
Idaho State Capitol Commission

Official Minutes, May 20, 2009

A meeting of the Idaho State Capitol Commission was held on this date in the Basement Conference Room at JR Williams, Boise, Idaho. Interim Chairman Andrew Erstad called the meeting to order at 10:00 a.m.

Attendees

Members Present:

Andrew Erstad

Sandy Patano

Mike Gwartney, Director, Department of Administration, Secretary/Ex-Officio Member

Jeff Youtz, Director, Legislative Services Office, and Ex-Officio Member

Stephen Hartgen (via phone)

Evan Frasure (via phone)

Janet Gallimore, Executive Director, Idaho State Historical Society, and Ex-Officio Member

Others Present:

Gary Daniel, Communications Liaison, Idaho State Capitol Commission

Becky Henke, Communications Coordinator, Idaho State Capitol Commission

Tim Mason, Division of Public Works

Jan Frew, Executive Project Manager, Division of Public Works

Joe Rutledge, Division of Public Works

Kelly Berard, Relocation Project Manager, Division of Public Works

Melissa Vandenberg, DAG, Dept. of Administration

Teresa Luna, Dept. of Administration

Connie Smith, Fiscal Officer, Dept. of Administration

Larry Johnson, Endowment Fund Investment Board

Brigette Teets, Office of the CIO, Dept. of Administration

Matt Freeman, Legislative Services Office

Robyn Lockett, Relocation Specialist, Legislative Services Office

Sarah Tyler, Idaho State Historical Society

Michelle Lynch, Idaho State Historical Society

Rich Bauer, Lemley+3D/I

Jim Mallon, Lemley+3D/I

John Maulin, CSHQA

John Emery, JHJV

Penny Dennis, McAlvain

Chuch Graves, McAlvain

Stephanie Raddatz, United Water of Idaho

General Commission Business

Approval of Minutes

MOTION: Commissioner Mike Gwartney moved to approve the minutes from the April 15, 2009 Capitol Commission meeting as written. The second was by Commissioner Sandy Patano; the motion passed unanimously.

Budget and Funding Issues

Revenue & Expenditures Report, *Connie Smith*

Ms. Smith referred to the FY 2009 Budget Worksheet and the FY 2009 Sources and Uses of Funds reports for the period ending April 30, 2009 during her presentation, both available to the commission.

Ms. Smith reported expenditures against budget for the Capitol Income Fund (CIF) and the Permanent Building Fund (PBF), as follows:

| | <u>March</u> <u>Expenditures</u> | <u>Total YTD</u> <u>Expenditures</u> | <u>FY 2009</u> <u>Balance</u> |
|------------------------------|-------------------------------------|---|----------------------------------|
| Personnel Costs-PBF | \$ 11,216 | \$ 117,779 | \$ 63,884 |
| Operating Costs-CIF & PBF | \$ 5,469 | \$ 224,938 | \$ 132,350 |
| Total Expenditures-CIF & PBF | <u>\$ 16,685</u> | <u>\$ 342,717</u> | <u>\$ 579,534</u> |
| Capitol Furnishings Fund | | \$ 4,338 | \$ 0 |

Ms. Smith reported that there were very few operating costs this month. She also reported that she transferred \$5 million from the Capitol furnishings fund back into the general fund, as approved by the commission.

Addressing the FY 2009 Sources and Uses of Funds spreadsheet as of April 30, 2009, Ms. Smith reported total available funds are:

| <u>Income Fund</u> | <u>Permanent Building Fund</u> | <u>Capitol Furnishings Fund</u> |
|--------------------|--------------------------------|---------------------------------|
| \$ 1,861,756 | \$ 298,887 | \$ 247,114* |

*The balance of the Capitol Furnishing Fund shown on the Sources and Uses of Funds spreadsheet includes accumulated earnings and the transfer of \$5 million to the general fund.

The total cash balances after liabilities are:

| <u>Income Fund</u> | <u>Permanent Building Fund</u> | <u>Capitol Furnishings Fund</u> |
|--------------------|--------------------------------|---------------------------------|
| \$ 1,233,734 | \$ 4,658 | \$ 242,777 |

The estimated market positions, as of March 31, 2009 are:

| <u>Income Fund</u> | <u>Permanent Building Fund</u> | <u>Capitol Furnishings Fund</u> | <u>Endowment Fund</u> |
|--------------------|--------------------------------|---------------------------------|-----------------------|
| \$ 1,241,948 | \$ 0 | \$ 242,777 | \$ 12,883,395 |

Endowment Fund Investment Board (EFIB) Report, *Larry Johnson*

Mr. Johnson updated the commissioners on the status of the endowment fund. He reported that the endowment still owns 7,200 acres of land, over 90 percent of which is forested. He also reported that the Capitol Permanent Endowment Fund balance is \$12.9 million, which is down \$5 million since the beginning of the year. The 24.3 percent loss in the fund over the last year outperformed the portfolio benchmark amount of 25.7 percent.

Mr. Johnson reviewed the EFIB's Capitol Permanent Fund Spending Policy and said that making a five percent withdrawal may deplete the fund. He also said that revenue from timber sales will decline in the short term because a heavy harvest cycle has just ended. He reviewed several distribution forecast scenarios and recommended that the commissioners consider transferring \$600,000 or less for FY 2010. He said that this recommendation is sustainable into future years until the stock market and land revenues recover.

Commissioner Hartgen asked if the EFIB should make more frequent reports to the Capitol Commission and Mr. Johnson agreed to report to the Capitol Commission as requested.

Commissioner Frasure asked if Mr. Johnson really expected the projected growth with current inflation and federal budget problems and Mr. Johnson responded that while there are no guarantees, his office anticipates a growth in the economy and the stock market.

Endowment Fund Investment Board FY2010 Transfer, *Jeff Youtz*

Commissioner Youtz presented the commission with a Capitol Income Fund Summary handout. He recommended that the Capitol Commission request only a \$300,000 transfer from EFIB. He said that he is confident that amount will maintain the commission's operations for FY 2010 and will leave an approximately \$900,000 estimated year end balance.

MOTION: Commissioner Youtz moved that the Idaho Capitol Commission request a \$300,000 transfer from the endowment fund for FY 2010. The second was by Commissioner Janet Gallimore; the motion passed unanimously.

Capitol Restoration Updates

Project Status, *Andy Erstad*

Chairman Erstad asked Ms. Frew to report on the project status. Ms. Frew asked Mr. Mallon to review the Lemley+3D/I April 2009 Program Report. Mr. Mallon reported that CSHQA continues to support the project admirably. Mr. Mallon summarized work activities by area, as follows:

- All levels: Workers are restoring and repairing the marble on all floors of the building. All of the hydronic systems are now active. Workers completed the tests of the fire alarm and fan coil units. They have installed the trim for the fire sprinkler system. Workers have also assembled the elevator cabs.
- Third and fourth floors: Workers have completed the finish activities on the fourth floor and above. The Construction Manager At Risk (CMAR) has closed the temporary construction elevator access areas on the third and fourth floors and workers have commenced the finish activities in those areas. They have finished wiring the desks in the House and Senate chambers and have installed the electrical and data/com trim, as well as the tile flooring on both floors. They continue to restore large areas of the marble floors.
- Second and First floor: Workers are installing the marble bases and wainscots, wall panels, ceiling tiles, light fixtures and electrical trim. They continue to restore the plaster, to paint, and to install tile and thresholds. Workers completed restoring the scagliola in the first floor rotunda.

- Garden level and wings: Workers are finishing the drywall installation and they have finished piping the hydronic system. They poured the concrete in the garden level rotunda and south vestibule floor. The new south opening is cut and workers are constructing the area ways. Workers have installed the drywall in both wings and are now painting and installing the millwork and marble.
- Exterior elements: Workers have constructed rain tanks and began building the retaining walls in the excavation for the new south entrance area ways. They completed the sandstone repairs on the historic porticos. The landscape irrigation system was commissioned and the subcontractor commenced replacing the sidewalk, curbs and gutter on Jefferson Street.

Mr. Mallon reported that a faulty part caused another bus duct to be contaminated by a water leak. The CMAR will continue to use the bus duct until the replacement part is received. The builder's risk insurance will cover the cost of the repair.

Mr. Mallon also reported that McAlvain has been working diligently to investigate and repair water leaks in the wings. Ms. Penny Dennis, from McAlvain, reported that they have discovered eight leaks in the wings. Three of the leaks have been detected and repaired and the others are being investigated. Chuck Graves, McAlvain Vice-President, said that they are confident that these leaks are repairable, and that detecting and repairing leaks is a natural part of the process of waterproofing a building. He added that the leaks found to date have all been small and normal for a project of this size.

Budget Review, Jan Frew

Ms. Frew referred to the Program Budget Summary and the Contract Fund Allocation Report on pages 20 and 21 in the April 2009 program report. She reported that contracts in place total \$127,048,800, which includes the contractor contingency budget. Beginning with the month of May, this report also includes the furnishings, fixtures and equipment budget, which is the former general funds furnishings budget which was reverted back to the general funds and will now be funded through bond proceeds. Following is the status of the project contracts:

| <u>Contractor</u> | <u>Contract Amount</u> | <u>Paid to Date</u> |
|---|------------------------|----------------------|
| Jacobsen Hunt, Construction Manager At Risk-Restoration | \$ 85,819,661 | \$ 58,300,134 |
| McAlvain, Design-Build Contractor-Wings Core & Shell | \$ 27,419,782 | \$ 25,785,649 |
| Jacobsen Hunt, CMAR-Wings Tenant Improvements | \$ 9,047,018 | \$ 3,864,552 |
| Furniture and Furnishings | \$ 4,549,800 | \$ 122,282 |
| Total program contracts and expenditures paid to date: | \$ 126,836,261 | \$ 88,072,617 |

Ms. Frew referred to the DPW Project 30-Month Budget Report, page 22 in the April 2009 program report and summarized the following:

| | <u>Capitol Restoration</u> | <u>Wings Expansion</u> |
|------------------------------------|----------------------------|------------------------|
| Total project budget | \$ 85,492,660 | \$ 37,007,340 |
| Total year-to-date expenditures | \$ 58,484,113 | \$ 29,380,461 |
| Construction contract expenditures | \$ 50,776,506 | \$ 27,573,293 |
| Total remaining budget: | \$ 34,635,425 | |

Commissioner Gwartney reminded the commissioners that the \$122.5 million budget includes the contingency budget, but the project managers are working hard to meet the goal to spend only \$120 million for the project.

Schedule Update, John Emery

Ms. Frew asked Mr. Emery to report on the schedule. Mr. Emery reported that Jacobsen Hunt has a tremendous amount of work to do in the remaining 20 weeks. He reported the following issues on the project:

- Glass from Germany was ordered correctly, but the wrong glass was delivered and it will take some time to correct the order.
- Bronze doors for the front of the building will be delivered on September 15, which is later than expected. Mr. Emery said that the doors will still be installed on time.
- Contaminated bus duct in the east shaft will take time and may be costly to repair. The manufacturer requires that the bus duct be replaced. All work in this shaft is temporarily on hold. Safety precautions are in place and Jacobsen Hunt is working with the electrical contractor to keep power in the building. Workers will not be able to test the hydronics in that shaft until the bus duct is replaced.

Mr. Emery reported that there are more than 250 people working in the building at one time. He summarized the following work activities in the Capitol:

| | |
|--------------------------------------|--|
| Fifth floor: | Complete except for glass installation and floor finishes. |
| Fourth floor: | Workers are installing the acoustical plaster and the handrails in the House and Senate gallery. When workers are finished glazing the doors and sealing the floor, work on the fourth floor will be complete. |
| Third floor: | Workers are wiring for the desks in both chambers. They have completed the marble restoration and cleaning. Access to this area is limited. |
| Second floor: | Workers have set the tile in the restroom and continue millwork and marble restoration. The subcontractors have been notified that they have one week to remove their materials and tools from the second floor. They will use the “breakroom” trailer to store these items. |
| First floor, wings and garden level: | Workers will complete the wings, then the garden level and will then finally complete the first floor rotunda. The first floor rotunda will be completed last, when there is less traffic through that area. |

Mr. Emery explained that the project is still 18 days behind schedule but said he is very optimistic about making up those days. He distributed a graph to the commission showing the work acceleration costs and reported how the work schedule is accelerated and the associated costs of approximately \$580,000. He summarized that the longer it takes to get the project back on schedule, the higher the costs will be, but told the commissioners that costs are currently running below estimated amounts. He also reported that he has asked CSHQA to start working on the punch list items on the upper floors for the benefit of the schedule. The commissioners thanked Mr. Emery for his hard work to meet the schedule.

Commissioner Hartgen asked that the meeting materials that are distributed at the meeting be provided to commissioners who teleconference.

Other Design & Construction Elements

United Water Memorandum of Understanding, *Jan Frew*

Ms. Frew presented the final draft of the Memorandum of Understanding (MOU) with United Water for the xeriscape landscaping project and said that attorneys for both parties have reviewed and accepted this MOU. She introduced Stephanie Raddatz from United Water and explained that United Water has agreed to contribute the additional cost for the xeriscaping, as well as the cost to design the garden. The additional cost is estimated at \$15,800 for constructing the demonstration garden areas and \$5,500 for design fees. After the garden is installed, the State will be responsible for all costs associated with its maintenance and irrigation.

MOTION: Commissioner Sandy Patano moved that the Idaho Capitol Commission support and approve the Memorandum of Understanding (MOU) with United Water to design and install the xeriscape garden on the Capitol grounds. The second was by Commissioner Janet Gallimore; the motion passed unanimously.

Ada County Highway District (ACHD)/State Street Modifications, *Andy Erstad*

Chairman Erstad reported that he and Ms. Frew will be meeting with ACHD and a representative from St. Michael's Church after the commission meeting to discuss the request for no parking on State Street. Ms. Frew said that ACHD will hold a public hearing to discuss the topic on June 24. Ms. Frew distributed handouts showing the State's request, Boise City's request and ACHD's recommendation, summarized as follows:

State's request: no parking on State Street

Boise City's request: reinstate parking on both sides of State Street at the east and west ends

ACHD's recommendation: reinstate parking for St. Michael's Church on the north side of State Street at the east and west ends.

Commissioner Hartgen asked when the State's recommendation changed from full closure of State Street to no parking on State Street. He questioned if the reconfiguration of the Capitol will likely cause a change in the flow of pedestrian traffic so that the east and west ends of State Street will be more crowded and even less safe. Chairman Erstad responded that preliminary discussions with ACHD indicated that full closure wasn't an option, so the State's plan now is to develop an amicable agreement with St. Michael's and the City of Boise, so that they can make a unified request at the public hearing.

Commissioner Youtz explained that the closure of State Street was on the master plan at one time, creating more of a pedestrian mall that would be safer for pedestrian traffic in the Capitol mall area. He commented that this plan could still happen in the future.

Commissioner Patano suggested that the commission maintain the position of desiring full closure as the safest option for workers, visitors and pedestrians. Chairman Erstad explained that in lieu of full closure, limited parking will also increase pedestrian safety. He said that ACHD owns the right-of-way, so it's their decision.

Review of Capitol Building Statues, *Jeff Youtz*

Chairman Erstad asked Commissioner Youtz to compile a list of statues regarding the Capitol

building and grounds. Commissioner Youtz provided the commissioners with a handout of the statutes which involve the Capitol building and its grounds. He said that this document addresses who is responsible for different areas and items, including furniture and equipment. It also gives an overview of who has the authority to make decisions about items like the public tours and provides for a Capitol architect position.

The commissioners reviewed the statutes and concluded that Capitol space is controlled as follows:

- Legislative Council's Space Allocation Committee – controls the administrative legislative space on the first, third, and fourth floors, and the garden level and wings.
- Governor – controls the second floor non-public space.
- Capitol Commission – develops the master plan for the building; is responsible for the art and furnishings inventory; appoints a Capitol architect; and establishes the Capitol tours program.
- Department of Administration – controls the public space and grounds.

Commissioners Gallimore and Youtz recommended that the Capitol tours program be coordinated by the Idaho State Historical Society.

Commissioner Youtz asked if the Capitol Commission should establish a Capitol Curator position and if so, where that position should be located.

Operational Issues, Jeff Youtz

Commissioner Youtz said that the Legislative Council will not meet this spring, but the Space Allocation Committee will meet and he will present a recommendation, provided to the commissioners, for visitor and facility services coordination. He expects the Facilities Service Coordinator position to be created, but within which department isn't clear.

Public Outreach, Art & Culture

Grand Re-opening Celebration Update, Sandy Patano

Commissioner Patano reported that the grand re-opening planning committee has been discussing the event budget and program, and has been selecting the chairs for their subcommittees. She confirmed that donations for the event can be accepted directly by the Capitol Commission. She said that the planning committee now needs a date for the event, so she presented three January dates to the commissioners for approval.

Commissioner Patano also said that Shows Etc. offered the lowest price quote of \$15,000 to plan and coordinate the event and she recommended the commission approve the contract with them. Other event costs, such as decorations, signage, permits, food, etc., will be paid by the Capitol Commission.

MOTION: Commissioner Patano moved that the Capitol Commission accept and approve that the Department of Administration enter into a contract with Shows, Etc. to plan and coordinate the Capitol grand re-opening event, based on their price quote of \$15,000. The second was by Commissioner Evan Frasure; the motion passed unanimously.

The Chairman asked Mr. Daniel to defer his report on outreach activities until the June 17 meeting, in the interest of time.

Art, History & Culture Committee (AHCC), *Janet Gallimore*

Commissioner Gallimore reported that her committee is working diligently to bring exhibitions to the Capitol. She reported that they received and are reviewing 12 responses to the request for proposals for garden level exhibits. A selection committee will meet May 26 for the final review evaluation and selection. She plans to bring the exhibition vendor choices to the next commission meeting. A schedule will be provided after the vendor is selected.

Commissioner Gallimore indicated that the Idaho State Historical Society and the Legislative Services Office continue to work together selecting the historic photographs, and to collaborate on public programming and oral history interviews.

The chairman deferred the presentation of the traveling educational trunk to the June 17 meeting.

Monthly Meeting Schedule, *Chairman Erstad*

Regular meetings are tentatively scheduled for 10:00 a.m. on the third Wednesday of each month:

- June 17, at the Capitol Annex, conference room #204
- July 15 (tentative), at the JR Williams West Conference Room
- August 19 (tentative), at the JR Williams West Conference Room

The commissioners expressed a preference to meet in the Capitol mall area in an above-ground meeting room.

Adjournment

MOTION: Commissioner Sandy Patano moved to adjourn the meeting. The second was by Commissioner Janet Gallimore; the motion passed. The meeting adjourned at 11:55 a.m.

Becky Henke, Communications Coordinator