
Idaho State Capitol Commission

Official Minutes

April 26, 2006

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 1:35 p.m.

Attendees

Members Present:

Major General Jack Kane, Chairman

Andrew Erstad

Will Storey (via teleconference)

Stephen Hartgen

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

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

Members Absent:

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

Sandy Patano

Evan Frasure

Others Present:

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

Tim Mason, Administrator, Division of Public Works, Department of Administration

Jan Cox, Administrator, Division of Purchasing, Department of Administration

Jan Frew, Deputy Administrator, Division of Public Works, Department of Administration

Joanna Guilfooy, Deputy Attorney General, Department of Administration

Joe Rutledge, Field Inspector, Division of Public Works, Department of Administration

Diane Blume, Management Assistant, Department of Administration

Dawn Hall, Analyst, Division of Financial Management

Jeff Youtz, Supervisor, Legislative Budget and Policy Analysis

Eric Milstead, Analyst, Legislative Budget and Policy Analysis
 Larry Johnson, Manager of Investments, Endowment Fund Investment Board
 Linda Morton-Keithley, Public Archives/Research Library Administrator, State Hist. Society
 Ken Swanson, Historic Sites and Museum Administrator, Idaho State Historical Society
 Jeff Shneider, CSHQA Architects
 John Maulin, CSHQA Architects

General Commission Business

Approval of Minutes

Motion: Commissioner Hartgen moved and it was seconded by Commissioner Bianchi to approve the minutes of the October 13, 2005 and November 17, 2005 Idaho Capitol Commission meetings. The motion passed unanimously.

Fiscal Year 2006 Budget Update

With about two months left in the fiscal year, Mr. Thompson reported on the status of the Commission's budget, below.

Description	Budget	Actual 3/31/06	Estimated Expenses	Total Expenses	Estimated Balance
Personnel Costs					
FY05 Carryover	\$26,754	\$0	\$4,000	\$4,000	\$22,754
FY06 Appropriation	\$33,100	\$13,317	\$2,300	\$15,617	\$17,483
Operating Expenditures					
FY05 Carryover	\$68,438	\$68,438	\$0	\$68,438	\$0
FY06 Appropriation	\$226,700	\$205,199	\$13,000	\$218,199	\$8,501
Capital Outlay	\$1,298,337	\$1,298,337	\$0	\$1,298,337	\$0
Summary					
FY05 Spending Authority	\$95,192	\$68,438	\$4,000	\$72,438	\$22,754
FY06 Spending Authority	\$259,800	\$218,516	\$15,300	\$233,816	\$25,984
TOTAL	\$354,992	\$286,954	\$19,300	\$306,254	\$48,738

Taking into account anticipated costs between now and the end of the fiscal year, he said, there is about \$48,738 in unused spending authority available to the Commission. Of that amount, \$22,754 of carryover personnel moneys from FY05 will no longer be available after June 30th. Commissioner Ahrens suggested the

Commission consider how it might utilize those funds as discussions proceed during the course of the meeting.

At the end of March, Mr. Thompson continued, the Permanent Income Fund had a balance of \$1,686,476 (market value \$1,612,002), and the Permanent Endowment Fund \$6,620,326 (market value \$12,646,337).

These Funds were set up so that most of the revenue stream is deposited into the Permanent Endowment Fund, but the Commission is able request annual distributions from this Fund to the Permanent Income Fund to expend. He distributed the following cash analysis through the end of June, 2007.

Short Term Account Balance as of 4/24/06	\$ 150,806
Long Term Account Balance as of 4/24/06	<u>1,535,671</u>
	\$1,686,477
<u>Projected Use of Funds FY06 & FY07</u>	
FY06 Commission Expenses	\$ 19,300
FY06 Supplemental for Design Update Expenses	750,000
FY07 Commission Appropriation	327,200
FY06 Carryover	<u>58,000</u>
	\$1,154,500
Account Analysis	
Short Term Account	(\$150,806)
Long Term Account	(\$1,003,694)
Projected Long Term Balance 6/30/07	\$531,977

Commissioner Bianchi explained the Endowment Board sets distributions for all endowment funds in August of each year for the upcoming fiscal year. Last year the Commission did not request a distribution for FY06. He said if 5% (about \$400,000) is requested now, the Commission could ask for spending authority during the upcoming legislative session.

Should a transfer be made, Mr. Youtz said, moneys would earn short term interest rather than long term interest, but would be available if the Commission needed it. These monies could always be returned to the Permanent Fund, he added.

Exterior Restoration Activity

Ms. Frew reported that the exterior project is substantially complete. In summary and starting from the top, the project included the restoration and gold leafing of the eagle, replacement of a steel rope ladder with one more stable, and the repair and coating of the lantern dome.

Glazing was replaced in windows at the lantern and dome level, nearly 100% of the dome's joints were regouted, and damaged dome tiles fixed, she said. Joints around the sandstone columns were repaired, a new copper roof installed on the stairway that leads up to the drum level, and all of the skylights replaced on the building. Joints were repaired on the parapets with fiber rod reinforcements for seismic stability, and stone repair work accomplished around the exterior of the building. Joints were also removed, replaced, and resealed on the grand staircase.

Finally, drainage work was done around the basement exterior walls and all of the drywells reworked. The total construction contract for all of this work was nearly \$2.5 million, but this amount may be reduced as the account is settled. The overall project was set-up at \$2,948,900, and to date \$2,694,988 has been obligated. With some of the left over moneys, investigations will be done to the northwest drywall area where leaking continues. Final punch list items, she said, will be done within the next couple of months.

Legislative Actions

House Concurrent Resolution 47

Commissioner Bianchi explained this piece of legislation supports the restoration and addition to the Capitol. Specifically, it identifies the inclusion of two-story, 50,000 s.f. garden level atrium additions at the east and west ends. The wing design is to accommodate large state-of-the-art public hearing rooms, adjacent committee and staff office space, and future connectivity between the Capitol and other buildings in the Mall via the tunnel system.

New high speed elevators are identified in the legislation for both the east and west ends of the existing building, and it calls for a reassessment and reconfiguration of the restoration master plan and assignment of space throughout the Capitol Building. The legislation provides authority to the Department of Administration to enter into bonds with the Idaho State Building Authority, and stipulates that the construction process begin after the 2007 legislative session and be completed prior to the 2010 session.

Senate Bill 1491

This bill provides funding and resources necessary to complete the Capitol construction and relocation projects, Mr. Milstead said. Work will be accomplished through collaboration between the Capitol Commission, Legislative Services Office, Department of Administration, and the Idaho State Historical

Society (ISHS). The bill appropriates about \$5.9 million over two years to all four entities.

State Building Authority Bonding Process

Mr. Thompson explained many of the bonding documents were created several years ago prior to the original restoration project being placed on hold. These documents need to be updated with new project costs. Once the Idaho State Building Authority authorizes the bond issue, the Department will need to address the Land Board regarding the ground lease for the Capitol Building. He indicated that bonds could be issued as early as September. Revenue from the enhanced cigarette tax will be used for the bond payments.

Commissioner Storey inquired about the timing anticipated for finalizing a project budget in order to issue the bonds by September. He asked that his concern go on record that the process seems too accelerated. Chairman Kane asked that the Commission be provided clarification on how the Department intends to meet the bonding schedule.

Capitol Restoration/Addition Project Management

Overview

Commissioner Ahrens distributed an organizational chart to the Commission delineating each of the functions, players, and entities involved in the overall project, along with the role of the Capitol Commission.

Commission Responsibilities

Ms. Guilfooy reviewed the enabling statute for the Commission beginning with Title 67 Chapter 16 of the Idaho Code, a comprehensive statute that controls security, operation, use, and maintenance of the Capitol Building and grounds. The Capitol Commission was created within this Chapter and within the Department of Administration.

Section 1602 addresses space allocation indicating that the Governor controls use of space on the first and second floors, and the Legislature controls use and space on the third and fourth floors, and basement. It was determined that the proposed underground wings are considered basement space, she said.

Section 1603 states that the Department of Administration has oversight of the exterior of the Capitol, its systems, and the grounds. Section 1604 says the Department of Administration may promulgate rules governing access to and use

by the public of the Capitol Building and its grounds. Section 1605 places responsibility for law enforcement at the Capitol Building with the Director of the Idaho State Police.

Section 1606 creates the Commission and 1607 addresses the Commission's organization. Section 1608 tasks the Commission with developing and implementing a Master Plan in consultation with the Director of the Department of Administration. It also requires the Commission to review all proposals to reconstruct, redecorate, or restore all spaces within the Capitol Building in conformance with the Master Plan. Further, the Commission must review all proposals involving objects of art, memorials, statutes, or exhibits, and it must identify original furniture and create an inventory.

Commissioner Ahrens added that the ISHS will be playing a very active role in inventorying historic items. She proposed that some very strong guidelines be established so that souvenirs of the Capitol are not removed as tenants are relocated. Many of the items belong to the Office and not to individuals. She noted that a few minor technical changes to Idaho Code related to vacating the Capitol may need to be made during the next legislative session.

Sequencing/Timeline

Mr. Mason distributed an implementation timeline identifying specific tasks during the life of the project, and the responsible parties involved. Initially, the Capitol restoration plans, completed several years ago, will be revised to reflect the change in space configuration due to the addition of the wings and the fact that elevator shafts will be added to the existing building.

At the same time this is being accomplished, space needs for displaced capitol tenants will need to be resolved, as well as bonding/financing issues, for example. The timeline takes into consideration the ISHS's task of inventorying and archiving historic items, and when those items will be placed back into the restored Capitol.

Also a part of the timeline is the preparation of the old Ada County Courthouse to house the Legislature during two sessions, plus its support offices year around for 2 ½ years. This work needs to get underway immediately, he said. Local coordination during the course of this project will need to be done between the city and the highway district as well.

Design on the wings will begin as soon as a methodology has been determined and an architect selected. Public outreach will occur throughout the duration of the project, he added, and storage will need to be coordinated twice—to and from the storage location. Actual construction, therefore, will get underway

immediately after the 2007 Legislative Session is over, and completed prior to the 2010 session.

Programming, Design of Wings, Adjustments to Original Restoration Plan

Ms. Frew reported that Lemley and Associates and 3DI are currently working with Capitol Building tenants to identify their temporary space needs as well as their permanent space needs in the restored building. Because wings will be added, the original space plan is being revised. CSHQA has been asked to consider structural implications and the best location for addition of the two new elevators on the east and west wings of the Capitol.

House Concurrent Resolution 47 estimates the restoration cost at about \$74 to \$75 million, and the wings \$39.5 to \$40 million for a total project cost of \$115 to \$120 million, Commissioner Ahrens reported. These are the amounts the Department and the Idaho State Building Authority will consider for bond issuance. The challenge will be keeping the project within those estimated dollars, considering the increasing inflationary factor for construction, she said.

Chairman Kane expressed that the Commission needs to be up front with the public about the restoration costs. Moneys have been appropriated this year for the Commission to hire public outreach services, Mr. Mason said.

Legislative Advisory Committees

Two Legislative Advisory Committees were appointed to help keep the Legislative portion of the project on schedule, Commissioner Bianchi noted. One Committee is addressing what the Legislature will need during the time it is relocated out of the Capitol, and the other Committee is relaying to the architect what the Legislature will need as part of the Capitol restoration and addition project. The fact that the two wings will be two-story rather than one, he said, will help assure that the original structure is preserved. Rooms in the Capitol can be restored as originally designed rather than reconfigured for uses other than intended.

In regard to the first and second floors of the Capitol, Commissioner Ahrens said, meetings were held with each of the elected officials about their future spaces in the Capitol, and the potential long-term utilization of the Borah Building to house the Attorney General's Office. She also mentioned that within the next nine months there will be two gubernatorial changes, which will have an affect on space plans, as well.

Construction Delivery Methods

Legislation was passed this year allowing the Department of Administration to utilize a Construction Manager At-Risk for the Capitol project, Ms. Frew reported. A Construction Manager At-Risk, she said, is a professional adviser to the Owner and fills in as the General Contactor. This Manager helps to identify bid packages, holds those contracts and bears the risk, guarantees a cost to the Owner, and can performance some of the work.

The Department is also considering the design-build method for construction of the wings. An existing statute on the books provides that a temporary rule for construction prequalification be allowed for the Capitol project, if need be, Commissioner Ahrens added.

Commission Member Changes

Commissioner Storey reported he will be moving out of state this Fall, and he will notify the Speaker of the House, his appointing authority, about his departure.

Preservation/Archival Planning

Mr. Swanson summarized that his portion of this project will consist of verifying, inventorying, cataloging, removing, and storing historic objects from within the Capitol. He said he would like to have all of those items out of the building prior to the 2007 Legislative Session, since the process would involve closing off staircases and hallways with scaffolding. It was the consensus of the Commission to authorize the ISHS to remove historic objects from the Capitol prior to January 1, 2007.

Mr. Mason noted that Lemley and Associates International and 3D/I will research criteria for determining items of historic value. Mr. Swanson noted that prior to the restoration these consultants will photograph every wall before anything is removed. The ISHS will then overlay catalog numbers. This will probably occur on the grounds as well, he said.

The Commission agreed to request that ISHS provide an analysis for restoring or preserving items removed from the Capitol, such as the deteriorating WWI flags currently located outside of the Governor's office.

Ms. Morton-Keithley explained that the ISHS has statutory responsibility for preserving and providing access to records of historical value as well. There are clear retention schedules that define what is historic and what is not. The ISHS will provide training to the tenants of the Capitol on retention schedules, and to

assure that they not discard historic documents. Her most critical concern, she said, is finding a permanent location to store these records.

Four temporary positions will be filled to support this project and it is believed individuals can be hired and in place within four to six weeks. Their role, she said, will be to train tenants, provide consulting services, conduct an inventory, and serve as courier of the stored documents during the project interim.

Commission Media Liaison

The Commission brought up the need for a media liaison several times during the meeting and Commissioner Erstad remarked that this position should be filled soon. Commissioner Ahrens volunteered to do some research and report back with a recommendation to the Commission. Personnel funds carried over from FY05 could be utilized for some immediate help, she suggested.

MOTION: Commissioner Erstad moved and Commissioner Hartgen seconded that the Commission authorize the Department of Administration to pursue securing a media liaison for the Commission. The motion passed unanimously. Commissioner Storey was absent from voting.

Endowment Fund Distribution

After hearing the day's discussion, the Commission considered a possible distribution this year of 5% from the Capitol Permanent Endowment Fund to the Capitol Income Fund making an additional \$400,000 available to expend toward the project. The \$750,000 supplemental, just approved by the Legislation, will pay for design work through July 1, Ms. Frew said. However, if bonds are not sold until September, there would be inadequate funds for design work between July and September without this transfer.

MOTION: Commissioner Ahrens moved and Commissioner Bianchi seconded that the Commission request that the Endowment Fund Investment Board disperse 5%, about \$400,000, from the Capitol Permanent Endowment Fund to the Capitol Income Fund beginning July 1. The motion passed unanimously. Commissioner Storey was absent from voting.

Upcoming Meeting Date

Because the next few months will be critical for moving the design work forward, the Commission agreed to meet bi-monthly beginning in June. The Design Subcommittee, chaired by Commissioner Erstad, will resume its regular meeting schedule, as well.

Adjournment

The April 26, 2006 meeting of the Idaho State Capitol Commission adjourned at 4:30 p.m.

Major General Jack Kane, Chairman
Idaho State Capitol Commission

Diane K. Blume, Management Assistant
Department of Administration