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# Idaho State Capitol Commission

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## Official Minutes, June 18, 2008

A meeting of the Idaho State Capitol Commission was held on this date in the main conference room at the Idaho State Historical Society, Boise, Idaho. Chairman Jack Kane called the meeting to order at 10:05 a.m.

### Attendees

#### Members Present:

Major General (Retired) Jack Kane, Chairman  
Stephen Hartgen  
Andrew Erstad  
Evan Frasure  
Dolores Crow  
Janet Gallimore, Executive Director, Idaho State Historical Society, and Ex-Officio Member  
Mike Gwartney, Director, Department of Administration, Secretary/Ex-Officio Member  
Jeff Youtz, Director, Legislative Services Office, and Ex-Officio Member

#### Members Absent:

Sandy Patano

#### Others Present:

Gary Daniel, Communications Liaison, Idaho State Capitol Commission  
Becky Henke, Communications Coordinator, Idaho State Capitol Commission  
Jan Frew, Executive Project Manager, Division of Public Works, Dept. of Administration  
Kelly Berard, Relocation Project Manager, Division of Public Works  
Connie Smith, Fiscal Officer, Dept. of Administration  
Brigette Teets, Webmaster, Dept. of Administration  
Representative Max Black  
Robyn Lockett, Relocation Specialist, Legislative Services Office  
Michelle Lynch, Idaho State Historical Society  
Vivian Otero-Epley, Idaho State Building Authority  
Jack Lemley, Lemley+3D/I  
Rich Bauer, Lemley+3D/I  
Jim Mallon, Lemley+3D/I  
John Maulin, CSHQA  
Kevin Brown, Jacobsen Hunt Joint Venture (JHJV)  
John Emery, Jacobsen Hunt Joint Venture (JHJV)  
Dave Fackerell, Jacobsen Hunt Joint Venture (JHJV)

## General Commission Business

### Special Presentation-Woodworking Project Status

Chairman Kane welcomed Representative Max Black, who updated the commissioners on the Capitol Tree Project. Representative Black explained that the three presidential trees and the trees from the territorial Capitol, some dating back to 1880, have been harvested and cured. They have distributed small allotments of wood to about 75 woodworkers across the state. The completed wood projects will be temporarily displayed in the restored Capitol and other areas around the Capitol mall and the State.

To obtain wood, woodworkers were asked to make an item that can be used or viewed by visitors to the Capitol, and they proposed such items as bowls, platters, decorative items, and furniture. Once their proposals were accepted, the craftsmen received enough wood to make an item to be given back to the State and to also an item for themselves. Representative Black said that two proposals have been accepted from artists who have works displayed in the London Museum of Art. The State has already received about five finished items.

### Approval of Minutes

**MOTION: Commissioner Andy Erstad moved to approve the minutes as written. The second was by Commissioner Dolores Crow; the motion passed unanimously.**

## Budget and Funding Issues

### Revenue & Expenditures Report, *Connie Smith*

Ms. Smith referred to the FY 2008 Budget Worksheet and the FY 2008 Sources and Uses of Funds reports for the period ending May 31, 2008 during her presentation, both available to the Commission.

Ms. Smith reported that as of May 31 total expenditures for personnel costs (PC) for the year are \$127,320, leaving a \$65,842 balance in PC funds. The fourth quarter Department of Land's billing was \$27,436. Total FY 2008 expenditures-to-date were \$344,522, leaving a carryover balance of \$9,571. This balance includes the \$5,000 allocated to the harvested wood project.

The total balance of funds is \$449,013 for the fiscal year. FY 2008 appropriation not spent during the fiscal year will carry over to FY 2009.

The Capitol Furnishings fund balance is \$4,913,914 and total year-to-date expenditures are \$125,459.

Addressing the FY 2008 Sources and Uses of Funds spreadsheet as of May 31, 2008, Ms. Smith reported on fund balances.

Total available funds are:

- Income Fund: \$1,936,433
- Permanent Building Fund: \$299,485
- Capitol Furnishings Fund: \$5,253,526

The total cash balance, after liabilities is:

- Income Fund: \$1,442,128
- Permanent Building Fund: \$255
- Capitol Furnishings Fund: \$214,153

The estimated market positions, as of April 30<sup>th</sup> are:

- Income Fund: \$1,448,928
- Permanent Building Fund: \$0
- Capitol Furnishings Fund: \$214,153
- Endowment Fund: \$18,206,554

Ms. Smith presented a preliminary FY 2009 Proposed Budget Worksheet for review by commission. She explained that \$113,400 in the Capitol Income Fund was not allocated, and that the proposed outreach projects budget is \$53,600. Mr. Daniel addressed the outreach budget, saying that the Commission should expect a slight increase in travel and outreach activity during FY 2009.

### **Endowment Fund Investment Board Report, *Commissioner Jeff Youtz***

Commissioner Youtz explained that every year the Commission is asked to determine the amount of funds to transfer from the Endowment Fund, which is usually from \$400,000 to \$500,000. Commissioner Youtz reported that at the end of this fiscal year the fund balance is estimated at \$1.2 million. He recommended that the Commission **not** request a transfer for FY 2009 because the cash balance in the income fund is adequate to cover FY 2009 estimated expenditures. He said that Mr. Johnson at the Endowment Fund Investment Board (EFIB) told him that the amount of future transfers could increase to \$659,000 each year by not taking the transfer during this fiscal year.

**MOTION: Commissioner Jeff Youtz moved to forego a transfer from the Endowment Fund for FY2009 and to send a letter to the Endowment Fund Investment Board notifying them. The second was by Evan Frasure; the motion passed unanimously.**

## **Capitol Restoration Updates**

Commissioner Erstad reported that the Design and Construction Committee met the previous day and continues to meet regularly to monitor the status of the project. He asked Ms. Frew to report the project status to the Commission.

### **Project Status, *Jan Frew***

Ms. Frew first asked Mr. Mallon to review May 2008 Program Report for the commissioners and then asked Mr. Daniel to present a slide show of the connection cut to them. Mr. Mallon reported that CSHQA is exiting the design phase of the project, and only has the landscaping design work remaining. He said that they continue to support the construction work by responding to Requests for Information (RFI) from the contractors.

He also reported that the Construction Manager At Risk (CMAR) continues the build-out and finishes in the Capitol. The drywall subcontractor is framing the interior walls on the second, third, and fourth floors. Jacobsen Hunt subcontractors have completed extensive mechanical,

electrical, plumbing and fire rough-in on all levels. The project reached a milestone when the openings for the new stairs in the Northeast and Northwest corners of the Capitol were cut during the month. The contractor has already hoisted one set of stairs into the building.

The CMAR holds coordination meetings for the utility installations throughout the Capitol Building, which are instrumental in working out space conflicts to fit new work into existing spaces and cavities. The project team continues to review mock-ups in the building as they are completed.

Mr. Mallon reported that craftsmen are working on the restoration of the plaster cornices and plaster rosette reconstruction. They will meticulously reassemble the complete elements of each rosette from original incomplete rosettes. Evergreene’s craftsmen continue to clean and restore the scagliola and column capitals. Subcontractors are cleaning and restoring the marble in the first floor corridors and the railings on various levels in the rotunda.

He said that another project milestone was accomplished when the connections between the wings expansion and the Capitol building were cut. Mr. Daniel presented a time lapse slide show of this event while Mr. Mallon explained the process.

After McAlvain cut the opening for the connection to the Capitol from the East wing, they closed that wing and continued waterproofing the shell. They will test the effectiveness of the water proofing later this month.

CSHQA released the bid documents for the wings tenant improvements in April and the CMAR received bids for the tenant improvements on May 19, 2008. The wings tenant improvements cost estimates have been included in their guaranteed maximum price (GMP). On May 27, 2008 the CMAR advised that the GMP proposal would require an additional two weeks for submission and was rescheduled for submission on June 16, 2008.

Mr. Mallon told the commissioners that both Jacobsen Hunt (CMAR) and McAlvain report that they are on schedule for completion in time for the 2010 legislative session.

**Budget Review, Jan Frew**

Ms. Frew reported that the project management team has been working toward establishing the GMP, and that they received the final proposed GMP from Jacobsen Hunt on June 16 and have completed a preliminary review. Ms. Frew distributed a set of handouts to the commissioners showing the preliminary analysis as follows:

	<u>Restoration</u>	<u>Wings Expansion</u>	<u>Total budget</u>
April 9 Estimate:	\$82,992,660	\$37,007,340	\$120,000,000
<i>Construction:</i>	73,300,000	33,800,000	107,100,000
<i>Contingency:</i>	464,360	977,340	1,441,700
	<u>Restoration</u>	<u>Wings Expansion</u>	<u>Total budget</u>
Revised Estimate @ June 18:	\$85,492,660	\$37,007,340	\$122,500,000
<i>Construction:</i>	76,190,000	34,500,000	110,690,000
<i>Contingency:</i>	74,360	277,340	351,700

Ms. Frew explained that preliminary review of Jacobsen Hunt's final GMP proposal, the project management team estimates the new bottom line budget to be \$122.5 million, which is a \$2.5 million increase from the original budget. She reported that the main factors involved in the increase are the distemper paint stripping and changes from the Architect's Supplemental Instructions (ASI) and Requests for Information (RFI). She explained that questions are asked as unexpected conditions are discovered in the building and these are the architect's response explaining how to handle them. She directed the commissioners' attention to the anticipated approximately \$1.6 million, and said that some examples are doors out of plane and cracked concrete in the basement.

Ms. Frew recommended increasing the bottom line of the project budget by \$2.5 million in order to effectively manage this project. Commissioner Erstad reported that the Design and Construction Committee met the previous day and felt that the recommendation should come to the Capitol Commission at this meeting; he then asked Commissioner Gwartney to report on the Governor's reaction.

Commissioner Gwartney said that he discussed the options with the Governor and that not accepting this GMP would likely extend the completion date for the project beyond the next legislative session. He reported that if the final review of the GMP is acceptable, then the Governor has agreed to the \$2.5 million increase in the bottom line, but his goal is still \$120 million. Commissioner Gwartney asked the project team to work as hard as possible to keep the contingencies from being used and to endeavor to finish the project for \$120 Million. He noted that the cost increases were all restoration problems rather than changes in design. He also noted that the committee has diligently cut over \$14 million from the original budget by working to lower costs.

Chairman Kane thanked Commissioner Gwartney for working with the Governor and Commissioner Youtz thanked the project team for their terrific work lowering project costs.

Commissioner Hartgen asked if this budget request includes all requests for changes in the project are consider in this budget request and Commissioner Gwartney explained that excluding changes because of unexpected circumstances, there have been no signed change orders on this project, nor does he anticipate signing any.

Commissioner Erstad said that the Design and Construction Committee will review expenditures from contingency funds in detail and report them to the Commission. Commissioner Hartgen asked why not use contingency funds rather than increase the budget and Commissioner Erstad explained that the contingency funds have been depleted. He restated that this is a 100 year old building and was built with only 38 drawings, so more discoveries can be expected.

Commissioner Hartgen discussed how to relay this information to the press because they were not present for the discussion. Commissioner Erstad said that the Design and Construction Committee did ask Jacobsen Hunt what their confidence level is to complete the project with the available contingency funds and Mr. Emery told that committee that his confidence is high as they have made the most significant discoveries and expect to find only some minor discoveries from this point. Commissioner Frasure reiterated that expenditures from the \$2.5 million increase will be closely monitored and that accepting this GMP, will lock in project costs.

Commissioner Hartgen said that every Commissioner should be prepared for questions from the press. Chairman Kane directed Mr. Daniel to inform the press about this budget change.

**MOTION: Commissioner Mike Gwartney moved to increase the budget from \$120 million to \$122.5 million with the understanding that that Idaho Capitol Commission will make every effort to meet the original budget of \$120 million. The second was by Commissioner Evan Frasure; the motion passed unanimously.**

#### **Schedule Update, *Jan Frew***

Ms. Frew reported that the schedule proposed in the GMP will keep the substantial completion date for occupancy in mid-November, but the final completion date will be in mid-January, two weeks later than originally proposed.

## **Public Outreach, Art & Culture**

### **Public Relations/Outreach Activities, *Commissioner Steve Hartgen***

Commissioner Hartgen asked Mr. Daniel to report on public relation and outreach activities since the last meeting. Mr. Daniel gave the following report:

- Mr. Daniel and Mr. Swanson installed the airport display, which triggered media coverage. He said that the display can be duplicated for approximately \$1,500 and suggested that the Commission consider installing additional exhibits around the State in airports, schools, libraries and other places where people gather. The Chairman assigned Mr. Daniel work with the Outreach committee to place additional displays in other appropriate venues around the State. Commissioner Youtz asked if funding was sufficient for this project and Ms. Smith said that there were sufficient carryover funds available. Commissioner Gwartney asked Mr. Daniel to report back to the Commission on his plan and the cost of the additional exhibits.
- More community presentations have been made and he has been invited to present in Twin Falls, Pocatello, Soda Springs and Coeur d'Alene.
- The communications team has conducted several tours of the Capitol, including the National Association of Women in Construction (NAWIC) camp, where 21 Jr. High school age girls received exposure to the construction field and learned about our Capitol restoration project on their tour. Jacobsen Hunt provided pink hard hats to the girls and Kelly Berard and Becky Henke conducted the tour.
- The Commission should expect a slight increase in outreach expenditures during FY 2009 and that the FY 2010 budget will include the cost of the grand reopening. He added that the Commission may want to consider having the committee solicit funds to make sure it is a grand event.

### **Art, History & Culture Committee, *Commissioner Janet Gallimore***

Commissioner Janet Gallimore reported that the Art, History and Culture Committee met during May and assigned staff to work on three items:

- "Template out" a master plan for the exhibit space

- Consider changing how photographs are displayed
- Coordinate with Representative Black to catalog the woodworkers' products

She explained that Idaho State Historical Society is cataloging historical photographs into a thumbnail catalog that could make it easier to choose photos appropriate for themed committee meeting spaces, such as Agriculture, Commerce, Education, Transportation, etc.,. Standards for both photographs and frames will be determined to ensure quality. The next AHCC meeting will be held in late summer, during which the committee will tour the Capitol.

#### **Monthly Meeting Schedule, *Chairman Kane***

Regular meetings are now tentatively scheduled for 10:00 am on the third Wednesday of each month at the Idaho State Historical Society, unless the Commission is touring the Capitol. The next meetings are schedule for:

- July 16 at the Idaho State Historical Society
- August 19 (rescheduled for Tuesday) Tour and meeting, at JR Williams Building West Conference Room
- September 17 (tentative) at Idaho State Historical Society

Chairman Kane announced that his term on the commission will end on July 1, 2008 and he will be retiring from the Commission. He commended the commissioners on their exemplary work and said that it has been a pleasure to serve with them.

## **Adjournment**

**Commissioner Evan Frasure moved to adjourn the meeting. The second was by Commissioner Andy Erstad. The Chairman adjourned the meeting.**

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Becky Henke, Communications Coordinator  
Idaho Capitol Commission