

Butte Historic Trust Board Meeting

February 25, 2021, Minutes

The meeting was held via zoom and was called to order at 7:05 p.m. Attending were board members Levi Mork, Mary McCormick, Hattie Thatcher, Tom Boyle, Jason Silvernale, and Sheri Broudy; steering committee members Nancy Woodruff, Mitzi Rosillon, Keegan Hall, and Joe Tavary; and community member Jeremy Crowley. Board member Michele Miles was unable to attend.

1. Introductions
 - Steering committee members and board members introduced themselves.
2. Revolving fund video
 - A video about revolving funds was shown. The video can be seen here:
<https://www.youtube.com/watch?v=kpOthv1XVzQ>
3. Presentation about work to date and vision for future
 - Nancy spoke about a number of topics to give the board some background on the project. See attached talking points.
 - On the topic of potential properties, board members suggested houses at 712 N Wyoming and 121 E Aluminum. Mary will find out more about survey requirements for the property at 712 N Wyoming, as the house is located on Arco land.
4. Financial report
 - Overview of finances. See attached report.
5. Schedule for year one.
 - Overview of tasks for the year. See attached schedule.
6. Authorization to form the LLC
 - The board voted unanimously to authorize Nancy to form the LLC for Butte Historic Trust.
7. Set meeting schedule
 - The board voted to hold meetings on the first and third Thursdays of the month at 7 pm via zoom. Meetings will be limited to 1.5 hours.
8. Hiring process
 - The board will review the draft job announcement sent by Nancy before the meeting, and will act on it at the March 4 meeting. The hiring process will also be discussed.

The meeting adjourned at 8:20.

NOTE: Next meeting is **Thursday, March 4.**

Presentation

History of fund so far

- Origin
- 1772 grant, feasibility study, strategic plan
- Capital funding campaign

Where we are now

- Forming the board
- Hiring staff
- First project this year

Relationship of BHT to Butte CPR

- Child organization of CPR (technically an LLC)
 - BHT gets CPR's nonprofit status
 - CPR is protected from liability
- Operates under its own board, own finances, own staff

Transition from steering committee to board

- Board is the decision-making body
- Steering committee will continue to meet and to provide information and assistance until board is ready to dissolve the committee

Temporary staff person

- Contracting 10-15 hours/week for a couple months
- Setting up LLC, bank account, bylaws, hiring process, web site, etc

Goals

- Two successful projects in two years
- Expand program
 - Multiple properties per year
 - Multi family
 - Neighborhoods
 - Commercial
- Diversify funding techniques – 1772 feedback
- Investment cooperative

How we think the fund will work

- Focus on severely distressed homes (saving an endangered building, harder for developers or individuals to buy and restore, adding to tax rolls, not displacing low income tenants)
- Best ROI - Single family homes ranging from 2 beds/1 bath to 3 beds/2 baths with 800-1,500 square feet
- Probably have to find via tax sales, developer’s packets, word of mouth, contacting owners; may have to use purchase options or contract for deed
- Rehab plan for the project, including scope of work and financial analysis, will be critical to financial success of the fund, especially in the early years
- Put the project out for bid to general contractors
- Project inspector, technical advisory committee, and board will supervise the project
- Sell, with preservation easements attached, for a small profit
- Put funds toward next project

Property scouting

- Google map to track properties
- Steering committee has done some preliminary looking
- Need to track properties at county, craigslist/for sale by owner, MLS. Compile list of distressed properties and research ownership on cadastral

Financial Report

Available Funds

1772 Foundation grant	105,000
SARTA grant	80,000
Feasibility study grant	8,800
Butte CPR donation	15,000
Montana Cultural Trust	2,000
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Total	210,800

Note: We have been awarded, but have not yet received, a grant from Montana Cultural Trust for operational expenses. It is a two-year grant of \$2,000 per year.

High-level operating budget, 2021 calendar year

Temporary admin	2,500
Permanent admin	20,000
Misc. operational expenses	4,000
Revolving fund workshop	5,000
_____	_____
Subtotal	31,500
Balance	179,300

Note: The organization will continue to incur operating expenses beyond the end of the calendar year. If the first property does not sell by then, funds will need to be reserved or fundraising conducted to cover these expenses. The half-time admin person costs about \$2,200 per month.

Example project budget

Property acquisition	60,000
Construction expenses	80,000
Contingency (15%)	12,000
_____	_____
Total	152,000

Note: Properties in the URA district can be reimbursed for 25% of allowable construction costs.

Year One Schedule

February: First meeting of Board of Managers.

March: Advertise and interview for admin person. Initial setup tasks (create LLC, open bank account, adopt bylaws, etc). Arrange for bookkeeping. Search for properties.

April: Hire half-time admin person. Search for properties.

May/June: Conduct scope of work and ROI analysis on potential properties. Select and acquire first property for rehabilitation. Develop rehab plan for property. Request bids.

July/August: Select contractor. Appoint Project Inspector and Technical Advisory Committee. Begin construction on first project.

September: Fundraise.

October: Host workshop on funding techniques for property redevelopment programs.

By Spring 2022: Sell first property.