

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes

June 7, 2017

A meeting of the Governor's Housing Committee was held on this date in the LBJ Building, Conference Room 155, 650 W. State Street, Boise, Idaho. Chairman Winder called the meeting to order at 10:35 am.

Members Present:

Senator Chuck Winder, Chairman
Senator Maryanne Jordan
Representative Robert Anderst
Representative Melissa Wintrow
Robert L. Geddes, Director, Department of Administration

Others Present:

Keith Reynolds, Deputy Director and CFO, Department of Administration
Jan Frew, Administrator, Division of Public Works
Julie Weaver, Deputy Attorney General, Office of the Attorney General
Robyn Lockett, Analyst, Legislative Services Office
Diane Blume, Program Specialist, Department of Administration
Betsy Russell, The Spokesman Review

Chairman Winder welcomed new members to the committee—Senator Jordan and Representative Anderst. For their benefit and as a refresher for the other members, he asked the Department of Administration's Deputy Attorney General, Julie Weaver, to provide an overview of the committee's legal responsibilities.

OVERVIEW OF COMMITTEE'S LEGAL RESPONSIBILITIES

Ms. Weaver explained that because she is general counsel for the department, if at any time there would be disagreement between the department and the Governor's Housing Committee, another deputy attorney general would be assigned to provide counsel for the committee.

She distributed copies of statutes and explained the committee is created via Idaho Code section 67-455 which also establishes the Governor's Residence Fund and outlines the duty of the committee to approve expenditures out of that fund. Purposes of expenditures as outlined in the code are to provide "a governor's housing allowance or the acquisition, construction, remodel, furnishing, equipping, or maintenance of a governor's residence..."

Idaho Code section 67-455A authorizes the committee to accept donations, grants, gifts, and it provides authority for the committee to acquire real or personal property and exempts the committee from going through the Divisions of Public Works and Purchasing. She encouraged the committee, however, to take advantage of these resources. The statute also exempts the committee from the surplus property requirements for personal property and allows the governor to acquire personal or real property at the end of his or her term.

Idaho Code 58-335B exempts the committee from surplus property requirements for real property, Ms. Weaver continued, and 67-808c specifies that the governor may occupy the governor's residence, but that is not a requirement.

Representative Wintrow inquired about the big picture rationale behind the committee providing a housing allowance rather than a residence for the governor and whether a residence is needed. Senator Winder explained his understanding that Governor Evans was the last governor to live in the state residence that was in Boise's north end. Subsequently, when Governor Andrus was elected, he chose to live in his own home in Boise, and the committee at that time decided to sell the antiquated house with the intent that proceeds be used toward a new residence one day, and those moneys remain in the Residence Fund, he said. Governor Batt purchased his own home and the state purchased it back from him. After his term was over the house was sold. For many years, there has not been an official residence, he said. An allowance was set up for the cost of housing and operations plus entertaining expenses associated with official duties of that office. It was reestablished for Governor Kempthorne who lived in a condominium throughout his term, he added.

Ms. Weaver concluded her overview by reminding the committee that all records, even emails sent on personal email accounts that are related to the business of the committee, are public records. There would be very few exemptions that would apply to the committee, she explained. The open meeting law is also in effect and it is up to the chairman whether it be conducted formally or informally. The committee is not required to recognize anyone who is not on the agenda, which is prepared at the discretion of the chair. With approval of the majority of the members the agenda can be amended. She warned the group not to inadvertently conduct "virtual meetings" where everyone on the committee is corresponding together.

Chairman Winder thanked Ms. Weaver and emphasized the importance of this group to conduct its business transparently and properly for the citizens of Idaho.

APPROVAL OF MINUTES

MOTION: Representative Anderst moved and Representative Wintrow seconded that the minutes of the November 21, 2016 Governor's Housing Committee meeting be adopted as written. The motion passed unanimously.

FINANCIAL UPDATE

Expenditures and Proposed Budget

Mr. Reynolds presented the FY17 expenditures through 4/30/17 in comparison with last year, as well as a proposed FY18 budget. He explained the largest routine expense is the housing allowance which is \$4,500 per month. There is also a monthly storage cost of \$170 for some of the inventory that at one time was in the Idaho House. The only other expense is the annual cost of \$6,000 for staffing the committee. The FY18 budget of \$62,200 is merely a status quo budget, he said, and does not anticipate any changes. Total expenses for FY17 are anticipated to be about \$62,000.

On the topic of expenses, he explained the committee received an email from Watchman (Lee Halper) and asked that it be made part of the meeting records and attached to the minutes. After distributing it to the committee members, he summarized that Watchman is basically concerned about the governor's housing allowance.

Special Projects Fund

Mr. Reynolds noted that these special project moneys were raised early on for restoration of the Idaho House and invested at the Community Foundation. An agreement was made so any interest earned would offset expenses to the Foundation to maintain the fund. Since fundraising efforts have ceased, the Foundation asked that the moneys

be transferred back to the state. Because they were donated for improvements and not for general operating purposes, they will continue to be accounted for separately. At the end of April, the balance was \$169,608.

Operating Fund Cash Flow

Two other accounts, he explained, are the short-term and long-term operating funds. The short-term fund is available to be used for regular expenses. The long-term fund is invested at the Treasurer's Office and transfers are made from that account as necessary to the short-term account for expenses.

There was a loss of \$1,683 thus far this year in the short-term account due to the Idaho pool fund loss from the Treasurer's Office last year. However, long-term interest has earned \$4,255 through April. There has been \$52,666 of expenses in the same timeframe so by the end of April the short-term account had a balance of \$106,582 and the long-term account had a balance of \$386,578 for a total cash balance of \$493,160. In conclusion, he pointed out this balance would be able to fund less than eight years of future budgets at the current level of about \$62,000.

MOTION: Senator Jordan moved and it was seconded by Representative Anderst that the committee approve the FY18 budget for the Governor's Housing Committee as presented at \$62,200. The motion passed unanimously.

ALEXANDER HOUSE / IDAHO HOUSE FURNISHINGS

Director Geddes explained the history of the Alexander House, located on the eastern edge of the Capitol Mall, and how the state ended up owning it. It was built by Moses Alexander, the first Jewish governor in the country, in about 1897. It was purchased by the state in the 1970's. A few small state agencies have occupied the house since, the most recent was the Children's Trust Fund.

The Governor and Mrs. Otter expressed interest in utilizing the house for entertaining, especially during the legislative session, because of its proximity to the capitol. In addition, because the governor often has events in the evenings, the house could provide a venue to shower and change, if needed, rather than having to drive out to their home in Star and back.

Consequently, Director Geddes continued, the Children's Trust Fund was relocated last fall to the Borah Building. The Friends of the Alexander House, which is no longer active, also had some office space in the house and had displayed various antiques on loan with or donated to the Friends of the Alexander House for tours, board meetings, etc. Many of those antiques are now located at the Bishops House at the old penitentiary site. There are just a few furnishings remaining in the house that belong to the state.

At the same time, several furnishings from the Idaho House are being maintained at the governor's personal residence, some at the First Ladies Office in the capitol, and others in storage in the Capitol Mall and in a storage pod costing \$170 per month. He proposed furnishing the Alexander House with some of the furniture that is currently in storage. Chairman Winder asked Director Geddes to begin discussions with the Governor and Mrs. Otter about items they may be interested in acquiring and work out a method of valuing these items.

Representative Wintrow mentioned that use of the house should also be a benefit for other government agencies and officials rather than exclusively for the governor. Director Geddes indicated that the house is managed and maintained by the Department of Administration and it can be rented by other agencies. The Idaho State Historical Society has offered to display some period pieces in the house, as well.

Senator Jordan remarked that the committee may need to address the housing allowance amount in light of offering this state asset for use by the governor. She said she has an issue with providing the home as a benefit to just the governor, from a financial and perception standpoint. Chairman Winder expressed concern that the house not resemble a residence although governors in the past have used the Alexander House to host small events, as have other elected officials and state agencies. Director Geddes explained that the house is not furnished to the extent that it used to be; therefore, it is not as usable as it has been in the past. To be functional, more furnishings need to be brought into the home. Chairman Winder asked Director Geddes to move the surplus furniture into the house and at the next meeting the committee will review the inventory. The committee agreed.

BORAH BUILDING

Director Geddes explained that over the years there has been some discussion about utilizing the top floor of the Borah Building as a governor's residence. The total square footage is just a little over 5,000 and it is close in proximity to the capitol.

After having the Division of Public Works design staff look at the space it was determined the necessary remodel would be extensive from an access and security standpoint. Electrical and plumbing repairs would be extensive, as well, he said. Estimated remodel cost would be around \$3.5 million. After discussion, the committee agreed not to pursue this option as a residence.

Representative Anderst noted that if a state-owned governor's residence would potentially sit vacant, it would not be a good investment of state funds. A housing allowance makes much more sense in accommodating the unique needs of each governor. Director Geddes agreed it is the committee's charge to evaluate the need of each governor and to decide when the time is right to invest in an official residence, if at all. Chairman Winder asked that discussion of the housing allowance be placed on the next meeting agenda in the fall. The allowance is set by this committee, he said, and there is no escalation built into the annual amount.

FORT BOISE PROPERTY UPDATE AND DISCUSSION

There are 15 acres of property donated to the state by the federal government with restrictions that the property be used for a governor's residence or a public park, or revert to the federal government, Chairman Winder explained. Prior Governor's Residence Committees have not agreed to build on that site so it has been determined to revert the property. He said he has had conversations for a year and a half with Mayor Bieter and staff regarding using it for a city park and he is still waiting for an answer.

Senator Jordan expressed that this property may fit nicely into the foothills preservation/open space trails, as city park space. She said the timing for the city to take over the property is good because the new levy recently went into effect and could possibly fund any necessary improvements. Senator Jordan volunteered to follow up on this issue, and Chairman Winder asked her to draft a letter to the mayor explaining it is the consensus of the committee that by year end we need a decision whether the city is interested in taking over the property for a public park. He asked the department to clarify exactly what the restrictions are for exchange of the property.

Director Geddes explained that the state also owns one lot adjacent to the 15 acres that allows access onto the property from Horizon View Drive. Another problem that will need to be addressed is encroachment onto the property by adjacent property owners, he said. There is a ravine that runs through the property as well, he added.

ADJOURNMENT

Chairman Winder adjourned the meeting at 12:10 pm.

Diane K. Blume, Program Specialist
Department of Administration



Mon 6/5/2017 10:27 AM

Watch Man <watchman484@gmail.com>

GOVERNOR'S HOUSING ALLOWANCE

To Diane Blume

Cc: chuck winder; maryanne jordan; robert anderst; melissa winthroy; Robert L. Geddes; editor; randy stapulus; rebecca meany; rocky barber; bryan clerk; Blair Koch; shelby@idahodems.org; rebecca boone; bill dentzer; robert ehler; travis quest; matt christensen; levin ridhet; jeff pritham; cynthia sewell; betsy russell; alsmith@magcovalley.com; idaho Press Tribune; chuck malloy; sven berg; katie stobles; danielle wiley; william spence; nate poppino

You forwarded this message on 6/5/2017 12:06 PM.

We removed extra line breaks from this message.



[Bing Maps](#)

+ Get more add-ins

COMMENT FOR THE RECORD

As a registered Republican and true fiscal conservative I have been appalled and outspoken for years with regards to the waste of TAXPAYER money spent on Idaho's Governor's "allowance." The boondoggle of the Simplot "gift" which was nothing more than a tax deduction for Simplot and a money drain for Idaho TAXPAYERS combined with \$4500.00 a month for Governor Otter to live in his own house is anathema to all Idaho TAXPAYERS. I realize that this appropriation is separate and not under the purview of JFAC and no reasonable explanation has ever been forthcoming as to why but the principle still stands, this "allowance" is nothing more than supplemental income for the Governor and could and should be used to the sworn duty of all Idaho legislators, the health, safety and welfare of the public. To NOT end this theft of public funds is an admission that you committee members have abrogated your oath to the people as well as admitting that your definition of fiscal conservatism only applies to those who don't rise to the definition of special interests and special people. To do what is RIGHT, you will end this housing allowance and re-instate the fact to all elected officials that "public service" means service and sacrifice rather than an easy way to profit on the backs of hard-working Idaho families.

Lee Halper

650 Valley Road

Hagerman, Idaho 83332