

# GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes  
December 7, 2009 – 2:30 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, Division of Public Works, Facility Services Manager  
Tim Mason, Administrator, Division of Public Works  
Jennifer Pike, Management Assistant, Department of Administration  
John Miller, Idaho Statesman

**CALL TO ORDER** by the Chairman, Robert Geddes at 2:30 p.m.

The first order of business was the approval of the minutes from the 8/28/2009 meeting.

## Approval of Minutes

**Motion:** Rep. King moved that the minutes for the August 28<sup>th</sup> meeting be approved. The motion was seconded by Rep. Black. Senator Bock noted that he tried to participate in this meeting via teleconference, but the phone system did not allow him to connect to the meeting. With no further discussion or objection, the minutes of the August 28<sup>th</sup> meeting of the Governor's Housing Committee meeting were approved. The motion passed.

## Funding Update

Connie Smith from the Department of Administration,

Ms. Smith presented the following four 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.

Director Mike Gwartney reminded the committee that there were two separate funds.

Ms. Smith noted on handout (2) that electricity has been higher than expected due to one particular irrigation pump that was utilizing more electricity.

Rep. King asked what sort of problems would have caused the electricity bill to be \$23,000 to date.

Ric Johnston, with the Division of Public Works, explained that there were two sets of pumps that operated the irrigation system and the caretaker at the property was using only one set of pumps to operate the whole system. The caretaker was unaware of the power consumption until the pump

company came out and showed him which valves to divert. One side was running harder and using more electricity.

Rep. King asked what it would have cost had the system been running properly.

Mr. Johnston explained that the pumps only account for about \$5000 of the total electricity bill.

Rep. Black noted that the committee had projected \$30,000 for electricity.

Mr. Johnston clarified that the \$30,000 was total estimated expense for the FY2010 electricity costs and that the amount was an estimate since there was not historic data. The Simplot's did not occupy the property year round. There will not be a better estimate on these costs until we have operated at this capacity for a full year.

Director Gwartney also noted that the electricity data was a bit skewed due to air conditioning and grounds maintenance in the summer months.

Chairman Geddes asked if the residence was being actively used or just actively maintained.

Mr. Johnston answered that the residence was being maintained as if it were being used full-time.

Rep. Black asked Mr. Johnston if he would review the acreage and the associated costs in regards to the property.

Mr. Johnston explained that there were originally approximately 72 acres to the property. The State took control of 34 acres of that property at the top of the hill. The maintenance costs are split 47%/53%, with 47% of that being paid by the State.

Chairman Geddes asked Mr. Johnston if he recalled a previous proposal from the State to obtain the lower part of the property from the Simplot family either via purchase or transfer of land.

Mr. Johnston asked Tim Mason, Division of Public Works, to elaborate on this question. Mr. Mason stated that at one time there was a Governor's recommended budget request as part of the parks initiative to purchase the other land via some sort of land trade. That item did not pass the legislature and was not taken any further. Mr. Mason noted that the Simplot family uses the arena area as storage but does not use the land for much else. The Simplot family has allowed the State to use the lower part of the property for parking for larger functions.

Director Gwartney noted that the State had looked in to trading land relative to the Department of Lands, but could never find land that met the constitutional requirements of the Department of Lands return on investment. So that alternative was investigated.

Chairman Geddes asked if either Mr. Mason or Director Gwartney recalled a ballpark figure of the value of the land during the negotiations.

Mr. Mason noted there would have been a budget number in the budget request he referred to earlier, but could not recall it at this time.

Chairman Geddes asked in general if the Simplot family would consider giving the State the remaining land if we offered to revert ownership of the house back to the family.

Rep. Black asked for further explanation about the flag expense line item of \$3711.00.

Ms. Smith responded that the line item includes replacement of the flag at the residence twice per year. The flags cost approximately \$1800.00 each. Ms. Smith also noted that despite the higher than expected electricity bills, she anticipates that the FY2010 budget will sufficiently cover the expenses of the house as previously approved including the one-time expenditures that were budgeted for but have yet to be spent.

Rep. King asked if there was a timeline to install the access gate and video surveillance as line itemed in the budget.

Mr. Johnston responded that the access gate is planned for spring 2010. The viability and access of the video surveillance system are still being investigated. The budgeted amount for the sprinklers and pumps would be the State's portion of the expense. In the previous fiscal year, we repaired two pump motors for approximately \$8000.00 this year.

Rep. King asked if the remaining \$4000 in the remodel fund would go to the remaining drapes to be installed in the house.

Ms. Luna responded that all the drapes in the house are installed and that the furnishing of the house was complete.

Chairman Geddes asked for further clarification regarding the caretaker at the property.

Mr. Johnston explained that the caretaker is a Simplot employee. This residence and the surrounding property are owned by Simplot. The item in the Governor's Housing Budget for ground maintenance includes the State's portion of the fees for the caretaker's services. There has been a caretaker, employed by the Simplot's on this property since it was built.

Ms. Smith continued on with the financial documents through the Governor's Residence Remodel Budget. Ms. Luna reminded the Committee that these funds were private donations.

Chairman Geddes noted a discrepancy in two of the financial documents (Idaho House Budget and Governor's Residence Remodel) regarding the remaining balance of the approved remodel funds.

Ms. Smith acknowledged the discrepancy and apologized and moved forward with the reviewing the final financial document.

Chairman Geddes noted that the Committee failed to start the meeting with a tour of the house as per the agenda due to the last minute change in the location of the meeting.

#### Rental Fees for Use of the House

Chairman Geddes recognized Ms. Luna to present the rental fees.

Ms. Luna presented a handout listing some of the previous events and usage of the house. There are further events scheduled at the house for the remainder of the year and in to the beginning of 2010. Ms. Luna then presented a proposed fee schedule for use of the Governor's House for State functions and for non-state functions. The proposed fees for state entities was intended to keep use of the house affordable and somewhat in line with what an agency would pay to use the a conference room in the JR Williams building; as well as, keeping the house affordable to outside entities while still covering the State's expenses.

Chairman Geddes asked what it cost to maintain and run the house.

Ms. Luna answered that costs include the house is being cleaned on a weekly basis and keeping the temperature at a livable standard.

Chairman Geddes clarified his question, regarding the costs of maintaining the house and his thought that at a minimum what we charge state agencies should be an incremental cost above what it costs to maintain the house.

Ms. Luna responded that Admin does want to cover the costs, but the fee schedule was intended to not price State agencies out of using the house. Admin believes the proposed fee schedule would meet that goal.

Mr. Johnston added that the majority of the revenue would come from non-state entities using the house. Groups using the house are required to clean up after themselves, and then the weekly cleaning crew would spot clean additional areas as necessary.

Ms. Luna informed the Committee that there is a checklist posted at the house letting groups know what is expected of them. That expectation includes pulling the vacuum out of the supply closet and using it with the intention that groups should leave the residence in the same or better condition than when they found it. Additionally, as the number of events at the house increases, the number of groups interested in renting the house has also increased. One major problem Admin has found with the increase in usage is the lack of a budget that would allow State to furnish items such as cookies and punch or coffee for official State functions. For instance, the State would have liked to host an open house following the Christmas Tree Lighting on November 30<sup>th</sup>. However, the State has no budget to provide shuttles up to the house for visitors or refreshments once guests are there. Admin has developed a flat rate fee for use of the house offered exclusively to cabinet offices and constitutional officers. This flat rate fee of \$300 would allow each agency or constitutional officer use of the house once per quarter. This would create a corpus of money for an official functions fund. For example, if 10 of the cabinet offices chose to participate that would be \$3000, and then Admin could develop a formula for splitting those fees between offsetting maintenance costs and an official functions fund.

Chairman Geddes commented that this would also be a way to inspire agencies to use the house.

Rep. King asked Ms. Luna if she had talked to the Constitutional Officers about their interest in the house.

Ms. Luna responded that, yes, she had spoken with some of the officers and they were interested.

Rep. Black asked if there was a cost of using the LBJ Conference Room.

Ric Johnston responded that the JRW conference rooms cost \$50 per day for use. The LBJ conference room is owned and administered by the Department of Administration.

Rep. King inquired about the total revenue of the house to date as she would be interested in knowing what it costs to run the house and if the money we were bringing in would offset those costs.

Ms. Luna responded that she did not have that number on hand, but would get the revenue through the end of the year sent to the Committee members in January. She also noted that most of the events to date are events of the Governor's and/or First Lady's and are not charged a fee.

Chairman Geddes asked if a motion was in order.

Director Gwartney clarified that Admin would like a motion from the Committee to endorse the idea of offering state agencies the flat rate option, and spending authority to split the revenue collected from all use of the house in to half (50%) maintenance and half (50%) in an official function fund.

**Director Gwartney made a motion that the Committee endorses the initiative presented by Ms. Luna. Rep. Black seconded the motion.**

Discussion:

Rep. King asked Director Gwartney to clarify that his motion was on the second proposal for splitting the revenue from rental fees 50/50.

Director Gwartney confirmed that his motion was in regards to the 50/50 split.

Chairman Geddes asked, if the flat rate fee is voluntary and one agency chooses not to participate, would that agency still be allowed to use the house.

Ms. Luna responded that agencies not participating in the flat rate offer would be charged for use of the house on a use-by-use basis at the established State rates.

Rep. King noted an error in the proposal example of 26 offices multiplied by \$300 equals \$7800.00 not \$6900 as stated in the proposal. She also asked Director Gwartney what the advantage was to move forward with the 50/50 split opposed to the 40/60 splits in proposal 1.

Ms. Luna responded that the two proposals were offered just as options for the Committee. Both options would allow Admin to move forward with the official function fund.

Chairman Geddes asked if Admin would provide supplies for all State events or just those where the public was invited.

Ms. Luna confirmed that the fund would be used for hosting visiting dignitaries or refreshments for an open house as two examples.

Director Gwartney noted that in regular economic times this request would most likely be a line item sent to JFAC and administered by the Office of the Governor or First Lady. Since this is not the right time for such a request, Admin is asking to create a fund so that the State can properly host people and events at the house.

Chairman Geddes confirmed that the motion would be update the figure that if all cabinet offices and constitutional officers participated in the flat rate fee that would be 26 offices x \$300.00 for a total of \$7800.00 and that those funds be split 50/50 between maintenance and the official function fund.

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

Rep. Black asked about the capacity of the house to host an event with a seated dinner or a stand up type event.

Ms. Luna responded that 100 – 120 would most likely be the capacity for a stand up event, and approximately 70 people for a sit down meal.

Rep. Black further clarified that the House of Representatives had looked in to an event and was trying to decide if the house could accommodate all 70 legislators and their spouses/partners for a stand up event.

Director Gwartney clarified that the house could most likely accommodate the event. In the summer time, events could be spread out to the patio and lawn as well which would accommodate more guests.

Chairman Geddes asked about the scheduling of the house and the difficult situation in managing the requests for the house while meeting the needs of the Governor and First Lady.

Ms. Luna responded that everyone should first be directed to the website. From that point, there is a shared calendar that can be viewed by all the involved parties. If there is an event outside of the Tuesday thru Thursday, 8:00 – 5:00 time period, then we do coordinate with the Governor's and First Lady's offices. This procedure is a work in progress and continually being updated for efficiency.

Chairman Geddes asked what the likelihood of the House of Representatives scheduling an event and the Governor and First Lady concurrently needing to host a visiting dignitary. Whose event would take priority?

Director Gwartney responded that something would be worked out. In this time of transition, Admin is working closely with the First Lady's office to manage and administer use of the house. And for future situations such as these, Admin hopes to either hire an event coordinator for the house or have the responsibility moved to the First Lady's office.

Chairman Geddes confirmed that his question had been answered and that it did seem more efficient to move those responsibilities back to the Office of the First Lady.

### Future of the House Discussion

Rep. King requested that the Committee discuss the next steps for utilizing or selling the property.

Mr. Mason noted that there was an extensive agreement when the house was gifted to the State that took approximately 6 months to finalize. The latitude for the State to sell the property is there and gives the Simplot family the first right of refusal.

Chairman Geddes requested a copy or summary of the term and conditions accepted when the house was gifted to the State as well as a list of pros and cons for keeping the house versus selling the house including the location of the house, the maintenance costs, the parking issues, etc... The Chairman also asked if the Committee was aware of the current value of the house.

Mr. Mason commented that the previous members of the Governor's House Committee have all looked at the options for the house, but the environment by which the decisions were made is different now than it was then. Also, the gift was accepted by the previous administration.

Rep. King asked if the Committee could also put together a list of pros and cons for building on the property near Ft. Boise.

Director Gwartney responded that Admin could put together itemized lists of pros and cons for maintaining the currently property as well as building on the property near Ft. Boise. Admin will also provide the previous meeting minutes to the Committee.

Chairman Geddes and Rep. Black asked if they could view the property near Ft. Boise.

Director Gwartney responded that either Mr. Johnston or Mr. Mason would contact the Chairman and Rep. Black and find a suitable time to show them the land donated by the federal government for the specific use of a governor's mansion.

Mr. Mason elaborated the State could continue to maintain the land near Ft. Boise as it has, but if the State were to use it for something other than a governor's mansion, they would lose the land.

Chairman Geddes requested that in addition to the other information requested that Admin also provide a copy of the terms and conditions for the land near Ft. Boise.

### Parking Issues and Possibilities

Rep. Black also noted the lack of parking at the house and asked if there were any other options for building another road up to the property. The lack of access to the house and parking issues may decrease the overall value of the property if the State tried to sell it. Would the county allow another road to be built? He further noted that part of the value of the house hinges on a parking solution or a way to transport people up to the house.

Rep. King responded that this item should be considered in the pros and cons list as well as the cost of building additional access and parking.

Chairman Geddes noted that access to the house currently requires a right of way through the Simplot property. Access to the property prevents functionality of the utilization we would like to incorporate in to the home from the standpoint that there is not really a good way to add parking.

Mr. Johnston showed an aerial photograph of the property he obtained from GoogleMaps to better show the possible area for parking as well as the proximity to the subdivision to the West. If the flat

area on the top of the hill were converted to a parking area it could fit 30 – 40 cars, but there would be some significant costs to do this. Mr. Johnston also pointed out a dead end road in the subdivision to the west of the property.

Chairman Geddes asked Mr. Johnston if he knew why the street was built that way.

Mr. Johnston responded that he was unsure why it was built that way, but that he did recall the construction workers at the time accessing the Simplot House through that subdivision and what is now that dead end road.

Rep. King noted that we would have to find a source of funding if we did explore the options to building additional parking or an additional road.

Mr. Johnston noted the difference in energy prices for irrigation when the house was built and now. Also that the Simplot's used the barn and grounds extensively, but did not live in the residence full time.

Director Gwartney noted that there was some conversation with the Simplot family years ago when then Senator Brad Little was the Chairman of the Governor's Housing Committee. Director Gwartney feels that the Simplot's would understand of parking in the absence of the State's ability to buy additional property. The Simplot's do understand the problem.

Rep. Black said that he would go talk to the Ada County Highway District about the dead end road near the property. There must have been a reason the road was built that way.

Chairman Geddes asked if there were any other issues or updates from the members of the Committee or those present. The Chairman asked if it was appropriate if the Committee met again in early February to follow up on the tasks assigned during the meeting.

---

#### Next Meeting of the Committee

The next meeting of the Governor's Housing Committee will held in early February.

#### **ADJOURNMENT**

The Governor's Housing Committee was adjourned at 3:45 p.m.

---

Jennifer Pike, Management Assistant  
Department of Administration