
Idaho State Capitol Commission

Official Minutes

August 17, 2022

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 1:30 PM.

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

Marilyn Whitney, Deputy State Superintendent of Public Instruction

Mary Symms

Nancy Sue Wallace (via Webex)

Representative Jason Monks (via Webex)

Members Absent:

Senator Chuck Winder

Others/Staff Present:

Tami Humiston CFO, Department of Administration

Pat Donaldson, Administrator, DPW

Paul Navarro, Facilities Manager, DPW

Nicole Inghilterra, Capitol Curator and Museum Registrar, ISHS

Liz Hobson, Museum Administrator, ISHS

Frances Lippett, Policy Analyst, DFM

Chris Anton, EFIB

Kathy Van Vactor, EFIB

Mendel Lifshitz, Chabad Jewish Center

Danielle Weaver, CSHQA

Kimberly Rau, Program Specialist, Department of Administration

Approve April 18, 2022, Meeting Minutes (Action Item):

MOTION: Commissioner Gallimore moved, and it was seconded by Director Reynolds that the minutes of the April 18, 2022, Idaho State Capitol Commission meetings be approved as written. The motion passed unanimously.

Member Request for Use Manual Change (Action Item):

Director Reynolds summarized the events leading to the consideration by the Capitol Commission for a change in the Capitol Use Manual. Specifically, the Commission was approached regarding accommodating a Menorah being displayed as a holiday tradition at the Capitol. Discussion ensued regarding research that was conducted regarding displays of a Menorah at state capitols across the country, and the impact of such displays.

MOTION: Commissioner Whitney moved, and it was seconded by Commissioner Gallimore that there will be no change to the Capitol Usage Manual as written. The motion passed unanimously.

Review of Administrative Rules (Action Item):

Deputy Director Bailey presented proposed changes regarding state facilities use rules, to include consolidating four separate facilities rules to two, as well as clarifying and cleaning up language within the rules.

MOTION: Commissioner Wallace moved, and it was seconded by Commissioner Whitney to accept the proposed changes to the Administrative Rules as presented. The motion passed unanimously.

Capitol Finances

Fiscal Report:

Endowment Fund Analysis (June 30, 2022)

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 FY22 was \$52,623,129. Revenue from forest lands was \$188,043, license plate revenues were \$182,895, and investment earnings were (\$6,849,323) bringing the total available funds to \$46,144,744. Total uses were \$543,483, which included management fees related to the fund and

a \$125,000 transfer to the Capitol Maintenance Reserve Fund. The remaining balance was \$45,601,261. Reserve fund balance is \$9,978,684.

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 \$223,481 and was increased by \$1,135 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 \$349,616. Uses of cash totaled \$138,643. The ending cash balance was \$210,973.

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 \$532,076, which included the \$125,000 pass-through transfer to the *Commission Operating Fund*, and Interest revenue of \$407,076 leaving an ending cash balance of \$782,968.

Appropriated Expenditures and FY22 Budget Request (June 30, 2022)

The Appropriated Expenditures in the Operating Fund came to \$12,143. Maintenance Reserve Fund expenses were \$1,224,767.

Project Expenditure Report (June 30, 2022)

	<u>FY 2021 Expenditures</u>	<u>FY 2022 Expenditures</u>	
Project Expenditures - Operating Fund			
Replacement of Urinals	22,687		
Jefferson Street Entry Door Pivots	24,232		
Cooler Repair, Kitchen	385	2,529	
Hood and Duct Cleaning	550	550	
Capitol A/V Technology Updates	28,302		
Mechanical System Replacement in EW2	8,794		
Wireless Receiver and Transmitter	922		
Hardware in Women's Restroom	7,686		
Supplimental Heating to Office W 135	25,716		
Cooler Repair	107	306	
Capitol Bike Racks		96	
Fire Suppression Repair		599	
Fire Suppression Service			
Cooler Repair			
Total Operating Fund Projects	<u><u>119,382</u></u>	<u><u>4,080</u></u>	
Project Expenditures - Maintenance Fund			
			<u>Budget</u>
Door Access Control	586,015		\$1,240,000
Capitol Glass Replacement (1)	20,254		\$565,800
Door Access Control		215,344	\$1,240,000
Capitol Glass Replacement (1)		804,156	\$565,800
Capitol A/V Technology Updates		58,974	\$1,071,074
Roof Fall Protection		146,293	\$180,000
Total Maintenance Fund Projects	<u><u>606,269</u></u>	<u><u>1,224,767</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 FY24 Budget (Action Item):

CFO Humiston presented and requested approval for the FY24 Budget.

MOTION: Commissioner Reynolds moved, and it was seconded by Commissioner Gallimore that the FY 24 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. Investment returns started the fiscal year in positive territory as the Federal Reserve continued to provide strong monetary accommodation to bring employment back to pre-pandemic levels. By late calendar 2021, however, the Federal Reserve changed course as it became clear the U.S. had reached full employment and the magnitude and persistence of inflation was proving to be more problematic than anticipated. As inflation marched ever higher during the first half of calendar 2022, the Federal Reserve stepped up its rhetoric to fight inflation and introduced more aggressive plans to increase the Fed Funds rate and shrinking the size of its balance sheet. The fixed income market sold off with yields

jumping dramatically to reflect the Fed’s path of interest rate increases. Investment grade bonds dropped over 10% and as we approached fiscal year-end the yield on 10-year U.S. Treasury bonds breached 3.4%, which stands in stark contrast to the yield of 0.5% in March of 2020. Similarly, the equity market sold off over concerns that higher interest rates and inflation would slow economic growth, put pressure on corporate profitability and potentially push the U.S. economy into a recession.

**Analysis of Capitol Endowment funds prepared by the
Endowment Fund Investment Board
For FY 2022**

	Capitol Maintenance Reserve Fund			Capitol Permanent Fund		
	FY 2022 - Unaudited	FY 2021	FY 2020	FY 2022 - Unaudited	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*	182,895	136,502	92,885	188,043	212,166	746,169
Total Investment Income/(Loss)	(1,447,941)	2,367,251	428,488	(5,401,382)	9,796,613	1,613,723
EFIB Expenses	(213,323)	(213,115)	(203,753)			
Lands Expenses	(205,160)	(162,013)	(184,054)			
Requested Distributions	(125,000)	(2,450,000)	(325,000)			
Ending Balance	<u>\$9,978,681</u>	<u>\$10,149,810</u>	<u>\$8,909,285</u>	<u>\$35,622,580</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.

Design and Construction Committee

DPW Administrator Pat Donaldson presented a project update to the Commission:

19014 - Wire Glass Replacement Authorized Budget: \$1,058,800
Total Expenditures: \$946,193.71 Work has been completed.

19015 – Technology Upgrades Authorized Budget: \$1,071,074
Total Expenditures: \$990,474.88 Work has been completed

20008 – Door Access Control Budget: \$1,240,000
Current obligations and expenditures: \$1,023,367.86
Work has been completed, waiting for close-out documents prior to making final payment.

20009 - Roof Fall Protection Authorized Budget: \$220,000
Current obligations and expenditures: \$183,098.34
Work has been completed. Contractor has been asked to price a change order to provide safety tie-offs at an area not identified on the original drawings. Final invoicing has not been received on the original work.

20010 - Gallery Guardrails Authorized Budget: \$275,543
Current obligations and expenditures: \$28,000

The existing carpet was removed successfully and will be able to be reused. Testing has revealed that the concrete thickness varies from 8” thick at outside to 3” at the center. Currently pull tests are scheduled to determine the tensile strength of the concrete at the center where an alternative structural detail will need to be designed. Once the optional details have been determined each post location will need to be examined to determine slab condition and the correct connection specified for the condition at that support. When each connection has been determined guardrail construction can begin.

22010 – Misc. Projects Authorized Budget: \$20,000

Current obligations and expenditures: \$14,217.32

Bike Racks – (\$2,277.32) Work completed

Jefferson Street Concrete Stair Nosings – (\$11,940.00) Work completed

Dedication Plaque Replacement – (NTE \$5,000) Dedication plaques have been removed. New slabs are being procured for engraving. Anticipate new installation in October.

State Street Hydronic Piping Repairs Authorized Budget: \$50,000

Total Expenditures: \$66,070.00

Work has been completed. The work was more extensive than anticipated and consisted of replacing segments of 6 corroded pipes from the junction inside the mechanical room to approximately 6’ outside the exterior wall, resealing wall and providing a protective waterproof coating to new pipe couplers.

22012 – Replace Idaho in Session Broadcast Equipment Authorized Budget: \$356,116

Current Expenditures: \$129,336.76

The equipment is being procured, installation is scheduled to occur in September and October.

22520 – Capitol Office Build-Out Authorized Budget: \$11,000,000

Current Expenditures: \$0

On hold until new House Leadership is selected and provides guidance on the scope of work.

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. Prioritizing digitization of paper records and moving towards full usage of the Idaho State Museum collections management system. The 2023 annual inventory generated updated photos of collections pieces, better documenting condition of historic furniture and artifacts integral to the Capitol Collection.

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. Pieces acquired through interagency transfer in previous years are being prepared 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.

Exhibits Program: 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 2023: 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. Idaho Day 2023 falls within the 180th anniversary of the Great Migration of 1843. This historic movement West solidified the course of the Oregon Trail through the region now known as Idaho. We hope to center Idaho Day programming and pins on the theme of migration, a topic key to the Gem State's past, present, and future.

Other Business

Next Meeting Date:

The next Capitol Commission meeting is scheduled for February 16, 2023.

Adjournment:

MOTION: Chairman Erstad moved that the August 17, 2022, meeting of the Idaho Capitol Commission be adjourned at 2:32 PM. The motion passed unanimously.

Kimberly Rau, Program Specialist
Department of Administration