
Idaho State Capitol Commission

Official Minutes, December 17, 2008

A meeting of the Idaho State Capitol Commission was held on this date Idaho State Historical Society main conference room, Boise, Idaho. (Acting) Chairman Steve Hartgen called the meeting to order at 10:05 a.m.

Attendees

Members Present:

Stephen Hartgen

Andrew Erstad

Dolores Crow

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

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

Evan Frasure (via teleconference)

Sandy Patano (via teleconference)

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

Others Present:

Gary Daniel, Communications Liaison, Idaho State Capitol Commission

Becky Henke, Communications Coordinator, Idaho State Capitol Commission

Tim Mason, Division of Public Works

Jan Frew, Executive Project Manager, Division of Public Works

Joe Rutledge, Division of Public Works

Kelly Berard, Relocation Project Manager, Division of Public Works

Connie Smith, Fiscal Officer, Dept. of Administration

Robyn Lockett, Relocation Specialist, Legislative Services Office

Matt Freeman, Legislative Services Office

Ken Swanson, Idaho State Historical Society

Linda Morton-Keithley, Idaho State Historical Society

Vivian Otero-Epley, Idaho State Building Authority

Jack Lemley, Lemley+3D/I

Rich Bauer, Lemley+3D/I

Jim Mallon, Lemley+3D/I

John Maulin, CSHQA

Doug Welling, Jacobsen Hunt Joint Venture (JHJV)

John Emery, JHJV

Ray Libonati, JHJV

Larry Johnson, Endowment Fund Investment Board (EFIB)

Chris Halvorson, EFIB

Bruce Reichert, Idaho Public Television (IPTV)

Richard Ochoa, IPTV

General Commission Business

Approval of Minutes

MOTION: Commissioner Mike Gwartney moved to approve the minutes from the November 19, 2008 Capitol Commission meeting as written. The second was by Commissioner Andy Erstad; the motion passed unanimously.

Budget and Funding Issues

Revenue & Expenditures Report, *Connie Smith*

Ms. Smith referred to the FY 2009 Budget Worksheet and the FY 2009 Sources and Uses of Funds reports for the period ending November 30, 2008 during her presentation, both available to the Commission.

Ms. Smith reported expenditures against budget for the Capitol Income Fund (CIF) and the Permanent Building Fund (PBF), as follows:

	<u>November</u> <u>Expenditures</u>	<u>Total YTD</u> <u>Expenditures</u>	<u>FY 2009</u> <u>Balance</u>
Personnel Costs-PBF	\$11,356	\$61,335	\$120,328
Operating Costs-CIF & PBF	\$53,237	\$105,309	\$251,979
Total Expenditures-CIF & PBF	\$64,593	\$166,644	\$755,607

Ms. Smith noted that the FY 2008 carry forward funds have been expended as of November 30, 2008. She also noted that the EFIB fees in the amount of \$19,251 and Department of Lands fees in the amount of \$33,695 were paid in November. The Capitol Furnishings spending authority and cash balance is \$4,912,491.

Addressing the FY 2009 Sources and Uses of Funds spreadsheet as of November 30, 2008, Ms. Smith reported total available funds as follows:

<u>Income Fund</u>	<u>Permanent Building Fund</u>	<u>Capitol Furnishings Fund</u>
\$1,813,635	\$298,887	\$5,199,612 *

**The balance of the Capitol Furnishing Fund shown on the Sources and Uses of Funds spreadsheet includes accumulated earnings.*

The total cash balance, after liabilities, is as follows:

<u>Income Fund</u>	<u>Permanent Building Fund</u>	<u>Capitol Furnishings Fund</u>
\$1,185,613	\$4,658	\$286,234

The estimated market positions as of November 30, 2008 are:

<u>Income Fund</u>	<u>Permanent Building Fund</u>	<u>Capitol Furnishings Fund</u>	<u>Endowment Fund</u>
\$1,180,002	\$0	\$286,234	\$13,818,946

Endowment Fund Investment Board Report, *Larry Johnson*

Mr. Larry Johnson and Mr. Chris Halvorson, of the Endowment Fund Investment Board, reported on the status of the Fund.

Mr. Johnson gave the commissioners the "Outlook for Bonds" and "Stock Market Historical Returns Ten-year Averages" reports. He gave the commissioners an overview of the Capitol Commission's endowment and reviewed the role of the Endowment Fund Investment Board. He explained that the EFIB manages the endowment funds and the Department of Lands manages the timber assets. Mr. Johnson reminded the commission that they are just finishing a tree harvesting cycle and the next cycle won't begin for another 10 years.

Mr. Johnson then reported the reaction of the fund to current economic conditions. He explained how investments are made and how they are diversified. He said that during 2008 the Endowment Fund lost 2.1%, but pointed out that the treasury rates are unprecedented and have not been at 0% since the Great Depression. He also said that the EFIB may reconsider the fund distribution policy which is 5% at this time.

Because the Capitol Commission has not taken a distribution recently, despite the recent loss, the fund could provide an \$815,000 distribution. However, if the market continues to fall, the result will be lower distribution allowances in the future. Mr. Johnson recommended that the Capitol Commission take a lower draw during the next year, suggesting 3%.

Commissioner Gwartney recommended that the Capitol Commission leave the option to take the draw and the amount open. Commissioner Youtz commented that the Capitol Commission won't need to draw much money after the restoration is complete.

Commissioner Hartgen asked when the decision to make the next draw is due and Mr. Johnson responded that the Capitol Commission will need to ask this legislature for the spending authority. The request to make the actual transfer can be made until June 30, 2009. Commissioner Hartgen invited Mr. Johnson to report back to the Commission in late spring.

Other Business

Commissioner Hartgen announced that Mr. Ken Swanson, Idaho State Historical Society, will retire at the end of this year. He recognized and formally thanked Mr. Swanson for his work with the Capitol restoration project.

Capitol Restoration Updates

Project Status, Jan Frew

Ms. Frew introduced Mr. Doug Welling and Mr. Kevin Brown from Jacobsen Hunt Joint Venture, Mr. Ray Libonati from Hunt Construction Group, and Jack Lemley from Lemley+3D/I to the Capitol Commission. She then asked Mr. Mallon to review the Lemley+3D/I *November 2008 Program Report*.

Mr. Mallon reported that CSHQA, the project architect/engineer, continues to work on-site to support the project. He said that the response time from architects to turn around requests for information, supplemental instructions, proposal requests and construction change directives is consistently quick.

Mr. Mallon also reported that the Construction Manager At Risk (CMAR) has worked on all aspects of the expansion interior and the finishes in the existing Capitol. The marble and drywall work continues from the upper floors in the Capitol, thus the most complete activities are on the fourth floor. Plaster, paint and wood restoration activities are concentrated on the third and fourth floors. Subcontractors have activated permanent electrical power in the building.

The CMAR has received the access flooring for the Senate and House Chambers and they expect to begin installation in the Senate Chambers next month. The CMAR has removed the scaffolding in the senate chambers. They will begin removing the scaffolding in the rotunda and the house chambers this week.

The design-build contractor focused on the punch list activities for the wings core and shell. They have completed the exterior stairs that lead from 6th and 8th Street level down to the wings and have made significant progress on the exterior sandstone cladding on the 6th and 8th Street entrances. They have landscaped the grounds over the wings so the landscaping will be more mature when the Capitol reopens.

Mr. Mallon commended Mr. Emery for getting involved in the wings tenant improvements as early as last year. He said that early work is helping the project now.

Budget Review, Jan Frew

Ms. Frew referred to the Contract Fund Allocation Report on Page 16 of the *November 2008 Program Report*. She reported that total expenditures-to-date are \$68,919,780 and the total value of all current contracts is \$122,228,387, which includes the contractor contingency.

Ms. Frew referred to the DPW Project 30-month Budget Report on page 17 in the September 2008 program report, and summarized as follows:

	<u>Capitol Restoration</u>	<u>Wings Expansion</u>
Total YTD expenditures	\$ 43,728,735	\$ 25,191,044
Construction expenditures	\$ 36,805,005	\$ 23,726,060

She reported the remaining budget as \$53,580,222. Ms. Frew reviewed the potential change report and the pay out schedule. She pointed out that the actual pay-out is tracking very close to projection.

Commissioner Gwartney asked Ms. Frew to update the commission on wiring for the IT and audio visual equipment in the Capitol. Ms. Frew reported that the contractor’s contingency will be used to fund the system wiring that was not included in the original contract because of a miscommunication. She estimated that the wiring could cost approximately \$600,000. The request for bids has been published for this equipment.

Schedule Update, John Emery

Mr. Emery referred to his Capitol Completion Schedule handout, available to the commission, and explained the summarized schedule, which details the next 12 months. He pointed out that the schedule is arranged from the top of the Capitol to the bottom which is the same direction as the work flow.

He reported that the mechanical, electrical and plumbing rough-ins and framing are complete throughout the building. Foam insulation will be applied in the Wings over the next few weeks and then sheet rock will be installed.

Scheduled completion dates for the different floors are as follows:

- Fourth floor – March 2009.
- Third floor – mid-May 2009.
- Second floor – end of July 2009.
- First floor – September 2009
- Garden level – November 2009.

Mr. Emery said that the Garden level completion date is at the final completion date but Jacobsen Hunt is trying to recover some of those days. The difficulty with the schedule has been the discoveries made because the Capitol is an old building, and trying to bring the 100-year-old building up to current building code.

Commissioner Hartgen thanked Mr. Emery and Commissioner Youtz for the legislative tour on the legislative organizational day. He said that over 45 legislators attended the tour. Commissioner Youtz said that the legislators were impressed and gave positive feedback about the work that has been done.

Commissioner Hartgen asked Commissioner Erstad to report on the activities of the Design and Construction Committee since the last meeting. Commissioner Erstad reported that the committee is now holding meetings as needed and met on December 16.

Commissioner Hartgen asked Mr. Emery if he is comfortable with the project timeline. Mr. Emery responded that the schedule continues to be very tight.

Commissioner Hartgen said that the commission appreciates the remarkable progress the project team has made bringing this project in on-time and on-budget.

Other Design & Construction Elements

New Furnishings Update, Kelly Berard & Robyn Lockett

Ms. Berard reported that the upholstery portion of the historic furnishings restoration bid has been re-bid because the process was unsatisfactory to both the owner and the upholsterers. She said that the work is on track with the revised schedule.

She also reported that the relocation team has engaged the agencies to help select the new furniture for the restored Capitol. She and Ms. Lockett have developed a line item, by location furnishings inventory and continue to work on the furnishings budget. They have completed the style selections on window treatments and the changes to the dais desks. They are working with Idaho State Historical Society and their activities are scheduled out to the project completion date.

Ms. Lockett referred to the Capitol Furnishings Budget Summary handout, available to the Commission. She explained that the report details total costs for desks, credenzas, file cabinets, chairs, tables, bookcases and other accessories. The desks and credenzas are the largest cost items. Chairs and tables are the next largest cost items. She said that many chairs are in good shape and will be used again. She also said that lamps have been removed from the budget and the departments may choose to purchase additional lamps at a later date. Other accessories include such items as coat trees and the rugs with the state seal for the vestibules of the chambers. Commissioner Crow asked if the rugs could be reused and Ms. Lockett replied that they will only be able to reuse one and it may be used in the Governor's office so that the chambers will have matching rugs.

She also reported that dressing the 420 windows will cost approximately \$1000 each, on average. The line item for audio-visual equipment (\$500,000) hasn't been bid yet. They estimate the total Capitol furnishings budget at \$4.725 million, with an additional \$200,000 for contingency.

Ms. Berard addressed the timeline and said that requests for bids for furnishings will go out to vendors in February and their bids will be due back in March. The final contracts will be awarded in April. Furniture will be manufactured from May to September. New furniture delivery and installation will take place from September to November. All relocation of agencies and their existing furniture will happen from late November through December 2009.

Public Outreach, Art & Culture

Public Relations/Outreach Report, Commissioner Sandy Patano

Commissioner Patano asked Mr. Daniel to report the highlights of outreach activities. His report included:

- A demonstration of a simplified version of the 12-month time-table, which Mr. Daniel said could be added to the website or the kiosks if the commission wants to make it available for public viewing.
- He reported that Leadership Boise toured the Capitol. The tour for the group of approximately 60 people went well and they were able to move the group through the building five minutes faster than anticipated. It was valuable to learn how to move a large group through the building efficiently, with little disruption to the construction process.
- Mr. Daniel and Lt. Col. Tim Marsano, Public Information Officer for the Idaho Guard met and discussed the logistics for the grand reopening events. Lt. Col. Marsano offered his expertise about Capitol event planning, staging issues and security ideas for the grand re-opening. He said that the Idaho Guard does not have access to funds for the grand re-opening event but offered to help staff the event.
- A Twin Falls TV station toured the Capitol in early December and aired favorable coverage.

- Ms. Frew made a presentation to the Pocatello Rotary Club about the project, and local media was present.
- Mr. Daniel offered to provide a similar presentation about the restoration for any commissioners who will be addressing groups. He will also provide a similar press kit for their local media. The press kit and Commissioner Frasure helped inform the local media about Ms. Frew's presentation in Pocatello.
- Commissioner Frasure received a set of banner exhibits and has arranged placement for them in schools and public buildings in eastern Idaho.

Art, History & Culture Committee, *Commissioner Janet Gallimore*

Commissioner Gallimore again thanked Mr. Swanson for his service to the Commission and said that he will be hard to replace.

She then reported on recent activities of the Art, History & Culture Committee (AHCC), saying that they met to discuss how to successfully transition the historical furniture restoration with the impending retirement of Mr. Swanson. They also reviewed the database of the historic photographs collection and furnishing plans. They also discussed creating policies, procedures and guidelines for use of the building, as well as the temporary and permanent collection schedules.

The most critical item on the AHCC work plan is the permanent exhibitions. After their November meeting, the committee began developing a budget for exhibitions. The request for proposals for garden level exhibition planning should be published at the beginning in 2009. Commissioner Hartgen asked Commissioner Gallimore to present the budget at the January commission meeting. Commissioner Hartgen also asked Commissioner Gallimore to inform the legislators that the historic photograph database is available.

Monthly Meeting Schedule, *Commissioner Steve Hartgen*

Regular meetings are tentatively scheduled for 10:00 am on the third Wednesday of each month at the ISHS unless the Commission is touring the Capitol. The next meets are scheduled for:

- January 21, at Idaho State Historical Society
- February 18 (tentative), meeting and tour, at JR Williams Basement Conference Room
- March 18 (tentative), at Idaho State Historical Society

Adjournment

MOTION: Commissioner Evan Frasure moved to adjourn the meeting. The second was by Commissioner Andy Erstad; the motion passed. The meeting adjourned at 11:40 a.m.

Becky Henke, Communications Coordinator