

**Montana Fish & Wildlife Conservation Trust**  
**Minutes from Joint State Federal Board**  
**Meeting – January 20, 2016**

**Attendees:**

John Hagengruber, Chair (USFS) ([jhagengruber@fs.fed.us](mailto:jhagengruber@fs.fed.us))  
David Allen, Co-Chair US Fish & Wildlife service [david\\_allen@fws.gov](mailto:david_allen@fws.gov)  
Roxanne Peterson (Bureau of Reclamation) ([repeterson@usbr.gov](mailto:repeterson@usbr.gov))  
Rick Hotaling; ([rhotalin@blm.gov](mailto:rhotalin@blm.gov)) (conferenced in for voting items)  
Bill Orsello, Chair, CAB ([williamorsello@gmail.com](mailto:williamorsello@gmail.com))  
Jane Ratzlaff, Montana's Outdoor Legacy Foundation ([jratzlaff@gmail.com](mailto:jratzlaff@gmail.com))  
Andrew Davidson, DA Davidson  
Mike Kubas, DA Davidson  
Mike Mueller, RMEF  
Grant Parker, Ortenberg/Clairborne Fdn  
Deb Lane, Recorder ([fwctrust@mtwf.org](mailto:fwctrust@mtwf.org))

John convened the meeting at 9:04 am. Introductions were made. Sam was unable to attend the meeting.

**Review Agenda Items and Minutes from Last Meeting**

Minutes from the Sept 15, 2015 meeting were presented. Roxanne requested that the minutes reflect the confirmation that there was a difference reflected in the Rudd & Co. corpus figure to the actual corpus figure and also to re-confirm how often the full audit should take place. **Motion to approve with Roxanne's added confirmations by Rick; Second by John. VOTE: 4-0 to approve with the changes.**

**Trust Manager/Financial review:**

The close of 2015 reflects 67% of Trust balance is in equities and 33% is in fixed income. The allocation of 70/30 equities to fixed income is a good balance for maintaining & growing the balance for a perpetual Trust. Fixed income is used to pay for projects. Liquidity is a very important strategy. For 2015 the portfolio was down 1.36% versus the benchmark of 3.89% increase. Andrew stated that the Trust should stay the course and is in a good position using their current investment policy guidelines.

The balance as of December 31, 2015 is \$21,622,057. To date in 2016 assets are down 6.8%. The market is still quite volatile due to various reasons. DA Davidson stated that it would not be imprudent to consider a 4% distribution for projects in 2016.

CMR is "final". The Corp still has \$2 million left and several non-profits and legislators are attempting to get the funds available for more purchases. It is unlikely that will happen but the bank account in Dillon will remain open until that decision is made. Everyone was pleased with having \$7 million available for properties from the sales.

Jane's new role is as the Trust Manager starting in 2016. She would like to resolve any issues that may still exist such as the TM invoicing for their services which currently occurs after the funds have been released to Montana's Outdoor Legacy Foundation. Since legislation states the CAB proposes, JB disposes and TM releases funds, the JB suggested that an invoice be generated and sent to the CAB & JB chairs for their review and approval; then on to the TM for payment. This will be further discussed at the next JB meeting. It was noted that there is a difference between the 12/31/15 balance amount MOLF used to calculate their quarterly invoice and what was reported on the DA Davidson report. Deb will follow up on this and inform the board as to why there is a discrepancy. An email to approve the current 4<sup>th</sup> quarter invoice can be sent to the JB for vote.

Discussion occurred regarding defining in a policy the role of the Trust Manager but the board concurred that it is already defined thru legislation that the role is to preserve the corpus; the CAB proposes spending; the JB approves; and the Trust Manager ensures that the funds are spent according to the legislation and that the funding does not jeopardize the corpus of the Trust.

### **Old Business:**

### **Trust Plan Update:**

The Trust Plan updates are in progress with more discussions on consistency within the document; defining more clearly sections D & E (solicitation of proposals, etc.) for the amount of funds available for project each year (i.e. 4% is recommended by the CAB & JB then MOLF as the Trust Manager has fiduciary responsibility to determine if the request is appropriate for the year. David and Jane will work on the Trust Plan language for the next JB meeting.

**Oyler Easement:** In 2005 the Trust for Public Land was awarded \$190,000 for a conservation easement on the Oyler property. In 2007 the CE was transferred to Gallatin Valley Land Trust for monitoring. Access was provided thru 2 methods in the original grant application (walk-in & stream access) and hunting was to be allowed and monitored by Mt Fish, Wildlife and Parks. Since the original landowner allowed most hunters access, FWP did not become involved and access was never an issue. When the property changed owners, the new owner did not allow the walk-in access nor was FWP involved in any hunting that he allowed on the property. A couple of phone calls from the public and a Trust phone monitoring call were helpful in discovering the issue. A meeting with the Trust chairs and GVLTL occurred. GVLTL thought FWP was involved in the hunting aspect of the CE. GVLTL was not aware of the walk in access problem or the Trust involvement in perpetuity on this CE as neither were identified in the transferred CE from TPL. Sam Sheppard (FWP – Bozeman) resolved the hunting issue by involving FWP in the random selection process for hunters. As for the trail, GVLTL would discuss this with the new landowner and get back to the Trust.

**Aspen Trails:** This project currently known as the Upper Prickly Pear Fishing Access Site had some concerns over the discovery that the septic system for the homes in the area are on a portion of the property deeded over to FWP for the fishing access site. A new appraisal was done to determine the purchase price in order to sell the property to the landowner. Fencing was installed by FWP to deter access to the area by the public. At this time, the landowner does not want to purchase the property as the fencing is keeping the public off of the affected area. FWP will keep this file open and continue to monitor it. The Trust will continue its annual project monitoring also.

**Mussellshell projects:** Deb received a message from Mike Ruggles stating the new landowner was withdrawing his interest in pursuing a conservation easement with FWP. The only viable option that remains from these two projects is a potential fishing access site. Deb will contact Mike to confirm the status. The two projects total \$200,000 in Trust funds which revert back to the Trust if the original projects cannot be completed. A new application will be recommended due to the change of the project details and criteria.

**Monitoring:** All old project monitoring calls are either scheduled or have been completed with the exception of Mt Fish, Wildlife & Parks. It was suggested that a letter be written to FWP regarding the delays with the monitoring calls and how it can be remedied. FWP has the most projects either first hand or ones that have been turned over to them from other applicants of any organization that has received funding from the Trust.

**Signage:** Several requests have been made for Trust signs to place at projects. Pricing for a protected coated sign was approximately \$10. These would not be very sturdy & would be put up with staples. A heavier aluminum sign would cost approximately \$40. Deb will bring in an aluminum sign to the next meeting for review. Since only a few projects each year may ask for signage perhaps a heavier one would last longer. Roxanne will also get a higher resolution logo for use on the sign.

## **New Business:**

**Specimen Creek:** This is an interim project from Rocky Mountain Elk Foundation. There is \$422,150 available as carryover for inside the target area. PPLT's Mt Ascension project has been approved for \$175,000 which leaves \$247,150 for projects from the carryover funds. RMEF is requesting \$240,000 for Specimen Creek. This project is located inside the area near Flesher Pass. It is currently owned by Stimson Lumber. It adjoins the Canyon Creek WMA. It will help improve access to over 4,000 acres of nearby Forest Service land. There is easy access for families who want to walk or hike the area. The CAB is recommending this project for funding in the amount of \$240,000. **Motion by Rick to approve funding of \$240,000 for Specimen Creek; Second by Roxanne. Vote 4 – 0 in favor of funding this project.**

**Triple 8:** Discussions continued as to how the Triple 8 project could be acquired by the Trust whether as an asset or as a project. The buildings are a liability and FWP would not be interested in acquiring the buildings. To purchase as an asset is not the first choice given the amount of the purchase (\$3 to \$4 million) and the volatility of the market right now; MOLF could purchase the property with funding from the Trust to hold it for two years at which time, FWP should be able to purchase it and MOLF would acquire the buildings. Funding could be from this year's & next year's annual project funding. Approximately \$500,000 from 2016 & \$500,000 from 2017 could be made available for this project from the funding cycles. There may also be some additional funds returned to the Trust from prior projects that could be available also. The CAB supports using Trust funds for the down payment. MOLF will look at the best way to fund the balance of the project over the next two years. John, Bill & Jane will continue to work on the best alternative for funding and long term success of this project.

**2016 Funding Cycle:** MOLF is recommending a 4% funding level for 2016. The amount is \$833,600. At this time, there is also \$7,150 additional available from prior year carry over funds.

**Motion by Rick to approve \$833,600 for 2016 funding cycle; Second by Roxanne; Vote 4 – 0 to approve 2016 funding level.**

**MWF 2016 MOU:** MWF presented the 2016 MOU for Administrative services. There are no changes to the amount to be billed for services, however, this MOU will have a month-to-month renewal rather than the annual. **Motion by David to approve; Second by Rick; Vote 4 – 0 to approve the Administrative MOU.**

**No public comments.**

**Future Meetings:** The next JB meeting will be held in April at FWP offices in Bozeman. Deb will contact Sam Sheppard to coordinate the date and time. The next CAB meeting will be in the first part of May – no specific date set yet; the JB will hold another meeting in June – date & location to be determined.

Adjourned at 1:00 PM