

Montana Fish & Wildlife Conservation Trust
Minutes from Joint State Federal Board
Meeting – September 15, 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) (conferenced in for voting items)
Bill Orsello, Chair, CAB (williamorsello@gmail.com)
George Bettas, Montana's Outdoor Legacy Foundation (gbettas@mt.gov)
Jane Ratlaff, Montana's Outdoor Legacy Foundation (jratzlaff@gmail.com)
Andrew Davidson, DA Davidson
Deb Lane, Recorder (fwctrust@mtwf.org)

John convened the meeting at noon. Introductions were made. Sam had car problems and had to return to Bozeman.

Review Agenda Items and Minutes from Last Meeting

Minutes from the June 24, 2015 meeting were presented. **Motion to approve by Rick; Second by John. VOTE: 4-0 to approve as submitted.**

Trust Manager/Financial review:

The balance of the Trust as of 8/31/2015 was \$21,926,335. The quarter is not yet complete so the benchmark in the financials presented could not be updated. There's been recent volatility in the market. Our present balance as of 9/11 is \$21,843,640. YTD the balance is down 4% which does include several large project payments.

Allocation between investments is in the targeted range. Energy stocks are very challenging right now and the potential for the Feds to raise interest rates are both contributing to the volatility.

Confirmed the corpus of the Trust is \$14,945,403 and that it should be added to the annual report. This was reviewed and stated in the June 2015 board meeting: *The special procedures review produced an audit document that is reflecting a different corpus amount than actually was received. This is due to a refund that was taken off of a corpus payment which should have been recorded as an expense for administrative work and should not have reduced the corpus figure. Notations have been made and the audit has been updated but not restated as the original audit has already been distributed. The corpus is officially \$14,945,403.* Also to confirm, at the June 2014 JB meeting the first special procedures audit was to cover & others: *This review will cover the first 10 years of the Trust. Future reviews will be done every 5 years.*

The 4 page summary will be provided by DAD electronically prior to each JB meeting unless an individual member requests the full version. **Motion to approve by Rick; Second by John. Vote: 4 – 0 to approve reporting criteria.**

George will be the Trust Manager until December 31st. Jane will take over the beginning of 2016. It is anticipated that the lawsuit should be settled by that time.

CMR:

The last disbursement was in June 2015. There is \$200 in the account in order to keep it open until the administrative fees that remain in the government account are settled. A total of \$6,999,500 was spent on new land purchases. David will check with his supervisor to see when the account can be closed. The Trust Manager made a small amount of money from this activity although not as much as the regular basis points would have generated.

New Business:

Shoshone Landing project: Originally the Canoe Club wanted to transfer ownership of the site to the City of Three Forks and that did not work out. Currently they will hold title until another entity (Gallatin County; BLM or Shoshone-Bannack tribe) can take it. They are having a few problems with the general public as it sometimes used to have parties. They were hoping for only canoe/river access but there is walk-in access to the property also. They have an outhouse, nice camping sites, and a bridge nearby. They have asked the Trust if they would be able to transfer the site to the tribe. If not, BLM is still an option. No signage is on the property at this time but it is on the Canoe Club's website.

Prickly Pear Land Trust has submitted an interim Mt. Ascension Natural Park project. This is a time-sensitive project for closing. The CAB will review the project to determine if it will be forwarded to the public comment period and the Joint Board.

Old Business:

Trust Plan Update: Bill presented some potential new language for the Trust plan to help clarify how returned and carryover funds are identified and handled within the Trust. The language will be reviewed via email and will be presented at the January meeting.

Aspen Trails: The new appraisal was just completed and sent to the landowner with the septic issues. He wanted to compare it to the first appraisal. Received an email from Darlene during the meeting that stated he was accepting of the new appraisal and interested in pursuing purchase of the acreage.

Conservation Easement policies: This will continue as the committee did not have an opportunity to review sample policies and how to implement them within the Trust criteria. Jane presented a handout from Flathead Land Trust which is well thought out and adaptable to the Trust. Deb will check with Jay to see if their (Montana Land Reliance) policies are similar.

Triple 8 Acquisition: The Trust has been involved in the potential acquisition of the Triple 8 Ranch from the Ortenberg Foundation for several months. It would be considered an asset of the Trust until such time as Mt Fish, Wildlife and Parks could acquire it as an addition to their adjoining WMA. This could be a flagship acquisition for the Trust. It would be managed by the Trust Manager as an asset and they would receive their 1.25 basis points for that service. It's a bargain sale. The last appraisal was for \$5 million but the Trust could probably acquire it for \$3 to \$4 million. Concerns were expressed that the Trust was not set up to own and management land acquisitions as assets although in the Trust Manager contract it is stated that the Trust could hold any type of asset including real property.

Bill & John will go to the next Trust Manager meeting on Oct 9th and present the Triple 8 asset acquisition including how the Trust could manage it, commitment from FWP, other costs such as taxes, insurance, and property management. A conference call will be set up on October 22nd with the Joint Board, CAB & TM to determine how this will proceed.

A large purchase such as this could impact the available funding for the annual project grant cycle.

No public comment.

The next Joint Board meeting will be in Helena on January 20th. Bill will go by the Musselshell project area on his way back to Helena.

Meeting adjourned.