

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes

October 15, 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 1:30 pm.

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
Marilyn Whitney, Deputy Chief of Staff, Office of the Governor
Julie Weaver, Deputy Attorney General
Jill Randolph, Analyst, Legislative Budget Office
Sara Arkle, Foothills/Open Space Supervisor/Senior Manager, City of Boise
Ryan Montoya, Idaho Department of Lands
Betsy Russell, Idaho Press Tribune
Benjamin Cornett, Horizon View Drive Neighbors
Roy and Mary Glen, Horizon View Drive Neighbors
Carrie Elliott, Foothills Trail User
Cathy Barney, Foothills Trail User
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 May 22, 2018 Governor's Housing Committee meeting be adopted as written. The motion passed unanimously.

FINANCIAL UPDATE

Cash Flow from Special Projects Fund

The Special Projects Fund, first established with the Idaho Community Foundation, consists of monies restricted for acquiring property or remodeling a governor's residence, Mr. Reynolds explained. At the Foundation's request, moneys were eventually transferred to the department to manage, and have been idle for some time. They are not to be used toward a stipend or operating expenses; therefore, the funds are maintained separately. The cash balance on July 1st was \$176,721; interest earned was \$897, and as of September 30th the balance was \$177,618.

Governor's Residence Fund FY2019 Budget to Actual

The committee approved its FY19 budget at its last meeting, he said, which included a \$54,000 annual housing stipend for the governor and \$6,000 for Department of Administration overhead costs. Actual expenses as of September 30th were \$13,500 in stipends, \$1,750 for the cost of an appraisal of Lot #10 on Horizon View Drive, and \$6,000 for overhead costs for total expenditures of \$21,250. Last year at this time an equal amount of stipend moneys was extended as well as overhead costs. In addition, \$297 was spent for storage and transportation of items from the Idaho House for total expenditures of \$19,797.

Governor's Residence Operating Fund Cash Flow

Budget expenditures derive from this fund, he continued. FY19 began with a total of \$448,349 and since, it has earned \$2,358 in interest, \$21,250 was expended, and the cash balance as of September 30th was \$429,458. He added that this fund is able to support future annual budgets of \$60,000 for a little over seven years.

FORT BOISE PROPERTY UPDATE AND DISCUSSION

License/Maintenance Agreement, Lot #9

Chairman Winder referred to a draft license agreement that transfers maintenance and responsibility from the Idaho Governor's Housing Committee to Boise City, the 15-acre parcel donated by the Bureau of Land Management (BLM) to the state for use of a governor's residence or a park. The committee had determined the site is not adequate for a governor's residence; therefore, the transfer will include the 15 acres into the city's trial system.

At the request of this committee, Mr. Reynolds explained, the agreement was drafted for an interim timeline as details are ironed out to transfer the property on a permanent basis. Once the committee approves the license agreement, it will be presented to the city for approval. He pointed out a section of the agreement that states, "Boise shall be solely responsible for maintenance and management of the Property, including access points and trails under this Agreement". The agreement can be terminated within 90 days' notice if the city were to use the property for other than purposes intended, he said.

He reported he met with representatives of BLM, Idaho Department of Lands, and Boise City regarding ways to resolve the neighbors' encroachments onto the 15 acres so that the land can be permanently transferred. He said BLM will conduct a fair market amount transfer, but first must commission an appraisal to establish valuations, which may take some time, he added. This solution would eliminate the neighbors from having to physically remove encroachments.

MOTION: Senator Jordan moved, and it was seconded by Representative Anderst that the committee approve the license agreement and request the chairman to execute the transfer. The motion passed unanimously.

Review of Appraisal of Lot #10, and Potential Sale

An appraisal was done on Lot 10 to determine its value, so the committee can recoup those values if sold, Chairman Winder said. He also acknowledged that residents feel the lot is an asset to their neighborhood. No action will be taken today, he said, the committee needs to discuss whether there is a way to provide an access to the open spaces from that lot and sell the remainder of it.

Mr. Glen explained the future of Lot 10 concerns the neighbors because as far as they can tell it was gifted to the state for \$10 from Robert and Marine Nolte, residents of Horizon View Drive. At this same time, the original 20 acres were donated to the state from the BLM for a governor's mansion. To facilitate the mansion there was great cooperation between the difference levels of government and the neighbors in the form of the Nolte's gift, he said. Now that the state has determined there will be no governor's mansion at the site, the neighbors welcome the fact that the gifted BLM land, now 15 acres, will be transferred to the city. However, the neighbors feel that Lot 10, as a gift, belongs with the 15 acres. Adding a small access was not the easement implied with the gift from the Noltens. Neighbors have solicited legal advice regarding the intended use of Lot 10, he said. The neighbors' vision is that the lot be transferred to the city, along with the 15 acres, as an access point to Military Reserve Park not only for pedestrians and bicyclists, but also emergency vehicles.

Mary Glen, a Horizon View Drive resident, stressed it is not just neighbors who use this lot as an access point. There are many individuals from the downtown area who access that property. It is her view that the lot be available for residents of the Treasure Valley in perpetuity because once it's gone it's never coming back.

Dr. Benjamin Cornett, Horizon View Drive resident, added that there is a long heritage and history associated with this lot. It has become a figure head in the north end and land owners along the rim have granted a public access trail through their private land to access Lot 10. It is difficult to place a numerical value on this property that is so heartfelt by many residents.

Ms. Arkle remarked that Boise City may be interested in the Lot 10 as an access point. To date, she said, there are about 1 million users of the trail system and the city has responsibility to increase access points to make the open spaces useable. Military Reserve Park has only one formal access point from the northwest side and from the city's perspective, Lot 10 has been a good neighborhood connection and the city is interested in preserving it.

Chairman Winder inquired of Ms. Weaver whether the Governor's Housing Committee is required by the constitution to achieve the highest and best price for property declared surplus. She replied that the portion of the constitution that refers to the endowment lands does not apply to this property, and it would be the legislature that would have the authority to gift the property. The committee's duty is to utilize available resources to provide housing for the governor. The reason the committee is considering selling Lot 10, Chairman Winder explained, is to meet its obligation for providing housing subsidies and costs for the governor. At one point the state may have an executive residence and assets from this property could be utilized for that purpose in the future.

Director Geddes noted the recently-completed appraisal identified a 10' easement for access and should that access corridor need to be expanded, it may affect the utility of the remainder of the lot. Going forward, Senator Jordan suggested, the emergency access width needs to be determined, and a concrete value established for the property, so resources can be pursued to contribute to the potential purchase of the property by the city. Representative Anderst asked whether the city has resources to purchase the lot, and Ms. Arkle noted that there are unspent levy funds that could be requested. Once this committee decides it wants to sell the property and has established a price, she said she will take it to the city committee that determines expenditures from these levy funds. She has briefed the city's Open Space and Clean Water Advisory Committee that these discussions are occurring so if they are presented a proposal in the future they will be prepared. There are few emergency access points in that area of the foothills and this lot could serve as a good one, she said.

Chairman Winder indicated the committee will keep the neighbors informed as this process unfolds.

DISPOSAL OF INVENTORY FROM THE IDAHO HOUSE

The Governor and First Lady have not had an opportunity to identify inventory that they would like to purchase from the state, Mr. Reynolds reported. Ms. Whitney added the governor's staff has reconciled the inventory list to items that remain in the governor's office and home and will soon identify those items the Otters wish to acquire.

DISCUSSION AND APPROVAL OF FUTURE STIPEND AMOUNT

Senator Jordan shared some research she conducted of other states and reported that there are only 5 states including Idaho that do not have a governor's residence (Arizona, Massachusetts, Rhode Island, and Vermont). Massachusetts is the only one that provides a stipend -- \$65,000 annually for housing and living expenses.

Feedback received over the years, she added, is that citizens are uncomfortable with providing the governor with a housing allowance. They do, however, understand that there is a cost in moving a governor. Now that there are various places in Boise conducive to entertaining, expenses for entertaining should be included in the governor's budget rather than associated with housing costs. It would be her preference that the committee provide relocation costs, but not a housing stipend for the next governor.

Director Geddes responded that it might be premature to decide what's needed for the next governor. He said it is telling that there are only five states that do not have residences and he added he believes it would be good for Idaho to have an executive residence suitable not only for the next governor, but for those in the future. There was not a residence when Governor Batt took office, so he purchased his own home, he said. The state reimbursed him but when his term was over he was not able to buy back his own home. Long term, he said, the committee needs to continue to focus on establishing a resident for future governors of our state.

Representative Wintrow remarked that the committee should keep in mind the purpose of a governor's residence, whether it is to house the governor or to provide entertainment facilities for the governor. If it is for entertainment, the events would need to be nonpartisan with the use of taxpayer dollars. Chairman Winder indicated one question to be posed is whether the state has an obligation to provide a governor's residence, and if it doesn't, at a minimum should the state pay mortgage, taxes, utilities, maintenance costs, etc. When it's all added up it is most likely close to what we are now paying in a housing stipend. One strategy for the committee to consider, he said, is dealing with each governor as he or she takes office based on individual circumstances, which may be more acceptable to the public. He suggested the stipend remain as is for the current governor but as soon as we know who our next governor will be, that the committee reconvene to make a decision.

Representative Anderst remarked it is his belief that the direction of a governor's residence is not the right direction because of the expense involved in maintaining it. The question is how a fair stipend should be valued. He suggested perhaps a per diem stipend be considered like that provided legislators. He agreed that the state should provide accommodation for a governor, but it gets sticky when the governor chooses to stay in his or her own residence, he said. That would merit a diminished amount, he proposed. Senator Jordan added that whatever the committee decides it should be done before the end of the year, so the new governor will know what to expect.

The main purpose of a housing stipend, Director Geddes added, is that someone who lives outside of the capital city should not be disadvantaged to serve. This is the basis of the legislative per diem. Senator Jordan said it is her preference that the governor's salary be reexamined to keep up with individual housing needs.

Chairman Winder asked Mr. Reynolds to determine the average price of a home in Boise including taxes, etc. to serve as a basis for discussing an appropriate housing stipend amount.

Chairman Winder asked that a meeting be scheduled in early December to resolve the stipend issue.

ADJOURNMENT

Chairman Winder adjourned the meeting of the Governor's Housing Committee at 2:45 p.m.

A handwritten signature in black ink that reads "Diane K. Blume". The signature is written in a cursive style with a horizontal line at the end.

Diane K. Blume, Program Specialist
Department of Administration