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# Idaho State Capitol Commission

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## Official Minutes

August 18, 2021

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 1:30 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  
Mary Symms  
Janet Gallimore, Executive Director, State Historical Society (ISHS), and Ex-Officio Member  
Representative Jason Monks  
Marilyn Whitney, Deputy State Superintendent of Public Instruction

### Members Absent:

Senator Chuck Winder  
Nancy Sue Wallace

### 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  
Sarah Phillips, Curator of Collections & Exhibitions, Idaho State Museum  
Pat Donaldson, Administrator, DPW  
Lindsay Erb, DPW (via teleconference)  
Chris Anton, Investment Manager, Endowment Fund Investment Board (EFIB)  
David Hahn, Financial Management Analyst Sr., Division of Financial Management (DFM) (via teleconference)  
Jolene Heath, Human Resource Specialist, Department of Administration  
Kimberly Rau, Executive Assistant, Department of Administration

## Action Item

## **Approve February 17, 2021 Meeting Minutes:**

**MOTION:** Commissioner Reynolds moved, and it was seconded by Commissioner Gallimore that the minutes of the February 17, 2021 Idaho State Capitol Commission meetings be approved as written. The motion passed unanimously.

## **Capitol Finances**

### **Fiscal Report:**

#### **Endowment Fund Analysis (June 30, 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 FY21 was \$42,935,716. Revenue from forest lands was \$212,166, license plate revenues were \$136,502, and investment earnings were \$12,163,864, bringing the total available funds to \$55,448,248. Total uses were \$2,825,128, which included management fees related to the fund and a \$2,450,000 transfer to the Capitol Maintenance Reserve Fund. The remaining balance was \$52,623,120. Reserve fund balance is \$10,149,810, which represents a 14% increase year over year.

#### **Appropriated Funds – Cash Flow Statement (June 30, 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 fiscal year with \$99,874 and was increased by \$1,650 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 \$351,524. Uses of cash totaled \$128,043. The ending cash balance was \$223,481 which represents a 124% increase

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 \$4,638. Transfers to *Appropriated Fund* from EFIB were \$2,450,000, which included the \$250,000 pass-through transfer to the *Commission Operating Fund*, and Interest revenue of \$2,289 leaving an ending cash balance of \$1,600,659, a considerable increase over the previous year.

#### **Appropriated Expenditures and FY22 Budget Request (June 30, 2021)**

The Appropriated Expenditures in the Operating Fund came to \$128,043 which is a 35% variance of \$69,962 from the actual FY21 Budget.

Maintenance Reserve Fund expenses were \$606,269 which is a 72% variance from the actual FY21 Budget.

#### **Project Expenditure Report (June 30, 2021)**

	FY 2020 Expenditures	FY 2021 Expenditures
<b>Project Expenditures - Operating Fund</b>		
ADA Restroom Modification	175	
Urinal Replacement	1,974	
Governor's Office Floor Maintenance	5,812	
Marble Repair	1,025	
EW 29 Door Install	562	
House Chair Suite - Electrical	875	
Data Room Security Bars	1,440	
Re-roof Domes	9,563	
Kitchen Equipment Repair	1,668	
ADA Accomodation - 1st floor	5,810	
Capitol Electrical Vault Repair	12,965	
Access Hardware - Governor's suite	15,587	
Kitchen Cooler Repair	247	
Chamber Balcony Signage	4,060	
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
Supplimental Heating to Office W135		25,716
Cooler Repair		107
<b>Total Operating Fund Projects</b>	<b>61,764</b>	<b>119,382</b>
<b>Project Expenditures - Maintenance Fund</b>		
Door Access Control		586,015
Capitol Glass Replacement	-	20,254
<b>Total Maintenance Fund Projects</b>	<b>-</b>	<b>606,269</b>

### **Action Item: Approve FY23 Budget:**

Deputy Director Bailey presented the proposed FY23 Budget, which is reflective of the FY22 Budget.

Deputy Director Bailey requested approval for the FY23 Budget

**MOTION: Commissioner Symms-Pollot moved, and it was seconded by Commissioner Gallimore to approve the FY23 Budget as written. The motion passed unanimously.**

### **Update on Investments:**

Mr. Anton pointed out that the Capitol Commission's investment funds are in very good order, as shown in the chart below. The endowment fund was up 29.7% during fiscal 2021, which is 3.8% above the benchmark. This surpasses our previous record of 24.6% that took place in fiscal year 2011 as financial markets recovered from the great financial crisis. Large growth stocks outperformed early in the fiscal year, as big technology companies were best positioned to support new ways of living and working from home

due to COVID-19 induced quarantines. Small and value-oriented stocks outperformed in the second half of the fiscal year as effective vaccination efforts enabled a gradual and more broadly dispersed reopening of the economy. Our modest overweight to small and mid-cap stocks was beneficial during the fiscal year. The incredible speed of the financial market recovery would not have been possible without extraordinary monetary and fiscal support and outstanding efforts by the biotech and healthcare communities. Despite the outstanding results, there were challenges in certain parts of the portfolio. The retail and office sectors of our real estate investments were hit hard by COVID-19 quarantines but are recovering and posted positive results in the last two quarters. Fixed income struggled, because interest rates increased after dropped to all-time lows just prior to the beginning of the fiscal year. Credit and TIPS performed well as the economic recovery resulted in spread tightening and inflation expectations escalated, but it was a difficult period for U.S. Treasuries giving the rising rate environment.

**Analysis of Capitol Endowment funds prepared by the  
Endowment Fund Investment Board  
For FY 2021**

	Capitol Maintenance Reserve Fund			Capitol Permanent Fund		
	FY 2021 - Unaudited	FY 2020	FY 2019	FY 2021 - Unaudited	FY 2020	FY 2019
Beginning Balance	\$8,909,285	\$7,691,419	\$6,227,066	\$34,026,440	\$33,075,848	\$31,143,131
Transfer b/w Perm and Reserve Receipts*	1,561,900 136,502	1,409,300 92,885	1,406,000 85,455	(1,561,900) 212,166	(1,409,300) 746,169	(1,406,000) 969,609
Total Investment Income/(Loss)	2,367,251	428,488	551,788	9,796,613	1,613,723	2,369,108
EFIB Expenses	(213,115)	(203,753)	(156,219)			
Lands Expenses	(162,013)	(184,054)	(172,671)			
Requested Distributions	(2,450,000)	(325,000)	(250,000)			
Ending Balance	\$10,149,810	\$8,909,285	\$7,691,419	\$42,473,319	\$34,026,440	\$33,075,848

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

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

### **Review of Capitol Curation program FY 22:**

Commissioner Gallimore presented the FY22 Capitol Curation Program Plan to the Commission. Nicole Inghilterra, Capitol Curator, prepared a portfolio highlighting the Capitol Curation Program, to include:

- Collections Management: The Capitol Curation Program creates and maintains collections records, facilitates the use of historic furniture, and facilitates collections plans for Idaho officials.
- Exhibits Program: Statuary Hall: Exhibits in this space will highlight the stories of key citizens and connect visitors to events that shape the Gem State.
- Exhibits Program: Garden Level Wings: Exhibits in this space highlight the creative stories of Idahoans throughout the state's history.
- Exhibits Program: State Treasurer's Suite: The Idaho State House of Representatives has invited the Capitol Curation Program to interpret select spaces in the historic Treasurer's Office Suite.
- Ongoing Services: The Capitol Curation Program and Legislative Services Office (LSO) work together as an inter-agency partnership to manage occupation of the building. ISHS and Capitol Curation Program continue to manage the Idaho Day program. Through the Capitol Curation Program, the Idaho State Historical Society continues to assist in the ongoing work of maintaining

the historical structure of the Idaho Statehouse. November and December are the target installation dates.

## **Review and provide comment for ISHS inventory procedures for Capitol Collections items located in statehouse offices:**

Commissioner Gallimore guided the committee through proposed changes and gave an overview of the following:

- Attachment A: Capitol Workflow Quick Reference Guide.
- Attachment B: Welcome to the Capitol Building!
- Appendix C: Wall Hanging Policy clarification. Standardizes the response to wall hanging and prevents damage by providing information and assistance.
- Appendix F: Capitol Collection Annual Inventory Policy
- Appendix G: Capitol Exhibits Policy

## **Review any other proposed changes to the Capitol Use Manual:**

A public comment period notification will be published on the Admin and Capitol Commission website regarding the updates to the manual. The Commission will meet after the public comment period to go over any public input. The reason for the changes is to improve clarity and remove duplicate language. Key changes include:

- Clarifying rules and responsibilities and linking those to the statutory rules
- Attachments and appendixes are clarified as to what entity is responsible.
- Interpretive exhibits are different than exhibits that go along with public events. Also, holiday displays are clarified.

## **Design and Construction Committee**

Barry Miller, DPW reported:

### **Completed Work:**

- **Women's Restroom Hardware:** work was done to provide for the ability to set items on a piece of hardware rather than the floor.
- **Kitchen Hood Fire Protection Test/Repair:** Certified for use after some minor repairs.

### **Updates:**

- **Wire Glass Replacement:** Moving ahead quickly, replacing the glass in the dome should be done by end of next week. Scaffolding will be removed around the first of September, with an anticipated finish by the end of October.
- **Roof Fall Protection:** Starting September 12<sup>th</sup>. To be completed by first part of October.
- **Gallery Railings:** The railings have been designed, awaiting approval from the Division of Building Safety. Encumbered funds are already in place, hopefully allowing for installation prior to next session.

- **Dedication Plaque:** Regarding the replacement of the marble dedication plaque that contains a spelling error of Governor Batt's name, as well as an error in the original historic plaque which has a misspelling of Governor Haines' name. This project has proven to be a challenging endeavor because of the location of the plaque, set into carved marble, and no apparent way to pull the plaque off without significant damage. However, Commissioner Reynolds located original pictures of the installation of the plaque, which indicate the possibility of no adhesive behind it, which can be determined by releasing the rosettes to check. A contractor has agreed to come out and check but will not attempt to remove the plaque if there is no movement upon releasing the rosettes. Commissioner Gallimore suggested that maybe the errors on the historic plaque should be acknowledged on the ISHS website and committed to history. Chairman Erstad commented that at least one needs replaced, maybe not the historic one, but the one with Governor Batt's name. The contractor is concerned about removing the historic plaque without damaging it. The Commission discussed the possibility of leaving the historic plaque and including an interpretive sign explaining the misspelling. The newer plaque with Governor Batt's name will be replaced.
- **Historic Treasure's Office:** design drawings have been received and are being reviewed by DBS.
- **Concrete Stair Nosings:** this project was approved at the last Design and Construction meeting and is underway. Jefferson street stairs are being repaired, potentially to be replaced in the future.
- **Sally Port Moisture Investigation:** project approved, will not exceed the approved \$20,000.
- **Bicycle Racks:** We were approached by a nonprofit agency to replace bike racks. Due to marketing materials on bike racks, it was determined that to accept these racks would be sanctioning marketing on the State grounds, therefore, we could not accept the request. Instead, DPW is moving forward with new bike racks, galvanized metal, old style design. New racks are inexpensive and will be paid for by the CC fund.

### Action Items:

- **Caulk exterior sandstone ledge at the 4<sup>th</sup> floor:** in the Senate Majority Caucus Room, it was discovered that a wall was leaking, water coming through the ledge. Repairs were made and the wall inside was painted. Caulking joints were failing, it is recommended to go up and redo all the caulking around the whole building at the cost of \$30,000 dollars.
- **Paint exterior window sashes:** paint on exterior windows needs to be redone every 7-10 years. The estimate for repainting all the windows around the building is \$325,000 dollars. It is possible to do various phases annually, but south facing windows are ready to be painted at \$80,000, and the west facing windows should be done as well, as both are exposed to sun the most.
- **Reset/Repair sandstone walls on the east and west street side stairwells:** Garden level mortar joints need repointed. Bench cap seating needs resettled. An estimated \$40,000 is needed for the east and west ends of building
- **Upgrade A/V System:** 2 years ago, the commission approved starting a project to upgrade with an appropriated budget of \$100,000. So far, \$83,000 has been spent. Because of the pandemic era, there is a desire in the future to make the av system within the capitol have the ability for virtual access and input. That work was elevated and a million dollars from covid relief was used to enhance the ability for virtual work. There are now 4 final phases, totaling \$745,000, to finish. Phase 1 is \$350,000 to replace all of the projectors in the capitol building. Can Cares Act funds be used for project? David Hahn from DFM will check into that and circle back around.

Commissioner Reynolds pointed out that we are now almost 12 years from when building was reopened after it was remodeled...these are normal maintenance items to be expected in this type of building.

Barry Miller's recommendation is to complete all of the beforementioned projects, at the very least the sandstone ledge and the repair on the east and west end. Painting is certainly needed on the south and west ends, and some areas not on the south or west end need it as well.

**MOTION: Commissioner Symms moved to approve 1.185 million dollars needed for all of the above projects, prioritizing the South and West sides of the building, as well as seeking possible reimbursement from the Cares Act Fund for the AV system. Seconded by Commissioner Gallimore. The motion passed unanimously.**

## **Other Business**

### **Next Meeting Date:**

The next Capitol Commission meeting is scheduled for October 14, 2021.

## **Adjournment**

**MOTION: Commissioner Gallimore moved that the August 18, 2021 meeting of the Idaho Capitol Commission be adjourned at 3:10 p.m. The motion passed unanimously.**

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Kimberly Rau, Program Specialist  
Department of Administration