
Idaho State Capitol Commission

Official Minutes

May 13, 2005

A meeting of the Idaho State Capitol Commission was held on this date in the Senate Caucus Room, #350, 3rd Floor, Statehouse. Major General Jack Kane, Commission Chairman, called the meeting to order at about 10:00 a.m.

Attendees

Members Present:

Major General Jack Kane, Chairman

Andrew Erstad

Evan Frasure

Stephen Hartgen

Sandy Patano

Will Storey

Steve Guerber, Director, Idaho State Historical Society, and Ex-Officio Member

Carl Bianchi, Director, Legislative Services Office, and Ex-Officio Member

Pam Ahrens, Director, Department of Administration, and Secretary/Ex-Officio Member

Others Present:

Winston Wiggins, Director, Department of Lands

Kathy Opp, Financial Officer, Department of Lands

Eric Milstead, Analyst, Legislative Services Office

Rick Thompson, Administrator, Div. of Internal Management Systems, Dept. of Administration

Jan Frew, Design & Construction Manager, Department of Administration

Tim Mason, State Facilities Manager, Department of Administration

Connie Smith, Financial Officer, Department of Administration

Diane Blume, Management Assistant, Department of Administration

Jack Lemley, Lemley and Associates

Jeff Shneider, CSHQA Architects

John Maulin, CSHQA Architects

Katie Butler, Site Representative, CSHQA Architects

Addressing the Commission for the first time, Major General Jack Kane expressed that his opportunity to chair the Idaho State Capitol Commission is an honor. He added he realizes the charge of the Commission is the Capitol itself, and not other potential projects that might occur adjacent to the building.

Approval of Minutes

Commissioner Frasure asked that the words “*a total of*” be included in the motion on page 3 of the January 20, 2005 meeting so that it reads as follows: “...authorize the Division of Public Works to enter into an agreement with CSHQA on an hourly rate not to exceed *a total of* \$10,000...”.

MOTION: Commissioner Ahrens moved and it was seconded by Commissioner Storey that the minutes of the January 20, 2005 Idaho State Capitol Commission meeting be approved as modified. The motion passed unanimously.

Budget and Funding Issues

2005 Legislation

Commissioner Ahrens referred to **House Bill 358**, the Commission’s FY06 \$258,300 appropriation. In addition to operating expenses, the amount also includes \$129,400 to pay invoices to the Department of Lands for management fees in 2001 and 2002.

Commissioner Bianchi addressed **House Bill 386**, the bill that successfully extended the cigarette tax, initiated in 2003. According to the new legislation, the first year of receipts, collected during FY06, are to be expended toward state water projects. Revenues in subsequent years are to be deposited into the Permanent Building Fund with moneys to be used for the repair, remodel, and restoration of the Capitol and state facilities pertaining to the Capitol restoration, until such time as the restoration is adequately funded, as certified by the Director of the Department of Administration. Thereafter, all moneys are to be distributed to the Economic Recovery Reserve Fund.

He also reviewed **Senate Bill 1180**, extension of the Capitol Commission license plates. The statute authorizing the license plates, which is about to expire, indicates that a plate cannot be acquired after December 31, 2006. This new legislation extends the date to 2012. The plates have been generating about \$30,000 annually to the Commission’s Income Fund.

Finally, he spoke to the **Legislative Task Force on the Capitol Restoration**, created during this past session. In summary, he explained a bill was introduced to utilize the Ada County Court House as a Capitol Annex, but it failed by one vote in the Senate. A second bill was proposed to demolish the Ada County Court House and build a new Capitol Annex, but this bill was returned to Committee. The Senate did, however, pass Senate Concurrent Resolution SCR 108, which would have created an interim study committee to study the possibility of adding wings to the Capitol. The House did not pass this resolution. As a result, a task force was created to look into this option. Membership of this group includes the four republican leaders and two minority leaders in both the Senate and the House, along with Commissioner Ahrens and himself as ad hoc non-voting members.

The charge of the Task Force is to study the Capitol restoration master plan, the development of related buildings and properties in the Capitol Mall and the possible enlargement of the existing Capitol. Subsequently, the Task Force is to make recommendations to the 2006 Legislature.

Chairman Kane indicated he would like the Speaker and the Pro Tem to extend an invitation to members of the Commission to attend the Task Force meetings. If the Commission is not involved, he said, it would not be able to participate in discussions regarding the future of the Capitol. Commissioner Bianchi responded that he will have invitations extended to each Commission member.

Commissioner Ahrens suggested the Commission offer its assistance to the Task Force. Most legislators realize the state's past expense in creating the existing restoration master plan. Part of the Task Force's discussion will address what the state is going to need in the future for space, and the Commission could offer its assistance and expertise in the development of the Task Force recommendations.

During the last legislative session, she said, House Bill 386a, extension of the cigarette tax was authorized. Specifically, the new law says, *"For fiscal years on and after July 1, 2006, all moneys shall be distributed to the permanent building fund with the moneys to be used for the repair, remodel and restoration of the state capitol building and state facilities pertaining to the capitol restoration until such time as the capitol restoration is adequately funded as certified by the director of the department of administration..."*

Approximately \$20 million annually will be realized through these tax receipts; consequently, long term financing for the restoration may not be required. The Commission could structure the restoration over a period of four or five years utilizing funds as they become available.

She distributed the following list of possible tasks the Commission could complete to assist the Task Force, and she proposed that the Commission define

estimated consultant/professional design costs and a timeframe to accomplish them. The Commission could earmark remaining funds from initial restoration monies to do some of this reassessment work, she said. Staff has roughly estimated the cost between \$50,000 and \$75,000.

- Create preliminary drawings showing proposed additions to the east and west wings of the Statehouse, illustrating the new “footprint” and how the building will be situated on the grounds and positioned to adjacent streets.
- Conduct an assessment of how the new wings might affect fire codes and other building requirements in the existing Capitol building, by reason of a contemporary add-on.
- Illustrate options on how the new additions might be connected to the existing Capitol Building, which floors would be directly connected and whether any part of the additions would be free-standing, as well as options for dealing with the existing east and west stairways.
- Analyze whether tenants can reasonably remain in the existing Capitol office space while the additions are being constructed.
- Draft a preliminary, “ballpark” cost estimate of the additions, including any incremental costs (or savings) for restoring the existing Capitol. This estimate would be over and above estimates for restoring the existing Capitol alone.
- Create a rough estimate of a design timeline should the additions be approved during the 2006 Legislative Session.

Commissioner Guerber suggested the scope of this work also include a study to insure that materials used for the proposed wings addition are similar to the existing materials (sandstone, marble, etc.), that the materials are available, and that they are not cost inhibitive. Commissioner Patano agreed that whatever the expansion, it must maintain the historical integrity of the Capitol.

Commissioner Erstad encouraged the Task Force to visit the Utah Capitol restoration project. Utah built two new \$48 million freestanding buildings on each end of its Capitol. Although they are very modern structures, they have referential imagery to the Capitol.

Commissioner Bianchi cautioned the Commission about its role with the Task Force. The Commission may not want to oppose or support the wings concept, he said. It should be the group the Task Force turns to for advice and expertise, and when the Task Force decides what to do, the Commission is to carry out those wishes. Commissioner Storey added that the creation of this Task Force is the first opportunity in several years that the restoration project is receiving support

from the Legislature, and he agreed that the Commission serves as a support entity and not one of advocacy.

Overview of Commission Funds

Mr. Thompson, Administration's Division of Internal Management Systems reviewed the Commission's current budget through the end of April. Of the \$129,100 FY05 appropriation, to date \$8,049 has been expended; and, of the \$2,006,900 Capitol exterior project budget, \$479,087 has been spent.

Included in the budget for FY05, he said, is a projected expense of \$17,000 for fees to the Endowment Fund Investment Board. He recently learned that the Board is changing the method of expense allocation to the Endowment Board, as well as for manager costs to the various endowment funds. The Capitol Commission allocation is .88% of the total operating costs of the Endowment Board and the manager. This expense has not been included in past budgets.

The "**Sources and Uses of Funds Statement**" through April shows a cash balance after liabilities of \$1,480,881 in the Income Fund, and a \$6,620,326 cash balance in the Endowment Fund. For planning purposes, he distributed anticipated cash flow statements through the end of FY05 (June 30, 2005), and FY06 (June 30, 2006). With estimated interest income, expenditures, and liabilities, he projected the cash balance of the Income Fund at the end of FY05 at \$1,884,535, and at the end of FY06 at \$1,631,335. The Commission will have carryover authority in the amount of about \$102,820 from its FY05 budget.

One figure that does not show-up on this statement, he said, is the remaining funds totaling about \$118,000 from the Commission's original \$32 million appropriation for the restoration work, the bulk of which was returned to the General Fund. The Commission does have spending authority for these remaining dollars, but the authority will expire at the end of this fiscal year—moneys would then be returned to the Commission's Income Fund. Commissioner Frasure suggested these funds be utilized to complete the necessary tasks discussed earlier for the Task Force. If requested, Commissioner Ahrens added, the Commission would then have the resources to assist and be available to make sure that the analysis takes into account the architectural efforts that have already been accomplished.

Finally, Mr. Thompson reminded the Commission that each year it is to recommend to the Endowment Board **a distribution from the Permanent Endowment Fund to the Income Fund** for use in the upcoming year. Any moneys transferred are pooled in the Treasurer's assets until the Commission needs it. (See motion on page 8.)

Capitol Endowment Timber Lands

Winston Wiggins, Director, Department of Lands, explained the Capitol Endowment Lands (7,222 acres) are mainly located in the St. Maries area and consist primarily of timberland. There is also a section that crosses Little Donner summit north of Cascade, which has been managed for timber in the past but may now have a “higher and best use” for something other than timber, due to the development of Tamarack Resort.

According to its constitutional mandate, the Department of Lands and the Idaho Land Board is to maximize the land’s long-term financial return, which includes a variety of things, including the underlying asset itself. This trust was set up at statehood and the State Board of Land Commissioners is the trustee.

He provided a summary of timber returns on the Capitol Endowment lands between FY02 to current, and then projected returns up through FY11.

FY02	\$ 653,100 (actual)
FY03	210,100 (actual)
FY04	804,400 (actual)
FY05	2,488,400 (first 7 months of FY05)
FY06	1,070,300 (forecast)
FY07	1,603,700 (forecast)
FY08	1,667,500 (forecast)
FY09	1,053,900 (forecast)
FY10	276,400 (forecast)
FY11	0 (forecast)

This type of fluctuation, he said, is the nature of a small land base. It generates revenue over a period of time and then it rests for a period of time, possibly up to about 10 years. Management costs continue, however, even when no returns are realized.

At statehood when the land was public building land, money was generated and spent—there were no endowment funds set up. Statutory amendments in 1998 made the public building lands apitol lands, and an endowment was set up. Prior to the statutory amendment, approximately 40% to 50% of the land management costs came from the General Fund; now costs are paid by the individual trusts. The amendments that created the Capitol Permanent Endowment Fund and the Capitol Endowment Income Fund also put the Land Board into the position of paying management costs from receipts. Management fees for the Capitol Endowments are about 2% of the total revenue, he said.

Commissioner Frasure remarked that he was a member of the Legislature when this amendment was made, and the intent at that time was that no management fees would be paid to the Department of Lands for Capitol Endowment lands.

Because of this intent, past fees have not been paid--it was not because the Commission had neglected the payment. Since, policies have changed and the Commission is now paying for those past years.

Director Wiggins noted 12,000-14,000 acres of Capitol lands is located north of the town of Cascade and on the east side of the lake—Tamarack Resort is on the north side. The land grows timber and has a highway through the middle; however, utilizing this terrain for home sites is a legitimate consideration and could be a “higher and best use”.

The Land Board operates on a primary, secondary land use basis, he explained—not multiple-use. An RFP for proposals would need to be issued, and an appraisal completed on the land before land development could be considered. An assessment would then be accomplished to determine which option would create the best long-term returns to the Commission. The Commission, as beneficiaries, has the right to request the Land Board look at the highest return options. There are a variety of alternatives, he said, that could generate a more steady cash flow, either with other lands or from proceeds from sale of the lands deposited into the endowment funds by the Investment Board.

Commissioner Storey expressed that in order for the Commission to make a recommendation a study of steady income first needs to be done. In his opinion, the land area is too small, and he advised a committee be formed to draft a recommendation to the Land Board converting the Commission out of timberland. **A committee was appointed consisting of Commissioner Storey as Chair, and to include Commissioners Bianchi and Ahrens to study the Capitol Endowment Lands and come back to the Commission with a recommendation.**

Endowment Fund Investment Board Update

As mentioned earlier in the meeting, each year the Commission is to recommend to the Endowment Board an amount to be transferred from the Permanent Endowment Fund to the Income Fund for use by the Commission in the upcoming year. With pending work to be done by the Legislative Task Force on the Capitol restoration, there is no need for the transfer at this time, Commissioner Ahrens noted.

Since the Commission has agreed earlier that it would transfer \$275,000 to the Endowment Fund, Commissioner Bianchi said, written communications should go to the Board indicating no transfer would be made. The 4% annual distribution from the Endowment Fund to the Income Fund would roughly be the same as the intended transfer of \$275,000 anyway, and would cancel each other out.

MOTION: Commissioner Bianchi moved and it was seconded by Commissioner Storey that the Commission advise the Endowment Fund Investment Board in writing that the Commission would not request a distribution this year, with the understanding that the amount of the distribution would have roughly equaled the amount of money we would have transferred into the Endowment Fund this year from the Income Fund. The motion passed unanimously.

Design/Construction Items

Project Status of Exterior Work

Commissioner Erstad reported flooding occurred in the northwest corner of the building during the last downpour as drywells were being replaced.

Further, it was discovered that the shell of the eagle that sets atop the dome is made of copper, and not bronze as original believed. At one point, he said, it looks as though the eagle was painted gold three times in its life span, as well as a bronze color. CSHQA Architects and its consultants have recommended a gold-gilded finish for the eagle. Mr. Maulin added that painting the eagle would last about 25 to 30 years whereas gold-gilding would last approximately 50 to 75 years. Mr. Maulin recommended the gold-gilding be done in a bronze color.

Commissioner Guerber noted he is aware of individuals who may be interested in donating gold, and there may be artisans who might donate services, as well.

MOTION: Commissioner Erstad moved and it was seconded by Commissioner Bianchi that the Commission approve the Design and Construction Committee to move forward with pursuing restoration and gold-gilding the eagle, and to seek-out private funding to do so within a reasonable timeframe. The motion passed unanimously subsequent to the following discussion.

Commissioner Frasure asked that the motion include that private funding be pursued. It would be a great fundraising project, and it would involve the public as well as highlight the restoration project, he said.

Ms. Frew expressed concern with delaying work on the eagle while funds are being raised. Scaffolding is already in place and costs to extend the timeframe for the scaffolding could cost as much or more than the gold-gilding itself, approximately \$11,000.

Commissioner Erstad continued his report by noting that contactors are also working on parapets and terracotta. In the process, they have discovered sandstone on the small dome where the eagle sits. These areas will be replaced with terracotta. The roof replacement is pending right now, he added, until work overhead is done. Completion of the roof project is targeted for spring of 2006.

Public Relations/Outreach

Plans for the Centennial Celebration of the Statehouse

One year and 54 days ago, Commissioner Guerber said, on March 20, 1905 this Capitol Commission was created. On June 3, 1905 it appointed the superintendent of construction for the Capitol, and actual work on the building began during the summer of 1906. On June 29, 1905 plans were adopted that were proposed by architect, Tourtellotte and Company and on July 5, 1905 the cornerstone was laid. To commemorate the 100-year anniversary of the cornerstone placement, he drafted plans for the Commission consideration an itinerary for a birthday party on or around July 5th, as well as for celebratory events throughout the month of July.

He proposed an event on the south steps with a birthday cake, decorations, and ceremony involving elected officials, for example. During the month of July, Capitol tours could be offered, and he proposed updating and reprinting the Capitol walking-tour brochure. Displays could also be created in cases located on the first floor of the building exhibiting artifacts that were used at the time the Capitol was built, for example. These cases might also display old historic photographs of the Capitol and/or photos of its restoration progress to date.

He suggested invitations to the event be sent to prior occupants of the building, and in conjunction, invite individuals to provide recollections of the building and/or prior events that were held in the building. An oral historian could capture those recollections in interviews and transcribe the data into written form. This might one day work into a compilation of a book about the Idaho Capitol Building nearer to the time when the restoration work is complete.

Commissioner Patano agreed that an event to recognize the anniversary would be beneficial to increase the level of awareness around the state. The big celebration, however, should be withheld until the actual restoration work is complete. Commissioner Ahrens agreed and noted that once a dollar figure has been attached to each of these items, the Commission may choose to utilize the Historical Society in putting the event together using available funds from the Commission's operating budget.

Chairman Kane indicated he would work with the Governor's Office on identifying the final date for the event.

Oregon Trail Monument Celebration

Located on the southeast corner of the Capitol grounds is the Oregon Trail Monument, also known as the children's monument, Mr. Mason explained. Mr. Ezra Meeker, an original Oregon Trail traveler, erected the monument in 1906 when he felt that the trail was not getting enough attention. He traveled the original route again when he was 76 in an oxen-pulled wagon, placing monuments along the way. He camped out in the parking lot of the Borah Building and raised money for the children of Boise to erect that monument.

Local citizens recently formed a Meeker Centennial Committee to commemorate this event in July 2006. The Committee has arranged for a parade, and for the original wagon that Mr. Meeker used to be brought to Boise.

A time capsule was placed in the monument with the intent that it be opened in 100 years. The Committee is requesting permission from the Commission to use ground-penetrating radar to verify that the capsule exists, and if so the Committee requests permission to exhume and display the contents during the ceremonial period. Subsequently, contents would be transferred to the Idaho State Historical Society. Finally, the Committee would like to erect a small permanent marker explaining the significance of the memorial. The Meeker Centennial Committee would incur all costs.

The Commission concurred that the Meeker Centennial Committee proceed with planning for the event, and to proceed with the non-invasive radar search of the interior of the capsule.

Upcoming Meeting Date

Proposed dates for future Commission meetings are as follows: July 5, 2005 (tentative); October 13, 2005, and January 19, 2006.

Guidelines for Public Use of the Statehouse & Grounds

Commissioner Hartgen suggested that a sentence be inserted in the Commission's guidelines for public use of the Statehouse clearly outlining

right of first request language for use of the Statehouse spaces. The Commission concurred.

Adjournment

The May 13, 2005 Idaho Capitol Commission meeting adjourned at about 12:00 p.m.

Major General Jack Kane, Chairman
Idaho State Capitol Commission

Diane K. Blume, Management Assistant
Department of Administration