
Idaho State Capitol Commission

Official Minutes

August 24, 2023

A meeting of the Idaho State Capitol Commission was held on this date in the JRW Building West Conference Room, 700 W. State Street, Boise, Idaho, and via WebEx. Chairman Erstad called the meeting to order at 2:00 PM.

Attendees

Members Present:

Andy Erstad, Chairman

Steve Bailey, Deputy 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

Marilyn Whitney, Deputy State Superintendent of Public Instruction

Mary Symms (via Webex)

Nancy Sue Wallace (via Webex)

Representative Dustin Manwaring (via Webex)

Members Absent:

Senator Chuck Winder

Others/Staff Present:

Bailey Peterson, CFO, Department of Administration

Pat Donaldson, Administrator, DPW

Paul Navarro, Facilities Manager, DPW

Nicole Inghilterra, Curator of Collections and Exhibitions, ISHS

Liz Hobson, Museum Administrator, ISHS

Frances Lippett, Policy Analyst, LSO

Chris Anton, EFIB

Kathy Van Vactor, EFIB

Kimberly Rau, Program Specialist, Department of Administration

Approve June 14, 2023, Meeting Minutes (Action Item):

MOTION: Commissioner Whitney moved, and it was seconded by Deputy Director Bailey that the minutes of the June 14, 2023, Idaho State Capitol Commission meeting be approved as written. The motion passed unanimously.

Capitol Finances

Fiscal Report:

Endowment Fund Analysis (June 30, 2023)

The Endowment Fund provides income to operate the Capitol Commission and to maintain the Capitol. 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 FY23 was \$45,818,067. Revenue from forest lands was \$875,607, license plate revenues were \$203,408, and investment earnings were \$4,694,959 bringing the total available funds to \$51,592,181. Total uses were \$1,388,688 which included management fees related to the fund and a \$1,021,819 transfer to the Capitol Maintenance Reserve Fund. The remaining balance was \$50,203,493. Reserve fund balance is \$11,771,467.

**Capitol Commission
Endowment Fund Analysis
June 30, 2023**

	<u>FY 2021 Actual</u>	<u>FY 2022 Actual</u>	<u>FY 2023 Actual</u>	<u>FY 2024 Projected</u>	<u>% of 2022/2023</u>
<u>Beginning Fund Balance</u>	42,935,725	52,623,129	45,818,067	50,203,493	
Lands Revenue	212,166	188,043	875,670	612,969	366%
License Plate Revenue	136,502	182,896	203,485	142,440	11%
Investment Earnings	12,163,864	(6,632,518)	4,694,959	657,294	171%
Total Revenues	<u>12,512,532</u>	<u>(6,261,579)</u>	<u>5,774,114</u>	<u>1,412,703</u>	
Total Fund Balance	55,448,257	46,361,550	51,592,181	51,616,196	11%
Department of Lands Fees	162,013	205,160	191,362	200,000	-7%
EFIB Fees	213,115	213,323	175,507	215,000	-18%
Transfers to Appropriated Fund	<u>2,450,000</u>	<u>125,000</u>	<u>1,021,819</u>	<u>1,750,000</u>	717%
Total Expenditures	<u>2,825,128</u>	<u>543,483</u>	<u>1,388,688</u>	<u>2,165,000</u>	156%
<u>Ending Fund Balance</u>	<u>52,623,129</u>	<u>45,818,067</u>	<u>50,203,493</u>	<u>49,451,196</u>	10%
Available Reserve Fund Balance	<u>10,149,810</u>	<u>10,023,747</u>	<u>11,771,467</u>	<u>10,648,341</u>	17%

Appropriated Funds – Cash Flow Statement (June 30, 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 fiscal year with \$210,973 and was increased by \$8,910 from receipts/interest earnings, and \$250,000 by the previously mentioned transfer from the *Capitol Maintenance Reserve Fund*. Total operating cash available for the year was \$469,883. Uses of cash totaled \$318,342. The ending cash balance was \$151,540.

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 \$1,173,630. Transfers to *Appropriated Fund* from EFIB were \$771,819, which included the \$250,000 pass-through transfer to the *Commission Operating Fund*, and Interest revenue of \$12,885 leaving an ending cash balance of \$1,124,229.

Capitol Commission Appropriated Funds - Cash Flow Statement June 30, 2023

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected
Capitol Commission Operating Fund (48109)				
<u>Beginning Cash Balance</u>	99,874	223,481	210,973	151,540
Receipts/Interest	1,850	1,135	8,910	1,000
Transfers in from Reserve Fund	250,000	125,000	250,000	250,000
Total Cash Available	351,524	349,616	469,883	402,540
Appropriated Expenditures	128,043	12,143	186,142	142,000
Transfer to ISHS	-	126,500	132,200	138,300
Total Uses of Cash	128,043	138,643	318,342	280,300
<u>Ending Cash Balance</u>	<u>223,481</u>	<u>210,973</u>	<u>151,540</u>	<u>122,240</u>
Capitol Maintenance Reserve Fund (48279)				
<u>Beginning Cash Balance</u>	4,638	1,600,659	1,173,630	1,124,229
Receipts/Interest	2,289	407,076	12,885	1,000
Transfers In From EFIB	2,450,000	125,000	771,819	1,799,401
Total Cash Available	2,456,928	2,132,735	1,958,334	2,924,630
Appropriated Expenditures	606,269	834,105	834,105	2,200,000
Transfers to Operating Fund	250,000	125,000	-	250,000
Total Uses of Cash	856,269	959,105	834,105	2,450,000
<u>Ending Cash Balance</u>	<u>1,600,659</u>	<u>1,173,630</u>	<u>1,124,229</u>	<u>474,630</u>

Appropriated Expenditures and FY24 Budget Request (June 30, 2023)

The Appropriated Expenditures in the Operating Fund came to \$186,142. Maintenance Reserve Fund expenses were \$834,105.

*Capitol Commission: Appropriated Expenditures
FY 2024 Budget
Actual Expenditures as of 6/30/2023*

	<u>FY 2023 Budget</u>	<u>FY 2023 Actual Exp</u>	<u>FY 2023 Variance</u>	<u>FY 2024 Budget</u>
<i>Operating Fund Expenditures</i>				
Administrative Support	8,000	8,000	-	8,000
Printing	4,000	-	4,000	4,000
Misc. (Supplies, Travel)	1,500	75	1,425	1,500
Professional Services	-	-	-	-
Project Costs	128,500	178,067	(49,567)	128,500
Total Current Year	142,000	186,142	(44,142)	142,000
Total	142,000	186,142	(44,142)	142,000
<i>Capitol Maintenance Reserve Fund</i>				
Capitol Building Repairs & Maintenance	2,200,000	834,105	1,365,895	2,200,000
Total - Maintenance Fund	2,200,000	834,105	1,365,895	2,200,000
Total Available Appropriation / Expenditures	<u>2,342,000</u>	<u>1,020,247</u>	<u>1,321,753</u>	<u>2,342,000</u>

Note: FY24 Operating Fund reappropriation totals \$97,858 and the Capitol Maintenance Reserve Fund reappropriation totals \$2,200,000



Project Expenditure Report (June 30, 2023)

Total Operating Fund Projects came to a total of \$162,000 and the Total Maintenance Fund Projects came in at \$849,972.

**Capitol Commission
Project Expenditure Report
June 30, 2023**

	<u>FY 2022 Expenditures</u>	<u>FY 2023 Expenditures</u>	
Project Expenditures - Operating Fund			
Cooler Repair, Kitchen	2,529	5,110	
Hood and Duct Cleaning	550		
Cooler Repair	306		
Capitol Bike Racks	96		
Fire Suppression Repair	599		
Chiller Repair		70,820	
Hydronic Failure		85,070	
Dedication Plaque Replacement		1,200	
Misc Projects			
Total Operating Fund Projects	<u><u>4,080</u></u>	<u><u>162,200</u></u>	
Project Expenditures - Maintenance Fund			
			<u>Budget</u>
Capitol Glass Replacement (1)	804,156	121,784	\$565,800
Capitol AV Technology Updates	58,974	-	\$1,071,074
Door Access Control	215,344	160,351	\$1,240,000
Roof Fall Protection	146,293	15,779	\$220,000
Gallery Guardrails		195,382	\$245,544
Replace IPTV Broadcast Equip, Capitol		356,642	\$356,116
Replace Data Chiller			\$300,000
JFAC Audito Visual Upgrades			\$50,000
RPR Hydronics, West Side Capitol BLDG		35	\$140,000
Total Maintenance Fund Projects	<u><u>1,224,767</u></u>	<u><u>849,972</u></u>	

(1) Reimbursement from vendors in fiscal received in \$355,000. Remaining reimbursement of \$48,000 was received in fiscal in January. Net expense is \$401,156, which is below the approved budget of \$565,800.

Approve FY25 Budget (Action Item):

CFO Bailey presented and requested approval for the FY25 Budget.

MOTION: Commissioner Symms moved, and it was seconded by Commissioner Gallimore that the FY25 Budget be approved. The motion passed unanimously.

Update on Investments:

Mr. Anton pointed out that the Capitol Commission’s investment funds are in good order, as shown in the chart below. Financial markets were up during the month of June as Congress reached an agreement to raise the debt ceiling, technology stocks were bolstered by emerging applications for artificial intelligence and inflation continued to moderate. Investors have become increasingly optimistic that the Fed will be able to tame inflation without pushing the economy into a serious recession. Headline inflation, which peaked at 9.1% last spring declined to 4.0% in May and is expected to decline to 3.0% -

3.5% over the coming months. Further declines are anticipated because supply chain stresses continue to abate, shelter inflation is rolling over, consumer demand for both goods and services is softening and prior months with elevated inflation are dropping out of the annual inflation calculation. U.S. jobs growth remained strong in May as employers added 339,000 jobs, surpassing estimates of 195,000.

Design and Construction Committee

Capitol Commission Project Updates

DPW Sr. Project Manager Kelly Berard presented a project update to the Commission:

- **20009 - Roof Fall Protection**
Authorized Budget: \$220,000
Obligations and expenditures: \$191,042.84
Work of the original contract and Change Order 1 is substantially complete.
Closeout paperwork in process.
- **21010 – Chamber Gallery Railings**
Authorized Budget: \$225,543.75
Obligations and expenditures: \$178,270.39
Closeout and final invoicing in process.
- **22010 – Misc. Projects**
Authorized Budget: \$20,000 Obligations and expenditures: \$19,217.32
- **22012 – Replace Idaho in Session Broadcast Equipment**
Authorized Budget: \$356,116
Obligations and expenditures: \$353,030.70 Work is complete. Final invoicing in process.
- **19625 – Capitol Office Tenant Improvement**
Authorized Budget: \$11,085,300.00
Current obligations and expenditures: \$3,027,701.81
Phase 1 Work is in process. Materials on order. Phase 2 in review.
- **Capitol Restoration Marble**
Requested Budget: \$60,000.00
Total Expenditures: \$38,437.52 Capitol Marble has been relocated to the Chinden Campus.
- **23016 - Replace Data Chiller** Original Requested Budget: \$300,000.00
Revised Requested Budget: \$645,000.00 Total Expenditures to Date: \$34,480.00
Original Project Description: This chiller serves the main data entrance facility for the Capitol. The chiller is located in a mechanical well on the north side of the building, at the inside corner where the center section meets the west above ground wing. The data room is located on the Garden Level, on the west side of the north-central section of the building. The chiller was provided as a part of the Capitol Restoration and is nearing its anticipated life expectancy. Over the years the unit has experienced technical issues in both circuits and failure in its coils. Those failed coils were replaced by facilities services and were re-replaced, under warranty, by the supplier.
Update: Design survey has been conducted by Musgrove Engineering. The team feels that a revision to the original scope is warranted to ensure better performance and redundancy for this critical piece of equipment. The new design will: a) allow the system to utilize “free cooling” during

the winter months using outside air and eliminating the need for the pumps to run during this time; install a glycol tank in the pump room allowing for automated regulation of the glycol level and allow facilities to better monitor glycol usage; installation of a bypass loop to the existing chilled water lines which provides a back-up cold water source for the chiller in case of emergency and replace the existing pumps and Variable Fan Drives (VFDs) for the Chiller System. The project is working with Idaho Power Incentives Program and estimated a rebate of \$50,000 for the energy savings the upgraded equipment will be earned.

- **23026 - JFAC Audio Visual (A/V) Upgrades**

Requested Budget: \$50,000.00

Total Expenditures: \$48,305.00

Work of the project is complete. Owner Training and closeout required.

- **23027 - State Street Hydronic Piping Repairs (WEST)**

Estimated Budget: \$140,000.00

Expenditures to date: \$34.62

Project Description: A hot water failure at the west end of the Capitol in November 2022 required emergency action to investigate and repair failed piping serving the west wing heating system. A temporary fix was implemented utilizing spare piping 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 replace six (6) segments of piping from the junction inside the mechanical room, to approximately six (6) feet outside the exterior wall. The original black steel piping will be replaced with a thermoset plastic piping designed for direct bury applications. Resealing the wall and providing a protective waterproof coating to new pipe couplers will also be included.

Update: An Informal Bid was issued and bid over budget. Bid was rejected. Discovery work will be conducted with a Dept. of Administration Service Contractor. Once discovery is complete, work will be clearly defined and executed. Work is still planned for the late summer/fall 2023.

MOTION: Commissioner Symms moved, and it was seconded by Commissioner Wallace that Commission approve the requested revised budget of \$645,000 in regard to Project 23016 – Replace Data Chiller. The motion passed unanimously.

Public Outreach / Art, History and Culture Committee

FY23 Capitol Curation Program

Nicole Inghilterra, Capitol Curator and Museum Registrar, prepared and presented to the Commission a portfolio highlighting and detailing the FY23 Capitol Curation Program, to include:

Collections Management: Intellectual control of collections is key to the care and management of the physical objects themselves. We are continuing to prioritize digitization of paper records and moving towards full usage of the Idaho State Museum collections management system.

Facilitate use of Historic Furniture: The Capitol Curation Program continues to maintain and repair restored historic furniture in use throughout the Capitol by building occupants and visitors. We are processing additional pieces acquired through interagency transfer in previous years, once again preparing them for use in Idaho's Capitol of Light.

Collections Plans for Idaho Officials: As a program within the Idaho State Historical Society, the Capitol Curation Program facilitates collecting of materials from elected officials and legislative leadership. These items may be added to the Capitol Collection or permanent collection of the Idaho State Historical Society. Once a part of agency assets, these collections are cared for and stewarded for future generations of Idahoans.

Permanent Exhibitions: Three permanent exhibitions within the Idaho State Capitol provide opportunities for lawmakers, constituents, and visitors to engage with their history and understand the function of State government.

Interagency Partnerships: The Idaho State Historical Society (ISHS) and Legislative Services Office (LSO) work together to manage the use of the Gem State's historic Capitol through the Capitol Curation Program. This partnership ensures proper care and preservation of the Capitol's historic character is undertaken while meeting the needs of elected officials and staffers working within this functional museum. Together, LSO and the ISHS continue to enhance and build upon the interpretive impact of Idaho's Capitol of Light. This includes support for the Capitol Tours Program as well as the ongoing development of exhibits and educational opportunities throughout the Statehouse.

Capitol Building Preservation: Ongoing collaboration with the State Historic Preservation Office and the Division of Public Works guarantees insight founded on preservation best practices in the long-term management and maintenance of the People's House.

Leadership Role in Idaho Day 2024: The Idaho State Historical Society continues to spearhead programming surrounding Idaho Day. This legacy of the Territorial Sesquicentennial has reflected relevant themes that honor the impacts of the Gem State's history on who we are and will become.

Other Business

House Bill 25 Update, Discussion Only

HB25, which pertains to the management and control of the roads directly around the Capitol Building, was passed through the last Legislative Session. Discussion ensued and it was decided that the Idaho Capitol Commission's Design and Construction Committee will meet with the City of Boise and ACHD to discuss ramifications of the bill to each entity and what that looks like going forward.

Next Meeting Date:

The next Capitol Commission meeting is scheduled for February 7, 2024.

Adjournment:

MOTION: Commissioner Gallimore moved, and it was seconded by Commissioner Kondeff that the August 24, 2023, meeting of the Idaho Capitol Commission be adjourned at 2:55 PM. The motion passed unanimously.

Kimberly Rau, Program Specialist
Department of Administration