

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes

October 5, 2017

A meeting of the Governor's Housing Committee was held on this date in the Alexander House, 304 W. State Street, Boise, Idaho. Chairman Winder called the meeting to order at 2:30 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
Barry Miller, Deputy Administrator, Division of Public Works
Robyn Lockett, Analyst, Legislative Services Office
Krissy Lindsay, Governor's Scheduler and Executive Assistant to the First Lady
Diane Blume, Program Specialist, Department of Administration

APPROVAL OF MINUTES

MOTION: Representative Anderst moved and Senator Jordan seconded that the minutes of the June 7, 2017 Governor's Housing Committee meeting be adopted as written. The motion passed unanimously.

FINANCIAL UPDATE

Operating Fund Cash Flow

Mr. Reynolds presented the cash flow statement for the period July 1, 2017 through August 31, 2017. He said the year began with a total of \$498,751 and \$1,569 was earned in interest bringing available assets to \$500,320. Two months stipend for the Governor and a few miscellaneous expenses decreased that balance to \$491,023. He estimated the fund will support about seven more years of operating budgets at the current \$60,000 funding level.

FY18 Budget

The committee approved the FY18 budget at its last meeting in June. It includes \$54,000 for the Governor's stipend, storage costs of \$2,100, \$6,000 for overhead, and \$100 for moving expenses. Only \$47 was spent for storage since stored surplus items from the Idaho House were moved to the Alexander House. Moving those items cost \$250.

Special Projects Fund Cash Flow

Dollars in this account have been donated, he continued, and because they have restricted use they are accounted for separately. Balance on July 1st was \$169,748 and \$555 was earned in interest bringing the total to \$170,303. The fund was established through the Idaho Community Foundation when funds were solicited for improvements to the

Idaho House before it was returned to the Simplot Family. These moneys are not available for routine expenditures but can be spent toward purchase of physical assets.

Representative Anderst inquired if proceeds from sale of the surplus Idaho House furniture would be returned to the Special Projects Fund or deposited into the Governor's Residence Fund where their use is not as restrictive. Mr. Reynolds responded that he will ask for direction from the department's deputy attorney general.

FORT BOISE PROPERTY UPDATE AND DECISION

Chairman Winder reported that a letter was sent in August by Director Geddes to the Acting Director of the Boise Office of the U.S. Bureau of Land Management asking how to structure the transfer of the state's interest in the 15-acre parcel above Fort Boise to the city of Boise. No response has been received to date.

In addition to the 15 acres, the state owns one lot directly on Horizon View Drive for access to the 15 acres. This lot was donated to the state for \$10, and will be sold. Senator Jordan reported that she met with city representatives and they are appreciative of the opportunity to take over the 15 acres for expansion of the city's trail system. She suggested the state request an access easement for the lot on Horizon View Drive before it is sold to make sure the public has access to the parcel. The committee asked Administration staff to start the process of researching whether the state has a clean title for the access lot, and request an easement.

Director Geddes added that several neighbors have encroached on the 15 acres and it must be determined whether those issues need to be resolved before the parcel can be transferred. Chairman Winder asked Director Geddes to follow-up.

ALEXANDER HOUSE FURNISHINGS AND REMAINING INVENTORY

Prior to the meeting, the committee had an opportunity to look at the furniture that was moved from storage into the Alexander House. These are pieces left over from the Idaho House, Director Geddes explained. Some furnishings from the Idaho House are being utilized in the First Lady's suite and other pieces are used by the Governor and First Lady in their home.

It's time to start managing this property, he said, and determine what furnishings the Governor might want to acquire at the end of his term. The price assessed could be based on the value the surplus furniture might draw at auction.

MOTION: Representative Wintrow moved and it was seconded by Representative Anderst that the committee authorize the Department of Administration to find an appropriate venue to sell the surplus furniture stored in the Alexander House that will provide the best value for the State of Idaho. The motion passed unanimously.

DISCUSSION ON FUTURE STIPEND

Mr. Reynolds reviewed a handout on the history of the stipend beginning in 1986 when Governor Evans was the last Governor to live in the state-owned residence on Irene Street. When it was sold, proceeds went into the Governor's Residence Fund, and the legislature appropriated enough funds to bring the balance to \$1 million.

A housing stipend was established when Governor Kempthorne took office because the state had no state-owned home and he lived in a condo at the time. The housing stipend was calculated based on an analysis of the real estate market at the time (1998) and the cost of utilities, etc. The committee came up with a monthly amount of \$4,600; however, only \$4,000 was implemented. That amount was adjusted by 3% to \$4,120 when there was inflation in 2000; by another 3% in 2001 to \$4,245; and finally, by 3% in 2005 to \$4,500. The stipend has remained at that amount since, he continued.

When the Idaho House was made available for use by Governor Otter, his stipend was discontinued, but then reinstated it when the house was returned to the Simplot Family. The stipend was much less than what the state would have incurred by owning, furnishing, and maintaining an official residence, Chairman Winder added.

Senator Jordan inquired if the housing stipend has been addressed on a regional basis. For example, she said, if the Governor's place-of-residence is within Ada County, it doesn't seem that we should provide a housing allowance. That does not say the Governor should not have an entertainment allowance, she added, but there is a negative perception by constituents for paying a Governor to live in his or her own home.

She requested a report from the Governor's Office on the cost for hosting and entertainment as well as an entertainment schedule to help the committee analyze what might be necessary to reimburse a Governor for entertainment, and/or for consideration of an entertainment space. She also asked that Idaho Code be reviewed to make sure there is no restriction as to city or county in which the Governor must live.

Director Geddes remarked that Ruby Samuelson, the wife of Governor Samuelson, convinced the legislature at that time that much of the Governor's salary went toward entertaining. As a result, a "Ruby Fund" was established to help with those expenses, and it is still in place today, he said.

Chairman Winder asked that all miscellaneous revenue streams for the Governor's living and entertainment expenses be consolidated in a report for the next meeting along with entertainment requirements, costs, and schedule, as well as any code reference regarding the Governor's place of residence.

OTHER BUSINESS AND PROPOSED MEETING SCHEDULE

Chairman Winder suggested the committee meet again sometime between now and the commencement of the legislative session after Administration has consolidated the information requested.

ADJOURNMENT

Representative Anderst moved and it was seconded by Director Geddes to adjourn the October 5, 2017 meeting of the Governor's Housing Committee at 3:15 p.m.



Diane K. Blume, Program Specialist
Department of Administration