



BRUCE D. SKAUG

BRENT GUNNELL

RANDALL L. SCHMITZ

TODD M. JOYNER

SAM VANDERWALL

MATTHEW C. ANDREW

MATTHEW R. HARRISON

Attorneys licensed in Idaho, Oregon, Montana, Utah and Arizona.

CERTIFIED MAIL

March 21, 2019

Representative Jason Monks
3865 S Black Cat Road
Nampa, Idaho 83687
jmonks@house.idaho.gov

Representative Matt Erpelding
PO Box 1697
Boise, Idaho 83701
merpelding@house.idaho.gov

Re: Demand to Cease and Desist

Gentlemen:

On March 15, 2019 on the KBOI "Nate Shelman Radio Program," Rep. Erpelding stated, in effect, the following:

"Former State Treasurer, Ron Crane, had an agreement with the legislature at the time, that because he was an incumbent, because he was a senior incumbent, and had been a while, that this transition wouldn't take place until he was beginning to move into retirement."

Ron Crane hereby demands that both of you cease and desist stating, writing, or inferring that Ron Crane, at any time, was a party to any agreement to voluntarily relocate the Idaho State Treasurer's physical office, or its functions, either during or after his tenure, out of the Idaho State Capitol building. Any statement or implication to that effect is not true.

Ron Crane stated his position on this issue in a letter to the Speaker of the House, Scott Bedke (Exhibit A). This letter was in response to Speaker Bedke's demand letter dated January 31, 2018, that mandated the State Treasurer vacate the State Treasurer's space in the Capitol building (Exhibit B). Speaker Bedke stated, "With the support of the Pro tem, I am now reallocating the Treasurer's Office first floor space to legislative space."

Ron Crane has consistently taken the position that Speaker Bedke's demand breaks the March 2007 agreement between the legislative and executive branches of the government. That

March 21, 2019

Page 2

agreement, expressed in the minutes of the Capitol Commission, is that the Treasurer's office shall occupy its location on the first floor of the Capitol Building permanently.

The use of Ron Crane's name and position as the former State Treasurer of Idaho, to justify \$10 million in taxpayer funds to build more office space for legislators, must stop.

We hereby demand both of you issue a public statement to the media to correct the record and state that Ron Crane was not a party to an agreement to move the Idaho State Treasurer's Office, or functions, from its historic space in the State Capitol Building. Please notify your legal counsel of my representation of Mr. Crane on this matter.

Sincerely yours,



Bruce D. Skaug

BDS/les

Enc. Exhibits A, B

cc: Ron Crane



House of Representatives State of Idaho

SPEAKER OF THE HOUSE

January 31, 2018

The Honorable Ron Crane
Idaho State Treasurer
HAND DELIVERED

Dear Treasurer Crane,

As you know, Idaho Code provides for the allocation and control of space in the Statehouse. Specifically, statute provides that the "legislative department shall determine the use of the space on the first, third and fourth floors as well as the basement, which shall include the underground atrium wings. All space within the first, third and fourth floors and the basement shall be allocated by the presiding officers of the Senate and House of Representatives." (HB 218, March 22, 2007; Idaho Code section 67-1602(3)).

This statutory space allocation is consistent with the compromise the Legislature and the Governor reached to accommodate the reduced square footage stemming from the cancelled second level of the underground wings. That compromise included assigning the first floor of the Statehouse to the legislative branch for its sole use. The Legislature temporarily allocated first-floor space to the State Treasurer, but that allocation was temporary and was meant to last only until the Legislature needed more space.

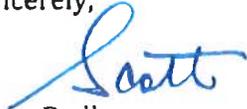
Our House members have long faced the challenge of cramped office and cubicle space, and our situation is becoming untenable. House members simply need more office space, both for their own use and for needed support staff. As a courtesy, I have not raised this issue while you have occupied space on the first floor. However, since your tenure is coming to a close, I want to alert you to some changes that we will make in the near future.

With the support of the Pro Tem, I am now reallocating the Treasurer's Office first floor space to legislative space. To reiterate, I have waited to take this necessary step until your term expired to lessen the impact on you and your staff. However, work

needs to begin now. Since the architects need to begin preliminary review and design work to plan the most efficient use of the space, we will need access on or before March 1, 2018. This need not be disruptive to your office staff or your operations. The House intends to occupy the space on or before December 1, 2018 in time for the 2019 Legislative Session.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Scott". The signature is written in a cursive, flowing style.

Scott Bedke
Speaker

Cc: Governor Otter

RON G. CRANE
STATE TREASURER



(208) 334-3200
(208) 332-2959 FAX

STATE OF IDAHO
OFFICE OF THE STATE TREASURER
P.O. Box 83720
BOISE, IDAHO 83720-0091

February 8, 2018

The Honorable Scott Bedke
Speaker of the House
Statehouse
Boise, ID 83720

Dear Speaker Bedke –

I am in receipt of your letter dated January 31, 2018, which addresses the reallocation of first floor space from the State Treasurer and the Treasurer's operational staff to the Legislature in order to create additional office space for House members. I respectfully request your reconsideration of this decision for a number of reasons.

I was involved in the immediate follow-up discussions when the Governor and the legislative leadership reached a compromise on the allocation of space. At that time, the Governor asked me if I wanted to move to the second floor or remain in my current office space on the first floor. My response was that I wished to retain the office space on the first floor, next to the original vault. The Governor agreed to this request and I do not recall any discussion of this being a temporary situation. I was surprised by your letter and disappointed that there wasn't at least a conversation among all parties before this decision was made.

The primary basis for my request for your reconsideration centers on our shared value of Idaho and its Capitol's history, of which the Idaho Treasurer's office is an important part. It has been located in the same space since the first original phase of the Capitol was built in 1905. The east wing of the original building was actually constructed around the vault in the Treasurer's Office and was the outside wall of the original building which encompassed the Treasurer's vault. The manganese safe inside the vault is the oldest and largest manganese safe west of the Mississippi river and came from the original territorial capitol (the former Ada County Courthouse). This heavy safe was placed on rollers to move it west on State Street to the new Capitol building, then slid into place inside the vault before the outside wall was completed. Most Idahoans are not aware of these facts, however, the vault and the safe are now a part of the official tour of the Capitol building.

The safe and the vault are used each day by the Treasurer's Office during daily operations. It is a working vault where we actually store cash, worker's comp surety bonds and various

EXHIBIT B

securities used as performance bonds for state agencies. The design of the office itself was carefully thought out in 2007 by the architects working closely with the Treasurer and his staff to maximize efficiency, effectiveness, convenience and security for both customers and treasury staff.

We are here in the Capitol building to serve the public year-round. Our doors are always open to the public except on weekends and holidays. We regularly receive visitors with any number of questions and point them in the right direction and help them in any way we can – above and beyond the traditional Treasury interaction with the public. In addition, we host numerous groups, mostly students, educating them on all the responsibilities of the State Treasurer and his/her staff.

While I make no judgment on the added benefit to the Legislature of having additional space, to move the Treasurer's Office to create private office space that won't be utilized the full year seems a large sacrifice when we're giving up the preservation of Idaho's history. It will be costly to remodel this space as well as a new space that is appropriate for the Treasury operations and will remove a consistent public-facing presence in the Capitol building.

I would propose consideration of moving the LSO Audits division, located across the hallway from the Treasurer's Office, to another building in the capitol mall area. This division has very limited interaction with the public and yet they could still serve the Legislature's needs without jeopardizing the historical merits of Treasurer's Office in the Capitol building. Further, it would amount to the same square footage becoming available for legislative use as office space.

I hope that you will take the time to consider this request and would hope, at the very least, to have further discussion before any implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Crane". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Ron G. Crane
State Treasurer

cc: Governor Otter
House Leadership
Senate Leadership