

---

# Idaho State Capitol Commission

---

## Official Minutes

February 16, 2023

A meeting of the Idaho State Capitol Commission was held on this date in the JRW West Conference Room, Boise, Idaho, and via teleconference. Chairman Erstad called the meeting to order at 2:03 p.m.

## Attendees

### Members Present:

Andy Erstad, Chairman

Keith Reynolds, Director, Dept. of Administration (DOA), Ex-Officio Member, Commission Secretary

Terri Kondeff, Director, Legislative Services Office (LSO) and Ex-Officio Member

Janet Gallimore, Executive Director, State Historical Society (ISHS), and Ex-Officio Member

Senator Chuck Winder

Representative Dustin Manwaring

Marilyn Whitney

Nancy Sue Wallace (via Webex)

Mary Symms (via Webex)

### Others/Staff Present:

Steve Bailey, Deputy Director, Department of Administration

Pat Donaldson, Administrator, DPW

Kelly Berard, Sr. Project Manager, DPW

Michelle O'Brien, Legislative Services Office.

Frances Lippitt, Budget Analyst, LSO

Paul Navarro, State Facilities Manager, DPW

Danielle Weaver, CSHQA

Nicole Inghilterra, Capitol Curator, ISHS

Pat Donaldson, Administrator, DPW

Lindsay Erb, Project Manager, DPW

Chris Anton, Investment Manager, Endowment Fund Investment Board (EFIB)

Kimberly Rau, Executive Assistant, Department of Administration

## **Action Item**

### **Approve August 17, 2022 Meeting Minutes:**

**MOTION: Commissioner Symms moved, and it was seconded by Commissioner Gallimore that the minutes of the August 17, 2022 Idaho State Capitol Commission meetings be approved as written. The motion passed with 8 ayes; 1 abstain.**

## **Capitol Finances**

### **Fiscal Report:**

#### **Endowment Fund Analysis (December 31, 2022)**

The Endowment Fund provides income to operate the Capitol Commission and to maintain the Capitol, Mr. Bailey explained. The source of revenue for this Fund is primarily revenue generated by investments managed by the EFIB. Other revenue is generated by approximately 7,000 acres of forest land managed by the Department of Lands, and the sale of specialized license plates.

The beginning Fund balance for FYTD 2022 was \$54,818,067. Revenue from forest lands was \$474,626, license plate revenues were \$113,930 and investment earnings were \$407,362 bringing the total available funds to \$46,813,985. Total uses were \$586,654, which included management fees related to the fund of \$336,654 and a \$250,000 transfer to the Capitol Maintenance Reserve Fund. The Ending Fund Balance was \$46,227,331, leaving a total Reserve Fund Balance of \$10,990,901.

#### **Appropriated Funds – Cash Flow Statement (December 31, 2022)**

There are two funds reported in the Appropriated Funds Cash Flow statement. The *Capitol Commission Operating Fund* supports small maintenance projects for the Capitol and administrative costs of the Commission. The Fund started the 1<sup>st</sup> half of FY2023 with a \$210,973 beginning cash balance, which was increased by \$3,982 from interest earnings, and \$250,000 by the previously mentioned transfer from the *Capitol Maintenance Reserve Fund*. Total operating cash available for the year was \$464,955. Uses of cash totaled \$272,115 leaving an ending cash balance was \$192,840.

The *Capitol Maintenance Reserve Fund* is used for major projects related to the Capitol as well as a transfer conduit for funds between the Endowment Fund and the *Commission Operating Fund*. The *Capitol Maintenance Reserve Fund* began the year with \$782,968. Transfers to *Appropriated Fund* from EFIB were \$256,218, which included the \$250,000 pass-through transfer to the *Commission Operating Fund*, and receipts/interest revenue of \$6,218 leaving total cash available of \$1,039,186. Appropriated expenditures were \$121,784 and transfers to the Operating Fund were \$250,000 leaving total uses of cash at \$371,784 and an ending cash balance of \$667,402.

**Appropriated Expenditures and FY 2023 Budget (December 31, 2022)**

The Appropriated Expenditures in the Operating Fund came to \$139,915 which is well below the overall budget with expenses being x% of the current appropriation and x% of the total appropriation.

Capitol Maintenance Reserve Fund expenses totaled \$121,784. The total available appropriation/expenditures were \$261,699.

**Project Expenditure Report (December 31, 2022)**

**Mr. Bailey walked the Commission through the Capitol Commission Project Expenditure Report (below).**

**Capitol Commission  
Project Expenditure Report  
December 31, 2022**

	<u>FY 2022 Expenditures</u>	<u>FY 2023 Expenditures</u>	<u>Budget</u>
<b>Project Expenditures - Operating Fund</b>			
Cooler Repair, Kitchen	\$ 2,529		
Hood and Duct Cleaning	\$ 550		
Cooler Repair	\$ 308		
Capitol Bike Racks	\$ 98		
Fire Suppression Repair	\$ 599		
Fire Suppression Service			
Chiller Repair		\$ 46,845	
Hydronic Failure		\$ 85,070	\$ 125,000
Dedication Plaque Replacement			\$ 5,000
<b>Total Operating Fund Projects</b>	<b><u>\$ 4,080</u></b>	<b><u>\$ 256,915</u></b>	<b><u>\$ 130,000</u></b>
<b>Project Expenditures - Maintenance Fund</b>			
Door Access Control	\$ 215,344		\$ 1,240,000
Capitol Glass Replacement (1)	\$ 804,156	\$ 121,784	\$ 565,800
Capitol A/V Technology Updates	\$ 58,974		\$ 1,071,074
Roof Fall Protection	\$ 148,293		\$ 220,000
Gallery Guardrails			\$ 275,543
<b>Total Maintenance Fund Projects</b>	<b><u>\$ 1,224,767</u></b>	<b><u>\$ 121,784</u></b>	<b><u>\$ 3,372,417</u></b>

(1) Fiscal received reimbursement from vendors totaling \$355,000. Remaining reimbursement of \$48,000 was received by fiscal in January. Net expense of \$543,194 is below the approved budget of \$565,800.

## Update on Investments:

Mr. Anton pointed out that financial markets moved higher in January as Europe was helped by lower natural gas prices, China began to reopen as it relaxed COVID-zero policies and the U.S. continued to experience moderating inflation and a resilient labor market. The improvement in business sentiment is welcome, but it remains to be seen how quickly inflation will cool and how long the Federal Reserve will maintain its restrictive monetary policy. Investors have started to anticipate the Federal Reserve may cut interest rates in the not-too-distant future, but the Fed insists it is unlikely it will cut rates in 2023 because doing so prematurely could result in a reacceleration of inflation.

**Analysis of Capitol Endowment funds prepared by the  
Endowment Fund Investment Board**  
Six Months Ended December 31, 2021

	Capitol Maintenance Reserve Fund			Capitol Permanent Fund		
	As of 12/31/2021 - Estimated	FY 2021	FY 2020	As of 12/31/2021 - Estimated	FY 2021	FY 2020
Beginning Balance	\$10,149,810	\$8,909,285	\$7,691,419	\$42,473,319	\$34,026,440	\$33,075,848
Transfer b/w Perm and Reserve	1,637,400	1,561,900	1,409,300	(1,637,400)	(1,561,900)	(1,409,300)
Receipts*	93,225	136,502	92,885	128,816	212,166	746,169
Total Investment Income/(Loss)	7,530	2,367,251	428,488	1,784,063	9,796,613	1,613,723
EFIB Expenses	(110,503)	(213,115)	(203,753)			
Lands Expenses	(218,823)	(162,013)	(184,054)			
Requested Distributions	(125,000)	(2,450,000)	(325,000)			
Ending Balance	\$11,433,639	\$10,149,810	\$8,909,285	\$42,748,798	\$42,473,319	\$34,026,440

\* Receipts for Capitol Maintenance come from license plate revenue, for Capitol Permanent from land revenue.

## Design and Construction Committee

Kelly Berard, Sr. Project Manager, DPW reported on the following Capitol Project Updates:

### **20008 – Door Access Control**

Budget: \$1,240,000

Total Expenditures: \$961,710.30

Work has been completed

### **20009 - Roof Fall Protection**

Authorized Budget: \$220,000

Current obligations and expenditures: \$183,098.34

Work of the original contract has been completed. Work of Change Order 1, to provide four additional safety tie-offs and caulking along the ledge, delayed pending the appropriate weather window. Final invoicing has not been received on the original work.

**20010 - Gallery Guardrails**

Authorized Budget: \$225,543.75

Current obligations and expenditures: \$177,224.14

Work has been completed. Final invoicing in process.

**22010 – Misc. Projects**

Authorized Budget: \$20,000

Current obligations and expenditures: \$15,867.32

**Dedication Plaque Replacement** – (NTE \$5,000) Dedication plaques have been removed. New slabs are being sourced for engraving.

**22012 – Replace Idaho in Session Broadcast Equipment**

Authorized Budget: \$356,116

Current obligations and expenditures: \$355,852.34

Work has been completed. Final invoicing in process.

**22520 – Capitol Office Build-Out**

Authorized Budget: \$11,000,000

Current Expenditures: \$0

Update and Presentation by CSHQA February 2023

**State Street Hydronic Piping Repairs (EAST)**

Authorized Budget: \$50,000

Total Expenditures: \$86,070.00

Work has been completed.

**State Street Hydronic Piping Repairs (WEST)**

Estimated Budget: \$125,000

Expenditures to date: \$39,168.00

A hot water failure in November 2022 required emergency action to investigate and repair failed piping serving the west wing. A temporary fix was implemented to provide water for heating through the winter. A leak detection system and shut off valves were also added at this time. Similar to the work conducted on the east wing in 2022, it is anticipated that hydro excavation will be used to expose the failing pipes and that work will replace 6 segments of piping from the junction inside the mechanical room, to approximately 6’ outside the exterior wall. Resealing the wall and providing a protective waterproof coating to new pipe couplers will also be included. Work is planned for the summer 2023.

Kelly Berard, Sr. Project Manager, DPW presented the following projects for approval from the Capitol Commission:

**Action Items:**

- House of Representative Tenant Improvement Office Design.  
Presentation by Danielle Weaver, CSHQA, on Project 19625. Ms. Weaver provided the Commission with a presentation regarding this project. Discussion ensued.

**MOTION: Commissioner Reynolds moved to proceed with the scope of work included in the House of Representative Tenant Improvement Office Design project as presented.**

**Commissioner Wallace seconded the motion.**

**Motion carries.**

- JFAC AV Upgrades  
Ms. Berard outlined the project for the Commission. The greatest needs include new AV equipment, new carpeting, and reversing the entrance door swings. Discussion ensued.

**MOTION: Commissioner Wallace moved to approve the work associated with the JFAC A/V upgrades as presented, not to exceed \$50,000.**

**Commissioner Gallimore seconded the motion.**

**Motion carries.**

- Capitol Marble
  - Moving & Storage of Reusable Pieces
  - Smaller Pieces in ContainersLeftover marble pieces from the Capitol Restoration project require relocation to a new storage area. Discussion ensued regarding the fact that the current storage location will no longer be available at the end of the calendar year, requiring relocation of the marble.

**MOTION: Commissioner Erstad moved that the marble pieces be moved to the Chinden Campus at a cost not to exceed \$60,000.**

**Commissioner Gallimore seconded the motion.**

**Motion carries.**

- New Data Chiller  
The Capitol building Data chiller needs to be replaced due to multiple failures attributed to a broken coil, which causes leaking.

**MOTION: Commissioner Erstad moved to approve the new Data Chiller, not to exceed \$300,000 for expenditures on the project, with the authorization to proceed at the approval of the Design and Construction Committee upon review of the**

**full details of the project.**

**Commissioner Gallimore seconded the motion.**

**Motion carries.**

- **West Side Garden Level Geothermal/Hydronic Piping, Excavate & Replace**  
A hot water failure in November 2022 required emergency action to investigate and repair failed piping serving the west wing. A temporary fix was implemented to provide water for heating through the winter. A leak detection system and shut off valves were also added at this time. Similar to the work conducted on the east wing in 2022, it is anticipated that hydro excavation will be used to expose the failing pipes and that work will replace 6 segments of piping from the junction inside the mechanical room, to approximately 6' outside the exterior wall. Resealing the wall and providing a protective waterproof coating to new pipe couplers will also be included.

**MOTION: Commissioner Erstad moved to approve the work contained in the West State Street Hydronic Piping repair not to exceed \$140,000.**

**Commissioner Gallimore seconded the motion.**

**Motion carries.**

## **Public Outreach / Art, History and Culture Committee**

### **Current Exhibits:**

**Commissioner Gallimore, Executive Director of the ISHS, presented to the Commission.**

- *Creating and Conserving the Constitution*; On exhibition in the House Historic Exhibits Space until May 2023
- *Inaugural Style: The Gowns of Idaho's First Ladies*; On exhibition in Statuary Hall until December 2023
- Exhibit Tour at the Close of the Meeting: Commissioners were invited to view the exhibits currently on display at the Capitol building.

### **Next Meeting Date:**

The next Capitol Commission meeting date TBD.

## **Adjournment**

**MOTION: Commissioner Gallimore moved that the February 17, 2022 meeting of the Idaho Capitol Commission be adjourned at 3:19 p.m. The motion passed unanimously.**

---

Kimberly Rau, Program Specialist  
Department of Administration