

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes

June 21, 2019

A meeting of the Governor's Housing Committee was held on this date in Room WW-17, Idaho State Capitol, 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 Rob Mason
Bryan Mooney, 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
David Fulkerson, State Financial Officer, Division of Financial Management
Jill Randolph, Analyst, Legislative Budget Office
Susan Cornett, Horizon View Drive Neighbor
Roy and Mary Glen, Horizon View Drive Neighbors
Diane Blume, Program Specialist, Department of Administration

Chairman Winder welcomed new member, Representative Mason, to the Committee.

APPROVAL OF MINUTES

MOTION: Representative Anderst moved and it was seconded by Senator Jordan that the minutes of the December 10, 2018 Governor's Housing Committee meeting be adopted as written. The motion passed unanimously.

FINANCIAL UPDATE

Governor's Residence Operating Fund Cash Flow, as of May 31, 2019

Mr. Reynolds explained this fund is used for all expenses as approved by this committee, the majority of which is the Governor's housing stipend. Cash balance at the beginning of FY19 was \$448,349. This amount is split between short term (\$36,626) and long term (\$411,724) investments, he said. Long term funds are held in the Treasurer's Office short-term investment fund.

Short term interest revenue was \$478 and long term was \$9,265 making total cash available at \$458,092. Expenses of \$57,604 reduced the cash balance to \$400,488. The change in balance since July 1st was \$47,861.

Governor's Residence Fund FY2019 Budget to Actual as of May 31, 2019

From a budget of \$60,000, he said, \$2,396 remains which is about \$2,000 less than this time last year. He reminded the committee that it had increased the governor's stipend this year from \$4,500 to \$4,550, so the budgeted stipend

amount will be slightly exceeded. A cost of \$1,750 for the appraisal of Lot 10 and a \$50 charge for a meeting room were not budgeted. Department of Administration costs to support the committee was \$6,000, as budgeted.

Proposed FY20 Operating Budget

Funds under control of this committee are perpetually appropriated, he explained, so no JFAC action is necessary. The proposed new budget increases the annual stipend amount by \$610, includes a new miscellaneous category of \$200, and the \$6,000 overhead for administrative support. He pointed out that the \$400,488 that remains in the Residence Fund represents about six-and-one-half additional years of budgets at the level presented today, before it is depleted.

MOTION: Representative Anderst moved and it was seconded by Senator Jordan that the committee approve the proposed FY20 budget as presented by the Department of Administration. The committee passed it unanimously.

Cash Flow from Special Projects Fund as of May 31, 2019

The reason the Special Projects Fund is broken out separately, Mr. Reynolds explained, is because it is residual dollars from the Idaho Community Foundation Fund that was established for construction and furnishing the Simplot House. After the house was given back to the Simplot family, the Community Foundation asked the state to move the funds out. Counsel pointed out there are restrictions for use of the funds and they are not intended for a stipend. Cash balance at the beginning of FY19 was \$176,721 and as of May 31, 2019 the balance is \$188,259 which represents \$3,650 of interest and \$7,887 of proceeds from sale of inventory from the Simplot House.

Senator Jordan inquired at the time when it was determined the funds would not be utilized for the house if there was discussion about returning the funds to donors. Mr. Reynolds explained that original documents that established the fund stipulate that it is to be used for the acquisition, construction, remodel, or furnishing, equipping or maintenance of a governor's residence. At the time the Special Projects Fund was established, the Housing Committee agreed that because the documents were not specific to any residence, the funds could be held and used for these purposes later for a different residence.

Chairman Winder estimated about \$800,000 had been raised and the biggest portion was used for upgrading the Simplot House to make it useable. Mr. Reynolds noted that the last expenditures from the fund were made when the Simplot House was furnished. Those furnishings were eventually sold to Governor Otter or disposed of through public auction. Representative Anderst asked what the department's recommendation would be for the future of these funds. Mr. Reynolds said it would be difficult to use them for anything other than stipulated but agreed to research with legal counsel.

FORT BOISE PROPERTY UPDATE AND DISCUSSION

Update on Transfer of Lot #9

As background on the two properties owned by the state on Horizon View Drive, Mr. Reynolds explained a 25-year reversion was included in the original patent from the federal government for the property originally done in 1956. When that was about to expire in 1981 it was converted from a 21-acre parcel to 15-acres that we now have with no set timeframe for it to be used for either a park or a governor's mansion, as stipulated. There were many conversations over the years about the property and plans were even drawn up for a residence at one time, he said, but never went further. In 2015 BLM contacted the Department of Administration asking what the state's plans were for the property. BLM has the right to terminate the patent if it is not used for its intended purpose.

Agreeing that the site is not adequate for a governor's residence, this committee decided to transfer the land to the city to be incorporated into the foothills trail system. Everything required by BLM was completed to make that transfer but they would not go forward because of encroachments that were made onto the parcel. As a stop-gap measure, he said, an inter-agency agreement was made with the city to take over control and maintenance of the 15 acres. At the same time, late last year, the state met with BLM and neither entity wanted to approach the neighbors about their landscaping. BLM agreed it would do a market valuation and sell the land directly to the city without curing the encroachments. He said he received notification last month that BLM is going to begin this process in July.

Adjoining the 15 acres is a residential lot sold to the state for \$10 in 1967 for access to the 15 acres. An appraisal was done on the lot last year at full value (\$230,000) and one with an access easement (\$200,000). A decision was tabled on the possible sale of the lot pending what happens with the 15 acres. In the meantime, the city has provided a proposed temporary easement on the lot which is in the process of finalization. The easement is cancelable after 30-days' notice by either party, he added.

Representative Mason inquired about the future of the 15 acres and Chairman Winder explained that the prior Housing Committee felt that the land was not an ideal location for a governor's residence because of the size of the property and terrain. The current committee looked at alternatives which included returning the acres to BLM or turning it over the city to be tied into the foothill's trails. Senator Jordan agreed that this inter-agency agreement is a good temporary fix until the committee decides what to do with the lots. She encouraged the committee to look at this arrangement as a long-term solution.

Chairman Winder noted that the city's temporary easement is for the entire lot and he said the committee had talked about an easement at a prescribed location that would retain some value in the lot. He said it is the committee's statutory responsibility to get the best value as it can for the property if it were to be sold. In the meantime, he asked that staff continue to work on the easement.

MOTION: Representative Anderst moved and it was seconded by Senator Jordan that the committee grant the chairman of the committee the ability to execute the temporary trail easement when completed and presented by the Attorney General's Office. The motion passed unanimously.

Chairman Winder asked that the completed easement document be sent out to committee members for review prior to his signing.

Representative Mason asked for clarification of the long-term future of the 15 acres. Chairman Winder responded that in his opinion the city would have long-term control as long as it remains a park, or part of the trails system. Mr. Reynolds said he will check with BLM to make sure the trails system will satisfy the requirement that the land be used as a park. Ms. Weaver clarified that the original proposal was to transfer ownership to the city and if that occurs the state would not be able to get the land back.

ADJOURNMENT

Chairman Winder adjourned the meeting of the Governor's Housing Committee at 9:50 a.m.



Diane K. Blume, Program Specialist
Department of Administration