

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes
February 17, 2010 – 4:00 p.m.

This meeting of the Governor's Housing Committee was called to order in the Len B. Jordan Building, at 650 W. State Street, Boise, ID.

Committee Members Present: Representative Phylis King
Representative Max Black
Robert Geddes, President Pro Tempore of the Senate
Senator Les Bock
Director Mike Gwartney, Department of Administration

Others Present: Teresa Luna, Chief of Staff, Department of Administration
Connie Smith, Chief Financial Officer, Department of Administration
Ric Johnston, Facility Services Manager, Division of Public Works
Tim Mason, Administrator, Division of Public Works
Jennifer Pike, Management Assistant, Department of Administration
Melissa Vandenberg, Deputy Attorney General, Department of Administration
Keith Reynolds, Division of Financial Management
Peggy Faith, XericGardening
Bill Spence, Lewiston Tribune
John Miller, Idaho Statesman

CALL TO ORDER by the Chairman, Robert Geddes at 4:00 p.m.

The first order of business was the approval of the minutes from the 12/7/2009 meeting.

Approval of Minutes

Motion: Rep. King moved that the minutes for the December 7th meeting be approved. Director Gwartney seconded the motion.

Chairman Geddes noted an awkward sentence on the second page of the minutes. He asked Jennifer Pike to review the recording of the minutes to further clarify that section.

With no further discussion or objection, the minutes of the December 7th meeting of the Governor's Housing Committee meeting were approved with the caveat that the one sentence be reviewed. The motion carried.

Funding Update

Connie Smith from the Department of Administration presented the following four financial documents:

- 1) Idaho House Cash Flow
- 2) Idaho House FY2010 Budget
- 3) Governor's Residence Remodel Budget
- 4) Idaho House Fund CY2009 Operating Statement as Managed by the Idaho Community Foundation.

Ms. Smith noted in document 1, Idaho House Cash Flow, half of the rental revenue received was transferred in to the Official Event Fund that was established in the December 7th meeting.

Sen. Bock inquired about the total expenditures for ground maintenance. Ms. Smith noted that ground maintenance fees run approximately \$7000 in the summer and \$1600 in the winter. Since the last meeting, there were additional irrigation costs to repair a pump on the property and several of the sprinklers, and to perform some excavation on part of the property. Ms. Smith stated that she believes the expenditures for this fiscal year will stay within the budget set by the Committee.

Sen. Bock asked how the operating expenditures compared to prior years. Ms. Smith responded that she did not have those numbers available today, but could report back to the Committee at the next meeting.

Chairman Geddes asked about the difference between Grounds Maintenance and Irrigation Maintenance on the Idaho House FY2010 Budget. Ms. Smith deferred to Ric Johnston of the Division of Public Works to answer this question and follow up on the costs from previous years. Mr. Johnston said it had been considered to consolidate the two items (grounds maintenance and irrigation maintenance) on the budget. When the strategy was first developed, it was written as two separate items, but they really are universal components.

Chairman Geddes confirmed that the Simplot Corporation pays approximately 52% of the maintenance costs.

Tim Mason of the Division of Public Works asked Mr. Johnston to comment on Sen. Bock's previous question regarding the cost of maintenance for the previous year. Mr. Johnston responded that the state had spent about \$135,000 in the previous year, but did consider there would be changes in the electrical bill due to increased use of the house.

Rep. King asked about the issues with the pumps that date back to as long as the Committee had been keeping minutes and if there was any way to get around the issues; for instance, if there were more pumps, would they break down less often?

Mr. Johnston responded that there are several pumps on the property that run about 20 hours per day. Those pumps run until they are worn out. Every couple of years they can expect to spend about \$30,000 to replace parts. The pumps are very large, approximately 100 horse power. The main well is on the back side of the property, just west of the riding arena.

Chairman Geddes asked Mr. Mason if there was a more energy efficient way to pump the water up the hill. Mr. Mason responded that changes would require more pumps and would be expensive any way you approach it. Mr. Mason also commented that the water fall in front of the house is just a water feature and does not tie in to the irrigation system.

Chairman Geddes asked Ms. Smith about the funds in the Idaho Community Foundation and how that money was invested. Ms. Smith responded that the interest that accrues on this fund pays for the services of the Idaho Community Foundation.

With no further questions or comments, Director Gwartney moved for the acceptance of the financial reports. Sen. Bock seconded the motion. With no further motions or discussion, all members voted in the affirmative and the motion carried.

Parking Update

Rep. Max Black reminded the Committee that they had discussed options for the property including the limited access that requires a right of way through the Simplot property. Based on an aerial photo of the property, there was a dead end road that backed up to the property. Rep. Black checked with Ada County Highway District and found out that the road was actually a driveway built by two residents for parking their RV's. Rep. Black suggested that the Committee talk to the residents who built the parking area about the possibility of creating access to the Governor's House by way of their RV parking area in exchange for a new parking area even if the state had to trade them a little bit of land.

Sen. Bock commented that because this is an established subdivision, there would have to be city approval for the access as well.

Chairman Geddes asked Director Gwartney if the Committee chose to pursue this option does the Department of Administration have staff that is qualified to evaluate this process and approach both the land owners and the city for possible consideration of access to this property.

Director Gwartney responded that the first step would be to approach the home owners and see if they had any interest in this project. He suggested that representatives of the Department of Administration and of the Governor's Housing Committee be the first to contact the home owners. Secondly, Director Gwartney confirmed that Administration could handle the contact with the city and zoning after the home owners have been contacted.

Rep. Black made a motion to form a group to contact the two home owners regarding the possible lane through the property. If the home owners are agreeable, then the Committee could further pursue this option.

Discussion:

Rep. King asked about the feasibility of putting in a lane. Rep. Black responded that he thought putting in a lane was very feasible. It would not go straight up the hill, but may have to go back a ways and curve around.

Sen. Bock also noted that the planned subdivision may have a CC&R which gives each of the home owners the right to vote on such a change. He suggested the Committee obtain a copy of the CCNR which should be a public document.

Rep. King seconded the motion and asked if Rep. Black would be the person to contact the home owners.

Chairman Geddes responded that there were several things that need to be done: identify the homeowners, look at what the restrictive covenants for the subdivision may be, and get a better idea of the Ada County Highway policies.

Director Gwartney suggested that the Department of Administration would take on the responsibility to identifying the owners, obtaining copies of the applicable documents, and coordinating with Rep. Black and Sen. Bock so they can contact the home owners.

With no further motions or discussion, all members voted in the affirmative and the motion carried.

Rep. Black further discussed the limited parking at the house. With some coordinating efforts, Rep. Black was able to park 35 cars at the top of the hill for a House of Representatives event at the Governor's House. Rep. Black then suggested that by widening the road near the top of the hill, parking at the house could be increased.

Ric Johnston commented that parking cars was possible at that house; however, buses and limos tend to have difficulty turning around in the driveway.

Chairman Geddes asked for any other updates regarding the house. He reminded the Committee that the previous meeting was scheduled to be held at the Governor's House but due to snow the meeting was moved to the Capitol Mall. He further noted that weather conditions impact the accessibility and functionality of the property.

Other Updates

Teresa Luna of the Department of Administration further elaborated that parking has always been an issue at the house, but in the instance of the House of Representatives event, Rep. Black had people outside managing the parking and flow of traffic. There are other options for parking. The Simplot Co. has allowed some events to utilize parking at the bottom of the hill. The grade school and LDS church near the property have also allowed parking for events. Ms. Luna told that Committee that during last session a bus took people up the hill, but due to the sharp turn in the driveway the bus was unable to turn around and had to back down the entire hill. Another event utilized the 12-14 person van owned by the Blind Commission, and it had no trouble turning around.

Chairman Geddes asked Rep. Black what the general impression of the home was during the House of Representative event. Rep. Black responded that there were only one or two negative responses but that those reactions were not uncommon for those particular individuals.

Chairman Geddes told the Committee that based on his recent tour of the house with Ms. Luna to see the improvements made through the remodeling effort; his impression was that the home is much more function since the remodel.

Discussion of the packet mailed out

Chairman Geddes thanked the Department of Administration for providing each member with a copy of the meeting minutes from the last several years and a summary of the legal documents for the gift of the House and Ft. Boise land.

Director Gwartney offered to give the Committee an executive summary of the information contained in the packet including the Simplot gift and the Ft. Boise property. Referring back to an earlier question, Director Gwartney noted that there were plans drawn up for a Governor's Mansion but the Department had not found those documents prior to this meeting. Depending on the will of the Committee, the Department of Administration can pursue the costs associated with utilizing those plans to build on the Ft. Boise property.

Chairman Geddes and Rep. King took a tour of the Ft. Boise property and encouraged the other Committee members to do so as well. Chairman Geddes noted the challenges with building on the Ft. Boise property including designating an area to build and then providing access to that area.

Chairman Geddes noted that a property such as the Governor's House would be difficult to market in this economy. In addition, the property still has significant involvement and interest with the Simplot family. Chairman Geddes suggested that he and Director Gwartney speak with members of the Simplot family to assess their interest or ideas in regard to selling the property, should the Committee choose to pursue that option.

Rep. Black asked how the water access or availability, for example, would be handled if the property was sold since the Simplot family still owns the lower half of the hill.

Director Gwartney responded that this would be one of the complexities in selling the property. More than likely, a continuing agreement of some sort with the Simplot family or combine all the property and sell it together.

Rep. Black asked what the source of the culinary water for the property.

Mr. Johnston responded that the domestic water is served by Boise City and comes in off Bogus Basin Road. The water comes in to a pump station located about half way up the hill, on the state's portion of the property.

Ms. Luna informed the Committee the requests to use the house continue to come in. The house is being used, but not to its full capacity yet.

Director Gwartney noted that at some point there needs to be an appropriation for person to manage the house. The Department of Administration is putting together an estimate of the cost for this type of position or finding opportunities to outsource these duties.

Chairman Geddes followed up by saying that based on the funds available at this time, the house could operate as is for the next 5 years before the fund is depleted. That limits our options to do something different or maintain the property at the current cost. The Chairman suggested that the members look over the materials provided for this meeting. He will then ask the members for recommendations and then determine the best alternative for the committee to pursue. At some point in time, the committee will need to develop a business plan to maintain the property long term and identify a source of revenue; or use the remaining funds to improve that property or provide an alternative property suitable for a long-term governor's residence. This decision cannot be put off forever, or we will eliminate some of our future opportunities.

The Chairman recognized Peggy Faith with XericGardening. She has been working on more and more properties in the foothills where homeowners are utilizing xeriscaping with native and non-native plants. For the hill surrounding the Governor's House, she suggested letting all the grass die and planting native shrubs. The entire process would take about three years and be fairly labor intensive, but then the area would not have to be watered after that. She could develop a proposal, but wanted to make sure the Committee a desire for such a proposal.

Rep. Black asked about the fire suppression requirements should the Committee choose to pursue the xeriscaping option.

Ms. Faith responded that as long as the dying grass was kept cut down it should be ok. She would not suggest planting some plants that are more likely to catch fire.

Rep. King asked Ms. Luna what estimated the rental revenue to be for the upcoming year. She also asked what the possibility would be that the foreign dignitaries actually get to stay at the house.

Ms. Luna noted that rental revenue will not offset the cost to maintain the property. The current fees for state agencies utilizing the house are fairly minimal. If we continue on with that policy, we will make some money but not enough to fully offset the maintenance costs. We expect requests for use at the house to continue to increase, but that also means additional work to manage the house and the requests for using the house. And, although there have not been any foreign dignitaries stay overnight at the house to date; the house is capable of hosting those individuals. We are still in the very early stages of people realizing that the house is available and using it to its full capacity.

Chairman Geddes again, encouraged the Committee members to look through the information provided at this meeting and in the future the Committee will hopefully come up with answers to each of the issues and make a final decision on the most practical alternative.

Rep. King moved that the Committee adjourn. Director Gwartney seconded the motion. With no further motions or discussion, the meeting was adjourned.

Next Meeting of the Committee

The next meeting of the Governor's Housing Committee will held prior to the end of June to approve the next fiscal year's budget.

ADJOURNMENT

The Governor's Housing Committee was adjourned at 5:10 p.m.

Jennifer Pike, Management Assistant
Department of Administration