

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes

May 22, 2018

A meeting of the Governor's Housing Committee was held on this date in Room B-9, Len B. Jordan Building, 650 W. State Street, Boise, Idaho. Chairman Winder called the meeting to order at 9:00 am.

Members Present:

Senator Chuck Winder, Chairman
Senator Maryanne Jordan
Representative Robert Anderst
Representative Melissa Wintrow

Absent and Excused:

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
Marilyn Whitney, Deputy Chief of Staff, Office of the Governor
Julie Weaver, Deputy Attorney General
Robert Follett, Deputy Attorney General
Tony Eldeen, Analyst, Division of Financial Management
Robyn Lockett, Analyst, Legislative Services Office
Krissy Lindsay, Governor's Scheduler and Executive Assistant to the First Lady
Ben Hill, Project Manager, Division of Public Works
Sara Arkle, Foothills/Open Space Supervisor/Senior Manager, City of Boise
Jay Hein, Idaho Department of Lands
Bob Pietras, Idaho Department of Lands
Ryan Montoya, Idaho Department of Lands
Cathy Cooper, Director of Engineering, SUEZ Water
Betsy Russell, Idaho Press Tribune
Lisa and Vid Mohan-Ram, Horizon View Drive Neighbors
Susan and Benjamin Cornett, Horizon View Drive Neighbors
Mary Glen, Horizon View Drive Neighbor
Diane Blume, Program Specialist, Department of Administration

APPROVAL OF MINUTES

MOTION: Representative Anderst moved and it was seconded by Senator Jordan that the minutes of the October 5, 2017 Governor's Housing Committee meeting be adopted as written. The motion passed unanimously.

FINANCIAL UPDATE

Governor's Residence Operating Fund Cash Flow

This fund is used to pay for the governor's monthly stipend, but at one time it was used for maintenance of the Idaho House before the residence was returned to the Simplot family, Mr. Reynolds explained. FY18 began with a total of \$498,751. As of April 30th, \$8,393 was received in revenue and cash expenses were \$51,296 leaving a cash balance of \$455,848, or a change in balance of \$42,903.

Governor's Residence Fund FY2018 Budget to Actual

The main budget item is the governor's annual housing stipend of \$54,000. FY18 expenses for the stipend as of April 30, 2018 was \$45,000. Storage rental fees have been discontinued for the Idaho House furniture and there was a one-time expense to move the furniture to the Capitol Mall for short term storage. With the Department of Administration (department) overhead costs of \$6,000, total expenditures through April 30 was \$51,296. The year will end under-budget, he added.

Cash Flow from Special Projects Fund

The Special Projects Fund was established to collect donations for remodel and refurbishing of the Idaho House, and was initially managed through the Idaho Community Foundation. At the Foundation's request, moneys were transferred to the department for control. Dollars are kept separate due to restrictions for their use. On July 1st the balance was \$169,748; added to that amount is \$2,817 in interest and \$3,595 in proceeds from sale of the furniture from the Idaho House. As of April 30th, the balance was \$176,160.

Governor's Residence Fund FY19 Proposed Budget

The budget for next year includes \$54,000 for the Governor's Housing Allowance and \$6,000 for department overhead.

MOTION: Representative Anderst moved and Senator Jordan seconded that the Committee approve the financial report as submitted. The motion passed unanimously.

MOTION: Representative Anderst moved and Representative Wintrow seconded that the Committee approve the proposed budget for FY19. The motion passed unanimously.

FORT BOISE PROPERTY LOTS #9 and #10

Lot #9

Mr. Reynolds pointed out that Lot #9 is the 15-acre parcel given to the state by the Bureau of Land Management (BLM) for use as a governor's residence. The committee previously authorized the department to seek transfer of Lot #9 to the City of Boise for extension of its trails system. The condition of the BLM donation is that the land is used for a governor's residence or for a park; otherwise, it would revert back to the federal government.

He and Director Geddes met with the Mayor's Chief of Staff and Parks Director who were enthusiastic about the transfer. Sara Arkle, the City of Boise's Open Space Manager approached BLM and learned that to do a transfer, all encroachments would need to be cured from the adjoining lots on Horizon View Drive. These encroachments were

once addressed in the 1990's, Mr. Reynolds said, with no resolution. Consequently, an agreement with the city is being considered for management of that property in its use as part of the trail system.

Ms. Arkle added licensing the property with the city would provide outcomes that both the city and state are seeking; however, the city is not interested in managing the encroachments. Of the nine properties on Horizon View Drive, six of them encroach onto the public land with mostly landscaping and fences, but also some concrete fixtures. Senator Jordan remarked that neighbors have been very supportive that this land remain open space and wondered if the fact that the transfer is conditioned on abating their encroachments might increase their willingness to do so.

Chairman Winder asked the department to inquire of BLM whether it would be agreeable to do a lot-line adjustment for those encroachments to resolve this issue. Ms. Arkle responded that BLM was approached with various options for resolution but it goes back to the code in which this land was transferred to the state. It would take congress to act upon a change to that code.

Mr. Reynolds added the state would still have control over the property with a lease agreement, plus it would be able to transfer some responsibility of ownership to them. Representative Anderst expressed the encroachment issues need to be resolved one way or another. Representative Wintrow added that the execution of the agreement would provide time for conversations with the home owners about abating their encroachments. Chairman Winder suggested a letter be sent to the home owners asking that they resolve their encroachments so the state can facilitate a permanent transfer of the property to the city.

Ms. Weaver explained she has drafted a licensing agreement that the city is reviewing and it does not address the encroachment issue. Chairman Winder asked that the agreement be amended to contain a clause explaining that because there are encroachments, a permanent transfer cannot be made at this time.

MOTION: Representative Anderst moved and it was seconded by Senator Jordan that the Department of Administration engage in a licensing agreement with the City of Boise for management of Lot #9. The motion passed unanimous subsequent to the following discussion.

Senator Jordan asked that the committee be provided a copy of the agreement

MOTION: Representative Anderst moved that the committee authorize the Department of Administration to engage in discussions with land owners with known encroachments to ultimately work toward a solution. Senator Jordan seconded and requested an amendment to the motion to include that the department engage the home owners in discussion that informs them of the necessity to cure the encroachments before a permanent donation can be made. Representative Anderst agreed and the motion passed unanimously.

Lot #10

Mr. Reynolds reported the lot on Horizon View Drive was donated to the state in 1967 to provide access to Lot #9. Recently it was discovered that a SUEZ Water project was constructed on the lot. A pressure-reducing station was installed underground in the ACHD right-of-way and two release valves extend above ground a couple of feet. A retaining wall was also constructed, potentially impairing the value of the lot, he said.

Ms. Weaver suggested that because the committee is in control of the land that it notify the Department of Lands with a request not to take any future action regarding the land until it notifies the committee. Her other recommendation, she said, is that the deed be changed. Currently it donates the land in the name of the predecessor

to the Administrator of Public Works and the Chair of the Permanent Building Fund Advisory Council. It is her opinion, she said, the deed be in the name of the Governor's Housing Committee. Members agreed with both recommendations.

Chairman Winder explained there is a general assumption that the committee sell Lot #10 and deposit the revenue in the housing account for use in future years. He indicated he doesn't see that the SUEZ construction is a fatal flaw to the property but one that can be camouflaged with landscaping. Neighbors would like to sustain a public access point from that lot which could also be accomplished via an easement.

Cathy Cooper, Director of Engineering for SUEZ Water, explained there are about 100 of these type pressure-reducing stations installed around Boise, many in the foothills. She said the retaining wall construction can be eliminated if the lot is regraded. Before the station was installed there was a vault in the roadway that had been a safety hazard for the crew, she said, and that's why it was replaced.

Mary Glen, a Horizon View Drive resident, addressed the committee to explain that most of the neighbors are in favor of an undeveloped trail head at Lot #10. She said many people use this access, and not just neighbors. Representative Anderst inquired if the lot is deed-restrictive and Ms. Weaver responded that she found no restrictions. She added that it is the committee's obligation to pursue a maximum return for the property.

MOTION: Representative Anderst moved that the committee authorize expenditure of funds for an appraisal of Lot #10 as-is and including a permanent easement for public access. Senator Jordan seconded the motion and asked that it be amended to include that staff make certain there are no deed restrictions. Representative Anderst agreed and the motion passed unanimously.

DISPOSAL OF INVENTORY FROM THE IDAHO HOUSE

Mr. Reynolds reported that a portion of the inventory from the Idaho House has been surplus using Musick Online Auction, and funds were deposited into the Special Projects Fund. An objective of the auction process was also to establish value for items the Governor and First Lady have been using at their ranch and may want to purchase. There were no historical items included in the auction—most of the furniture was purchased from R.C. Willey. Final proceeds were \$3,500 which is a net value after paying for the auction. It represents 22% of original retail value.

MOTION: Senator Jordan moved that the committee authorize staff to sell items requested by the governor based on the percentage of prior sale of similar items. It was seconded by Representative Anderst who requested an amendment to the motion to include that the department reclaim and dispose of everything else not purchased. Senator Jordan agreed, and the motion passed unanimously.

DISCUSSION AND APPROVAL OF FUTURE STIPEND

Chairman Winder noted he continues to look for opportunities for a governor's residence for future governors who do not live in this part of the state. Until then, he said, he believes a stipend is an appropriate alternative.

Representative Anderst agreed but indicated there needs to be a broader discussion about providing a stipend for a governor who lives in the area and already has a home. Perhaps the money that goes toward a stipend should be directed toward upkeep of a state facility for entertaining, for example. Chairman Winder explained the original stipend amount was also based on a mortgage, utilities, and the cost to maintain a residence. In some cases, the

governor's residence in Boise might be a second home to a governor who owns his personal home in another town. There could be many potential situations in the future, he said.

Representative Wintrow questioned the purpose of an official governor's residence, based on a short list of state events that took place at the Otter's home over the last two years. Senator Jordan remarked that the housing allowance statute dates to 1996 and back then there was not a lot of entertainment options downtown. She said if a governor is coming in from outside of the area, the committee has an obligation to provide some sort of housing. But in the long term it might be a better use of tax dollars to tie the governor's housing allowance to the way legislators are accommodated, based on geography. She said when a person agrees to take on a job, she wonders whether it's the state's obligation to provide housing for that job. We may need to rethink that process and this is a good time to do it.

Representative Wintrow suggested that between now and the next meeting in October members do some homework for further discussion and decision-making.

ADJOURNMENT

Chairman Winder adjourned the meeting of the Governor's Housing Committee at 10:30 a.m.

A handwritten signature in cursive script that reads "Diane K. Blume". The signature is written in black ink and is positioned above a horizontal line.

Diane K. Blume, Program Specialist
Department of Administration