
Idaho State Capitol Commission

Official Minutes February 17, 2022

A meeting of the Idaho State Capitol Commission was held on this date in room WW17, State Capitol Building, Boise, Idaho, and via teleconference. Chairman Erstad called the meeting to order at 1:33p.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
Mary Symms (via telephone)
Janet Gallimore, Executive Director, State Historical Society (ISHS), and Ex-Officio Member
Representative Jason Monks
Senator Chuck Winder
Nancy Sue Wallace (via telephone)

Members Absent:

Marilyn Whitney, Deputy State Superintendent of Public Instruction

Others/Staff Present:

Barry Miller, Deputy Administrator, Division of Public Works (DPW)
Steve Bailey, Deputy Director/CFO, Department of Administration
Nicole Inghilterra, Capitol Curator, ISHS
Pat Donaldson, Administrator, DPW
Lindsay Erb, DPW (via teleconference)
Chris Anton, Investment Manager, Endowment Fund Investment Board (EFIB) (via teleconference)
Kimberly Rau, Executive Assistant, Department of Administration

Action Item

Approve October 14, 2021 Meeting Minutes:

MOTION: Commissioner Reynolds moved, and it was seconded by Commissioner Gallimore that the minutes of the October 14, 2021 Idaho State Capitol Commission meetings be approved as written. The motion passed unanimously.

Capitol Finances

Fiscal Report:

Endowment Fund Analysis (December 31, 2021)

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 FY1H 2022 was \$52,623,120. Revenue from forest lands was \$128,816, license plate revenues were \$93,225, and investment earnings were \$1,790,593 bringing the total available funds to \$54,635,754. Total uses were \$454,356, which included management fees related to the fund of \$329,326 and a \$125,000 transfer to the Capitol Maintenance Reserve Fund. The Ending Fund Balance was \$54,181,428, leaving a total Reserve Fund Balance of \$11,433,639.

Appropriated Funds – Cash Flow Statement (December 31, 2021)

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 1st half of FY2022 with a \$223,481 beginning cash balance, which was increased by \$468 from interest earnings, and \$125,000 by the previously mentioned transfer from the *Capitol Maintenance Reserve Fund*. Total operating cash available for the year was \$348,949. Uses of cash totaled \$135,394 leaving an ending cash balance was \$213,555.

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 \$1,600,659. Transfers to *Appropriated Fund* from EFIB were \$482,322, which included the \$125,000 pass-through transfer to the *Commission Operating Fund*, and receipts/interest revenue of \$357,322 (\$350,000 of that are reimbursements for the window replacement at the Capitol) leaving total cash available of \$2,082,981. Appropriated expenditures were \$1,126,988 and transfers to the Operating Fund were \$125,000 leaving total uses of cash at \$1,251,988 and an ending cash balance of \$830,993.

Appropriated Expenditures and FY1H 2022 Budget (December 31, 2021)

The Appropriated Expenditures in the Operating Fund came to \$78,856 which is well below the overall budget with expenses being 6% of the current appropriation and 4% of the total appropriation.

Capitol Maintenance Reserve Fund expenses totaled \$2,720,719 which included \$1,126,988 for Capitol Building Repairs and Maintenance and a \$1,593,731 reappropriation. This leaves us at 51% of the current appropriation, and with the reappropriation, at about 30% of the total appropriation. The total available appropriation/expenditures were \$2,799,575.

Project Expenditure Report (December 31, 2021)

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

Capitol Commission Project Expenditure Report December 31, 2021		
	<u>FY 2021 Expenditures</u>	<u>FY1H 2022 Expenditures</u>
Project Expenditures - Operating Fund		
Replacement of Urinals	22,687	
Jefferson Street Entry Door Pivots	24,232	
Cooler Repair, Kitchen	385	
Hood and Duct Cleaning	550	
Capitol A/V Technology Updates	28,302	
Mechanical System Replacement in EW22	8,794	
Wireless Receiver and Transmitter	922	
Hardware in Women's Restroom	7,686	
Supplemental Heating to Office W135	25,716	
Cooler Repair	107	
Fire Suppression Repair		599
Fire Suppression Service		191
Cooler Repair		40
Total Operating Fund Projects	<u><u>119,382</u></u>	<u><u>830</u></u>
Project Expenditures - Maintenance Fund		
Door Access Control	586,015	
Capitol Glass Replacement (1)	20,254	
Door Access Control		215,344
Capitol Glass Replacement (1)		804,156
Capitol A/V Technology Updates		58,974
Roof Fall Protection		48,513
Total Maintenance Fund Projects	<u><u>606,269</u></u>	<u><u>1,126,988</u></u>

(1) Reimbursement from vendors in fiscal 22H1 is \$355,000. Remaining reimbursement of \$48,000 was received in fiscal 22H2. Net expense is \$421,410, which is below the approved budget of \$565,800.

Update on Investments:

Mr. Anton pointed out that Equity markets had their worst month since March 2020 as strong labor markets and persistently high inflation led the Federal Reserve to accelerate plans to unwind monetary support. The Federal Reserve will begin steadily increasing interest rates starting in mid-March and shortly thereafter commence balance sheet reduction. Inflation uncertainty, rising bond yields, escalating geopolitical tensions in Ukraine and the ongoing surge of the Omicron variant

of COVID-19 all contributed to heightened market volatility. Growth and technology stocks were particularly hard hit with the Nasdaq Composite falling over 9% during the month. Financial markets demonstrated some strength in the last two trading days of the month due to better than expected fourth quarter U.S. GDP and solid quarterly earnings reports.

**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	<u>\$11,433,639</u>	<u>\$10,149,810</u>	<u>\$8,909,285</u>	<u>\$42,748,798</u>	<u>\$42,473,319</u>	<u>\$34,026,440</u>

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

Public Outreach / Art, History and Culture Committee

Capitol Curation Program Updates:

- Nicole Inghilterra, Capitol Curator, presented “Artifacts of the Capitol”, a narrative exploration of the art, memorials, and statuary of Idaho’s Statehouse.
- Nicole also shared information relevant to the Historic Office of the State Treasurer. The Legislature allocated three rooms of the treasurer’s suite for an exhibit to explore the history and function of the office. A special exhibit in the former private office of the treasurer further highlights the story of an officeholder who served during a key moment of Idaho’s history. The exhibit is currently awaiting installation as finishing work is completed in the space.

Commissioner Gallimore, ISHS Executive Director, provided an update and a portfolio regarding Idaho Women's Suffragist Commemorative Sculpture. Commissioner Gallimore walked the Commission through the portfolio, which also included a timeline projecting a completion time of late fall of 2022.

Design and Construction Committee

Barry Miller, Deputy Administrator, DPW reported the following:

Project Updates:

- 19014 - Wire Glass Replacement
Authorized Budget: \$1,058,800
Current Expenditures: \$941,322.09
During the course of work, 4 additional pieces of delaminating glass were discovered. These are on the third floor in the JFAC area kitchenette skylight. These pieces have been manufactured and will be installed after the legislative session ends. Aside from these 4 pieces, the remainder of the laminated wire glass has been replaced.
- 19015 -Technology Upgrades
Authorized Budget: \$1,071,074
Current Expenditures: \$1,010,091.88
Work has included replacement of the projectors within the hearing rooms. The contractor has been working around committee hearings to replace the projectors. Still waiting for a couple of lenses to arrive and be installed.
- 20008 - Door Access Control
Budget: \$1,240,000
Current expenditures: \$1,023,367.86
The initial scope of work was completed then addition work was requested changes to provide access control to the Garden Level hearing rooms that would provide for shelter-in-place ability. These changes were completed just prior to the current legislative session. When the session concludes, the contractor wiU return to complete some final corrective items.
- 20009 - Roof Fall Protection
Authorized Budget: \$220,000
Current Expenditures: \$183,098.34
Work is approx. 75% complete. The project was put on hold for the winter and legislative session and will resume and be completed after the legislative session. In addition to the fall protection the contractor will also be resealing joints on the fourth floor ledge and roof termination bars as noted in the Facilities Condition Assessment.
- 20010 - Gallery Railing
Authorized Budget: \$50,000

Current Expenditures: \$28,000

The construction documents have been completed. Selective investigation to determine structural integrity of the existing structure will occur following the completion of the legislative session. Once the structure has been verified the documents will be adjusted and the work will be put out to bid. Anticipate summer/fall construction period.

- 22010 - Misc. Projects

Authorized Budget: \$20,000

Current Expenditures: \$14,217.32

- Bike Racks -(\$2,277.32) Installed on the east and west ends of the building.
- Jefferson Street Concrete Stair Nosings - (\$11,940.00) partially completed waiting for weather to warm up before completing.
- Dedication Plaque Investigation (NTE \$5,000) Waiting for end of session to remove rosettes from the comers and determine if the plaque will move or if it has been anchored with an adhesive to the backing stone. Future work will be informed by the outcome of this investigation.

Facility Condition Assessment and 5-year Maintenance Schedule: Mr. Miller presented a Requirement Forecast Report which contains all the anticipated items needed to maintain the Capitol in its current state for the next 20 years or so. Mr. Miller pointed out that there are a number of years, starting with 2028, that costs are estimated well above the typical amount appropriated for capitol projects. Mr. Miller will work with Chris Anton, EFIB, to determine how best to approach those years and how to level out the years prior to 2028.

Other Business

Action Item:

Capitol Audio/Visual Replacement Request:

IPTV General Manager Jeff Tucker approached the Design and Construction Committee regarding the need to replace the current audio/visual equipment currently in use at the Capitol, specifically in the Lincoln Auditorium, room WW02, the JFAC room, House and Senate Chambers, and the Governor's Ceremonial Office. Mr. Tucker gave an overview of the history of the current system, which is 16 years old, as well as detailed the cost of replacement which comes to \$356,116.

MOTION: Commissioner Reynolds motioned, and it was seconded by Commissioner Gallimore to approve the funding request as presented. The motion passed unanimously.

Action Item:

Menorah As Part of Holiday Display: Commissioner Reynolds presented the request and history of consideration regarding a menorah as part of a holiday display at the Capitol. Deputy Attorney General Julie Weaver outlined the current rules and parameters regarding such a display. Chairman Erstad invited Rabbi Mendel Lifshitz to speak to the Commission regarding his request to display

a menorah. Discussion ensued and the Commission determined that this action item will be revisited after more information is gathered regarding space/safety, what other states are doing, menorah designs, and further review of the current rules.

MOTION: Commissioner Winder moved, and it was seconded by Commissioner Gallimore that the Commission hold on the above action item for further consideration at a Special Meeting in order to gather additional, pertinent information. The motion passed unanimously.

Next Meeting Date:

The next Capitol Commission meeting is scheduled for early May, 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