
Idaho State Capitol Commission

Official Minutes

July 19, 2007

A meeting of the Idaho State Capitol Commission was held on this date in the Multi-Purpose Room of the Idaho State History Center in Boise, Idaho. Chairman General Jack Kane called the meeting to order at 9:05 a.m.

Attendees

Members Present:

Major General Jack Kane, (Ret.), Chairman

Stephen Hartgen

Carl Bianchi

Andrew Erstad

Evan Frasure

Jeff Youtz, Director, Legislative Services Office, and Ex-Officio Member

Janet Gallimore, Executive Director, Idaho State Historical Society, and Ex-Officio Member

Mike Gwartney, Director, Department of Administration, Secretary/Ex-Officio Member

Members Absent:

Sandy Patano

Others Present:

Gary Daniel, Communications Liaison, Idaho State Capitol Commission

Becky Henke, Communications Assistant, Idaho State Capitol Commission

Teresa Luna, Communications Manager, Dept. of Administration

Rick Thompson, Administrator, Div. of Insurance and Internal Support, Dept. of Administration

Connie Smith, Fiscal Officer, Div. of Insurance and Internal Support, Dept. of Administration

Brigitte Teets, Webmaster, Dept. of Administration

Tim Mason, Administrator, Division of Public Works, Dept. of Administration

Jan Frew, Deputy Administrator and Capitol Restoration Project Manager, Division of Public Works, Dept. of Administration

Joe Rutledge, Assistant Project Manager, Division of Public Works, Dept. of Administration
Kelly Schlieper, Relocation Project Manager, Division of Public Works, Dept. of Administration
Robyn Lockett (formerly Robyn Davis), Relocation Specialist, Legislative Services Office
Dawn Hall, Budget Analyst, Division of Financial Management
Vivian Otero-Epley, Idaho State Building Authority
Linda Morton-Keithly, Idaho State Historical Society
Jim Mallon, Lemley+3D/I
John Emery, Jacobsen Hunt
John Maulin, CSHQA Architects

General Commission Business

Approval of Minutes

MOTION: Commissioner Andy Erstad moved to approve the minutes of the June 20, 2007 Idaho State Capitol Commission meeting. The second was by Commissioner Steve Hartgen; the motion passed.

Budget and Funding Issues

Revenue & Expenditures Report, Rick Thompson

Mr. Thompson referred to the FY 2007 Budget Worksheet and 2007 Sources and Uses of Funds reports for the period ending June 30, 2007, both available to the Commission.

Of the \$32,800 carried forward from FY06 personnel costs (PC) appropriation, \$31,300 was spent during FY 07, reverting about \$1,500 of the FY 06 PC carry forward back to the Income Fund. The entire \$1,942 of carried forward FY 06 operating expense appropriation was expended during FY 07.

The unspent portion of the FY07 PC appropriation was \$73,000 and will be carried forward into FY 08. Total fees of \$58,800 were paid to the Endowment Fund, which is \$28,800 more than budgeted for FY 07. Land Fees paid in the amount of \$88,900 were approximately \$40,000 below budget. The Outreach budget of \$48,600 was under spent by \$39,000, which will also carry forward into FY 08. \$5,000 was budgeted to establish the Communications office space and has been encumbered to be spent in FY 08. Total unspent funds of the Capitol Commission FY 07 appropriation amounted to \$166,000.

The Supplemental Master Plan budget of \$750,000 was completely spent and \$110,000 was spent of the \$5,150,000 capitol furnishings appropriation. The remaining funds will be carried forward into FY 08.

The Sources and Uses of Funds report shows a \$1.6 million beginning cash balance in the Income Fund and a zero cash balance in the Permanent Building Fund. Income Fund expenditures amounted to \$193,436 and Permanent Building Fund expenditures were \$52,715. The total unobligated balance of the Income Fund is \$1,304,555

The Endowment Fund has a historical cash balance of \$6.6 Million and a cash balance of \$6.2 Million. \$413,000 was transferred to the Income Fund from the Endowment at the beginning of FY 07. The transfer requested by the Capitol Commission for FY 08 has been made, but is not yet reflected on these financial statements.

The market value of the Income Fund is \$1.1 Million dollars and the Endowment Fund is \$17.1 Million dollars. The FY 08 transfer from the Endowment Fund in the amount of \$467,109 has been made to the Income fund and will be shown on the July statements.

Commissioner Hartgen referred to the budget worksheet and asked if the Endowment Fund Fees would remain \$28,800 above the estimate in FY 08. Mr. Thompson explained that he will talk with the Endowment Board to research their anticipated costs for FY 08. Commissioner Youtz asked if the fees were based on a formula and Mr. Thompson indicated that they are based on actual costs.

Commissioner Bianchi asked if the interest is in a long-term fund and Mr. Thompson explained that it is in a short-term fund because the long-term fund penalizes for withdrawals made within three years.

Timber and License Plate Revenues Report, Rick Thompson

Mr. Thompson reviewed the laws funding the Capitol Permanent Endowment Fund and the Capitol Endowment Income Fund. He explained that the Permanent Endowment Fund includes proceeds from the sale of lands granted to Idaho at statehood, currently approximately 7,500 acres. The fund includes the sales of timber on endowment lands, lease of endowment lands, interest charged on deferred payments on these lands, retained earnings and appropriations from the legislature.

Mr. Thompson gave the commissioners a report showing the income from both sources of funding. The Endowment Fund Investment Board runs the Capitol Endowment fund. The Department of Lands transferred \$2.3 Million in FY2007 and investment earnings were \$378,672. The Department of Lands will give a detailed report of their transfer, how much is timber sales, potential cash land sales, etc. at a meeting in the future.

Commissioner Youtz commented on the variance in the Endowment earnings

between 2005 and 2007 and Mr. Thompson explained that timber sales are very difficult to estimate, however the investment fund is increasing very well. Commissioner Bianchi agreed that it is very difficult to anticipate the income from the Endowment Fund. Mr. Thompson said that he will research the sale of Endowment land in Cascade because that land has appreciated significantly. Commissioner Youtz reported that the Department of Lands had recently assigned Jane Wright as project manager to investigate how to maximize Endowment lands.

Mr. Thompson pointed out that the License Plate program income has steadily increased over the last five years, from \$6,095 in FY2002 to \$73,540 in FY2007 (through May 31, 2007). Commissioner Hartgen asked where the Capitol Restoration license plates fall in popularity compared to other specialty plates. Commissioner Bianchi answered that the Capital Restoration plates are ahead of all others except "wildlife" plates. He also reported that the legislative authorization for the plate expires in 2010 and that the Commission should try to continue the plate sales permanently.

Mr. Thompson also distributed the FY 2008 Proposed Budget Worksheet for the Commissioner's review.

Capitol Restoration Updates

Design/Construction Update, Jan Frew

Ms. Frew presented pictures of the construction project, showing fencing, inside and outside demolition and some excavation work. Ms. Frew reported that asbestos removal is complete and the garden level work is advanced. Hardware removal is underway, which includes removal of all lighting, doors and hardware that will be saved. Designs are being finalized on the underground wings, making sure that all IT and systems are properly designed.

Ms. Frew explained that the wings' contractor has recommended removing the East and West stairs but leaving the buttresses in place and excavating between the walls.

Commissioner Youtz noticed that hardwood floors had been uncovered and Mr. Maulin explained that during asbestos removal much of the flooring was damaged and so these floors will likely have to be replaced.

Commissioner Hartgen asked Ms. Frew if the relationship with contractor and subcontractors was good and comfortable enough to ensure that if any problems occur, she will be notified quickly. She updated the Commission that she gets regular daily updates from the contractor and feels good about the communication process and everyone is using all the implemented processes, including a weekly meeting and various specialty meetings on specific issues.

Budget Estimate Report, Jim Mallon

Mr. Mallon referred to the Budget Summary Report for the project and informed the Commission that the overall budget is currently on track. The \$22 Million contract with McAlvain Construction, Inc. (MCI) recognizes a \$5 Million savings. Capitol Restoration has a \$643,000 over-run, which is common in the construction industry because of unknown factors in the job. For this reason the estimates are given a 5% to 10% variance. The project contingencies are considered to be more than adequate.

Commissioner Gwartney pointed out that 8% of the contingencies have been spent and asked if that is about what should be expected at this point. Mr. Mallon confirmed that 8% is well within normal ranges because phase one is where the hidden costs are usually discovered.

Commissioner Gallimore asked if quality is being compromised in the effort to conserve costs and Mr. Mallon assured her that CSHQA, the design consultant, and Isthmus, the historical preservation architectural experts, are working with ensure that we are not compromising quality.

Schedule Status Report, Jim Mallon

Current construction is on schedule with a December 10, 2009 completion date. The contractors will always look at ways to save time wherever possible.

Cost Estimate, John Emery, Jacobsen Hunt

Mr. Emery presented the Commission with a three page detailed spreadsheet detailing project costs. The report shows the previous budget, current budget and the distribution of costs per Phase. It also reports the variances and potential savings. Ada County Highway District (ACHD) and the City of Boise fees for encroachment and parking meters are not a line item yet because the fees are being waived, except for actual costs to close or narrow the roads, and those actual costs are not yet known. Ms. Frew explained that the encroachment fees were charged for lanes taken out of traffic, and ACHD has agreed to charge only the actual costs for preparing the roads. Commissioner Gwartney explained that the fees are based on the value of the adjacent land. Mr. Emery noted that some areas were higher than originally budgeted while other areas reflected possible cost savings. He thought that some savings may also be found in the general conditions budget items.

Photo Documentation, Jan Frew

Chairman Kane and Commissioner Gallimore both expressed the importance of photo documentation of this project and recommended careful consideration of this budget item. The photo documentation and record is vital to maintain historical perspective.

Mr. Emery explained that the bid for photography was awarded to Studio Corp, a Boise company. Studio Corp has taken archival photographs of the Capitol rooms, walls, floors, etc. and these photographs are posted on a website. The web site will

contain public access photos and also private access for the Commission. They are saved and backed up electronically, but the company will also print four pictures per page for the Commission to review. The Commission will then have the option of choosing the best pictures for archive purposes, which will save printing costs because each printed picture will cost \$18. Commissioner Gallimore asked if the Idaho State Historical Society (ISHS) staff could take part in the process, as these photographs will eventually end up at ISHS, and Mr. Emery agreed to work with them.

Legislative Space Allocation Advisory Committee Meeting Update, Jeff Youtz

Commissioner Youtz gave an update about the Legislative Space Allocation Advisory Committee (the Committee) meeting, which includes Legislative leadership as members. During the meeting Ms. Frew updated the Committee on the restoration and Mr. Maulin facilitated a design workshop to discuss the legislature's tenant improvement needs in the restored Capitol. Mr. Maulin discussed options for the wings design and expectations for technology specifications, committee rooms and seating options. The Committee's only concern was the height of the ceilings in the hearing rooms. Mr. Maulin's final design will reflect the input from this meeting. Overall, the Committee was happy with the project.

Commissioner Hartgen asked if the Committee made any progress on the space allocation for the Press. Commissioner Youtz reported that the Press gave the same presentation to the Committee which they gave to the Capitol Commission and the Committee did not allocate additional space in the Capitol for them, however, additional space was offered in the basement of the JR Williams Building. Chairman Kane requested that staff prepare a letter of response to Senator Stennett's May 22, 2007 letter about space allocation for the Press.

Other Design & Construction Elements

Report on Tree Removal, Jim Mallon, Lemley+3D/I

A report on the tree removal process was submitted to the Commission as requested at the last Commission meeting. Mr. Mallon explained that the removal was originally scheduled for June 20 but the contractor had an opportunity to start early. Lemley+3D/I contacted Representative Black then and Mr. Daniel on Monday. To the best of Lemley+3D/I's knowledge, all of the trees expected to be harvested were harvested. The report fully documents the harvested, removed and saved trees.

Ms. Frew notified the Commission that an additional tree (#55) will need to be removed. This tree was planted by the NAACP and is called the Martin Luther King tree. Commissioner Hartgen expressed the importance of preemptively managing communications about this unforeseen change. Chairman Kane asked Mr. Daniel to contact the NAACP, who sponsored this tree and inform them of the change.

Safety Information - State Capitol, John Emery, Jacobsen Hunt

Mr. Emery announced that 24 hour security at the construction site is being provided by Allied Barton. The security gate is located at Jefferson and Capitol Blvd and all visitors must check in with the security office before entering the site. He also updated the Commission on the following required safety protocols at the site:

- All visitors and workers will have to complete safety training or sign a waiver before entering the site.
- All visitors must have prior authorization from the Construction Manager At Risk (CMAR) and be escorted during their visit.
- No visitors may enter without meeting the OSHA safety requirements, which include long pants, shirts with sleeves, ankle high, hard-soled boots, hard hats, safety glasses and hearing protection as needed. (This information is included on the safety handouts included in the commissioners packets.)

Some parts of the building may be off limits due to contaminants. Airborne lead contaminants ARE present on site. There is no parking within the fenced construction site area. All requests for tours of the site must go through Commissioner Gwartney, Ms. Frew or Mr. Daniel.

Chairman Kane requested that arrangements be made for the Commissioners to tour the construction site periodically during the course of the project, at least quarterly. He asked Ms. Frew to recommend when the commissioners tour the site, and she recommended that the first tour of the site be during the August Commission meeting, instead of touring the historical storage facility. She recommended that Mr. Swanson provide a slide presentation about area instead. Ms. Frew announced that the first media visit is scheduled on July 27, 2007 and Congressman Simpson will tour the site on August 13th.

Commissioner Bianchi mentioned that the construction site will likely have many visitors who are interested in the project. Chairman Kane suggested that a visitor's bureau be set up to organize visits and assigned Mr. Daniel to put it together. Mr. Gwartney added that he has asked Mr. Daniel to relocate to the DPW office to encourage teamwork.

Kendall Street Storage Facility, Kelly Schlieper

Ms. Schlieper presented a PowerPoint presentation of the storage facility at 5325 Kendall Street in Boise. This easily accessible location is directly adjacent to the Department of Administration's records storage center. The approximately 4,000 square feet of office space is climate controlled plus 12,000 square feet of open storage which includes a loading dock and ramp. The facility is currently used for long term and temporary storage, much of which is furniture that will be moved into the Capitol Annex at the completion of phase two in September.

She reported that some of this storage space will also be shared for cost efficiencies with contractors who are working on the restoration project. Ms.

Frew explained that according to the Jacobsen Hunt contract, any savings for storage expenses is a direct savings to the project.

Commissioner Bianchi asked where the displays were relocated and Ms. Schlieper explained that the Historical Society took possession of historical displays for storage and archive purposes and some items that were lent to the Capitol for displays were returned to owners. She is working on opportunities to have the Capitol Mall Model updated during the restoration. The draperies from the Capitol are also being stored or will be reused in the Annex. Both Ms. Schlieper and Jacobsen Hunt have a detailed log of what items are stored where and who owns them. Mr. Gwartney told the commissioners that he has toured the facility and that it is well organized and secure.

Public Outreach, Art & Culture

Photographic Web Cam, Brigitte Teets

Ms. Teets informed the Commission that three proposals were received for the Request for Quotations (RFQ) for the construction cameras. Two of the three proposals were deemed non-responsive because they did not meet the minimum camera quality. iBeam was the responsive vendor and was awarded the bid, with installation to begin immediately and to be completed within two weeks. AT&T is working with Mr. Daniel and the ISHS to donate the DSL line at the AT&T building. Ms. Teets reported that the web site is prepared and the links are ready as soon as the cameras are installed.

Status of Artifacts Reserved by Commission, Gary Daniel

Artifacts originally thought to be rubble have been stored by the Department of Administration. The artifacts include balusters, marble fragments and granite chips from the Capitol, memorial markers and plaques and pieces of sandstone. The Commission discussed proper storage and use of these items.

MOTION: Commissioner Hartgen moved that the Commission direct Ms. Schlieper and Mr. Swanson to take care of these items for historic preservation and to store them at the Kendall Street storage facility and to treat them as preserved historical items. Second was by Commissioner Erstad; the motion passed.

Airport Exhibit Potential, Janet Gallimore

Commissioner Gallimore reported that she, Mr. Swanson and Ms. Morton-Keithly will tour exhibit space at the Boise airport. After the tour, they will decide what to feature in the space. It's a great opportunity for exposure of the Capitol restoration project and an opportunity to house some historical Capitol items.

Media Coverage, Gary Daniel

Several questions were raised by the media about why steps that were replaced in 2002 were removed from the Capitol. Mr. Daniel and Ms. Frew guided the media through the reasons and explained the facts, then directed inquirers to the Commission's website, which explains all aspects of the project in depth. Mr. Daniel complimented Ms. Frew's stellar handling of the media and said that he had not seen any particularly savaging articles about the topic.

Logo, Jan Frew

Ms. Frew requested and was granted permission to use the Capitol Commission logo for the project team.

Upcoming Meeting Schedule

The next meeting of the Commission is already scheduled for August 21, 2007 at 9:30 a.m., but the location was changed from the Transportation Department to a meeting room nearer the State Capitol, preferably the Borah courtroom. After the meeting the Commission will tour the construction site.

The September meeting is scheduled for September 20, 2007 at 9:30 a.m. at the Idaho State Historical Society conference room. After the meeting the Commission will tour the historical archives.

The October meeting was scheduled for Thursday, October 18th at 9:30 a.m.

Adjournment

MOTION: Commissioner Frasure moved that the July 19, 2007 meeting of the Idaho State Capitol Commission adjourn at 10:55 a.m.

Becky Henke, Communications Assistant
Idaho Capitol Commission