT Ranch project proceeds and is approved. Three options could be considered: 1) Fully fund GT Ranch request AND keep full funding for the regular 2019 cycle; 2) Use the inside area allocation for 2019 and add an additional amount to acquire the GT Ranch up their ask; or 3) Use all 2019 funding for the GT Ranch and increase to their requested amount if approved.

Advertising for the 2019 funding cycle will not include the available amount.

Bell Ninemile project from 2018 received full funding thru their own fundraising; they released their funds back to the Trust This is outside the area monies in the amount of \$26,000.

**Motion by David to approve the recommended funding for 2019; second by John; Vote 5 – 0 to approve**

### **Old Business:**

#### **JB Email votes:**

3<sup>rd</sup> Qtr 2018 TM invoice in the amount of \$81,248.35 was presented in October and approved by CAB & JB chairs.

Due to a lack of a quorum and FWP's abstention from voting on their own projects, an email vote was taken to approve the Cartan and Palmquist projects. Vote 4 – 0 to approve with 1 abstain. They have been forwarded to the TM for their review.

#### **Attorney Question:**

Sally Johnson (attorney) was asked "what happens with Conservation Easements and/or deed restrictions on Trust properties if the Trust were to fold?" Her full response is included as an addendum to these minutes.

#### **CAB Recruitment Update:**

It was not known if Jay (CAB chair) had contacted BOR yet or not with their recommendation for fulfilling the Hunter position on the CAB. Deb will follow up with Jay.

#### **Toston Project:**

MTOLF will act as intermediary for a simultaneous closing and transfer to BLM and will be signing a buy/sell agreement with Great Northern Properties.

New contact at BLM for this project is Jim Ledger; BLM is working on the EA at this time.

**New Business:**

Gary Sullivan with The Conservation Fund presented a possible interim project named the GT Ranch. This is a fee title purchase using \$5 million from FWP's Pitt/Robertson monies. An additional \$1.2 million is needed to complete the acquisition of almost 5,000 acres. The ranch is located inside the targeted area. TCF is working with the landowner and would need to have all funds committed and available by 6/30/19. RMEF and Cinnabar have expressed interest in committing some level of funding. An official project proposal would need to be presented to the CAB prior to April 30<sup>th</sup> in order to allow the Trust ample time to complete their due diligence on the project. FWP would create a new WMA with this acquisition.

**Ryan Weiss:**

Ryan is the State Public Access Coordinator. He has been identifying inaccessible State Trust lands which could total over 1 million acres. Once prioritized, he is hoping that they will be able to work with the Trust to help open these acres up to public access. Brochures are available to help explain their work.

**2019 funding cycle:**

Cycle will start on 2/13/19 and run until 4/12/19. The amount of funding available will not be included in the ads. CAB will set their meeting date targeting the end of May in order to accommodate a JB meeting in June.

**Toston Update:**

A revised closing date of 2/15 will not be met due to the federal shutdown. Currently, BLM is requesting a shortened public comment period (15 days). All documents from MTOLF (donation/waiver letter and resolution) have been updated and sent to BLM.. Deb is working with Cindy Eide and Jim Ledger of BLM to assure all due diligence is accomplished as soon as possible. Another shutdown may delay the process again.

**Next meeting date:**

The next Joint Board meeting will be determined once the CAB has decided upon a meeting date – sometime between May 20 – 31<sup>st</sup>. Location will be determined at that time.

**Adjourned: 12:10**