

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: October 17, 2023

Regular Meetings

10/5/2023	Meeting Notice posted in prominent place in IDL's Boise Director's office five (5) or more calendar days before meeting.
10/5/2023	Meeting Notice posted in prominent place in IDL's Coeur d'Alene area/staff office five (5) or more calendar days before meeting.
10/5/2023	Meeting Notice posted in prominent place at meeting location five (5) or more calendar days before meeting.
10/5/2023	Meeting Notice published on Townhall Idaho website https://townhall.idaho.gov five (5) or more calendar days before meeting.
10/5/2023	Meeting Notice posted electronically on IDL's public website https://www.idl.idaho.gov five (5) or more calendar days before meeting.
10/12/2023	Agenda posted in prominent place in IDL's Boise Director's office forty-eight (48) hours before meeting.
10/12/2023	Agenda posted in prominent place in IDL's Coeur d'Alene area/staff office forty-eight (48) hours before meeting.
10/12/2023	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
10/12/2023	Agenda published on Townhall Idaho website https://townhall.idaho.gov forty-eight (48) hours before meeting.
10/12/2023	Agenda posted electronically on IDL's public website https://www.idl.idaho.gov forty-eight (48) hours before meeting.
1/3/2023	Land Board annual meeting schedule posted – Boise Director's office, Coeur d'Alene area/staff office, and IDL's public website https://www.idl.idaho.gov .

Special Meetings

	Meeting Notice and Agenda posted in a prominent place in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted in a prominent place in IDL's Coeur d'Alene area/staff office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Meeting Notice and Agenda published on Townhall Idaho website https://townhall.idaho.gov twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted electronically on IDL's public website https://www.idl.idaho.gov twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Meeting Notice or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

Executive Sessions *(If only an Executive Session will be held)*

	Meeting Notice and Agenda posted in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted in IDL's Coeur d'Alene area/staff office twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Meeting Notice and Agenda published on Townhall Idaho website https://townhall.idaho.gov twenty-four (24) hours before meeting.
	Meeting Notice and Agenda posted electronically on IDL's public website https://www.idl.idaho.gov twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.


Recording Secretary

October 12, 2023

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING OCTOBER 2023

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, October 17, 2023 in the **State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise**. The meeting is scheduled to begin at 9:00 AM (Mountain).

Please note location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

Members of the public may register to attend the Zoom webinar through this link:

https://idl.zoom.us/webinar/register/WN_2fglWJH7R8qBhvT3NmXsQw

First Notice Posted: 10/5/2023-IDL Boise; 10/5/2023-IDL CDA

This notice is published pursuant to Idaho Code § 74-204. For additional information regarding Idaho's Open Meeting law, please see Idaho Code §§ 74-201 through 74-208.

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0242



Idaho State Board of Land Commissioners

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State Board of Land Commissioners Regular Meeting

October 17, 2023 – 9:00 AM (MT)

Final Agenda

Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho

Please note location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means.

This meeting is open to the public. No public comment will be taken.

Members of the public may register to attend the Zoom webinar through this link:

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1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – September 2023
- B. Leases and Permits – September 2023

Status Updates

- C. Fire Season Report-Final
- D. Land Bank Fund

2. Endowment Fund Investment Board – Presented by Chris Anton, EFIB Manager of Investments

- A. Manager's Report
- B. Investment Report

Consent—Action Item(s)

- 3. Approval of Draft Minutes** – September 1, 2023 Special Meeting (Boise)
- 4. Approval of Draft Minutes** – September 19, 2023 Regular Meeting (Boise)

Regular—Action Item(s)

- 5. Commercial Real Estate Advisor** – Presented by Bill Haagenson, Deputy Director
-

State Board of Land Commissioners

Final Agenda

Regular Meeting – October 17, 2023

Page 1 of 2

6. IT Modernization – *Presented by Dustin Miller, Director*

Information

None

Executive Session

None





Idaho Statutes

Idaho Statutes are updated to the web July 1 following the legislative session.

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS – WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1) (a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

STATE BOARD OF LAND COMMISSIONERS

October 17, 2023
Trust Land Revenue

Timber Sales

During September 2023, the Department of Lands sold five endowment timber sales at auction. Four of the sales had competitive bidding. Four endowment timber sales did not sell at auction. The net sale value represents a 22% up bid over the appraised value. GNA sold two sales at auction. One sale had competitive bidding. The net sale value represents a 13% up bid over the appraised value.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
More Otts Cedar	POL	6,655			\$ 2,202,377.50	\$ 2,304,105.00	\$346.22	IFG Timber LLC
A Cedar	POND	1,430			\$ 624,997.00	\$ 663,552.40	\$464.02	Alta Forest Prod
Sergeant Fenton	PL	5,850			\$ 1,558,044.00	\$ 1,558,044.00	\$266.33	IFG Timber LLC
13 Mile II	CLW	5,385			\$ 608,073.50	\$ 1,150,041.00	\$213.56	IFG Timber LLC
West Y Cedar	CLW	4,305			\$ 723,628.00	\$ 1,278,750.00	\$297.04	IFG Timber LLC
Endowment		23,625	0	0	\$ 5,717,120.00	\$ 6,954,492.40	\$294.37	
Happy Trails GNA Ton	GNA	5,115			\$ 433,997.69	\$ 701,890.70	\$137.22	IFG Timber LLC
Blue Horse GNA	GNA	15,325		1,860	\$ 1,605,394.38	\$ 1,605,394.38	\$93.42	IFG Timber LLC
Non-Endowment		20,440	0	1,860	\$ 2,039,392.07	\$ 2,307,285.08	\$103.47	

PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Purdue Delivered Products	1,405	\$ 881,695.00	POND	10/10/2023
Uleda Creek Cedar	2,860	\$ 557,859.00	PL	10/12/2023
Two Bear Over	3,000	\$ 962,521.50	PL	10/12/2023
River View	1,800	\$ 482,049.50	POL	10/24/2023
White Red Cedar	1,765	\$ 643,198.00	POL	10/24/2023
Syringa Spots	13,095	\$ 3,365,848.50	SJ	10/25/2023
Boehls Cabeza	4,420	\$ 486,926.00	SJ	10/25/2023
Silver Spur	6,730	\$ 1,244,650.00	POND	10/26/2023
TOTALS	35,075	\$ 8,624,747.50		
South Operations				
Lower Slocum	5,150	\$ 529,143.50	CLW	10/18/2023
Murray Scriver	3,995	\$ 487,175.50	SW	10/19/2023
TOTALS	9,145	\$ 1,016,319.00		

VOLUME UNDER CONTRACT as of September 30, 2023

	Public School	Pooled	Total	3 Year Avg.
Active Contracts			177	176
Total Residual MBF Equivalent	345,403	175,537	520,940	532,415
Estimated residual value	\$105,400,046	\$57,399,001	\$162,799,047	\$141,306,236
Residual Value (\$/MBF)	\$305.15	\$326.99	\$312.51	\$265.41

	TIMBER HARVEST RECEIPTS				
	September		FY to date	October Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 4,604,648.03	\$ 554,133.98	\$ 17,156,027.96	\$ 3,974,286.45	\$ 410,617.10
Pooled	\$ 1,725,450.13	\$ 169,916.45	\$ 9,411,280.81	\$ 2,287,199.89	\$ 174,236.45
General Fund	\$ 1.45	\$ 0.00	\$ 3.77	\$ 1.45	\$ 0.00
TOTALS	\$ 6,330,099.61	\$ 724,050.43	\$ 26,567,312.54	\$ 6,261,487.79	\$ 584,853.55

	Status of FY2023 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of September 30, 2023	207,515	108,778	316,293	22,222	5,933	28,155
Currently Advertised	5,825	0	5,825	0	0	0
In Review	3,970	0	3,970	0	0	0
Did Not Sell*	0	0	0	0	0	0
TOTALS	217,310	108,778	326,088	22,222	5,933	28,155
FY2023 Sales Plan			326,000			20,000
Percent to Date			100%			141%

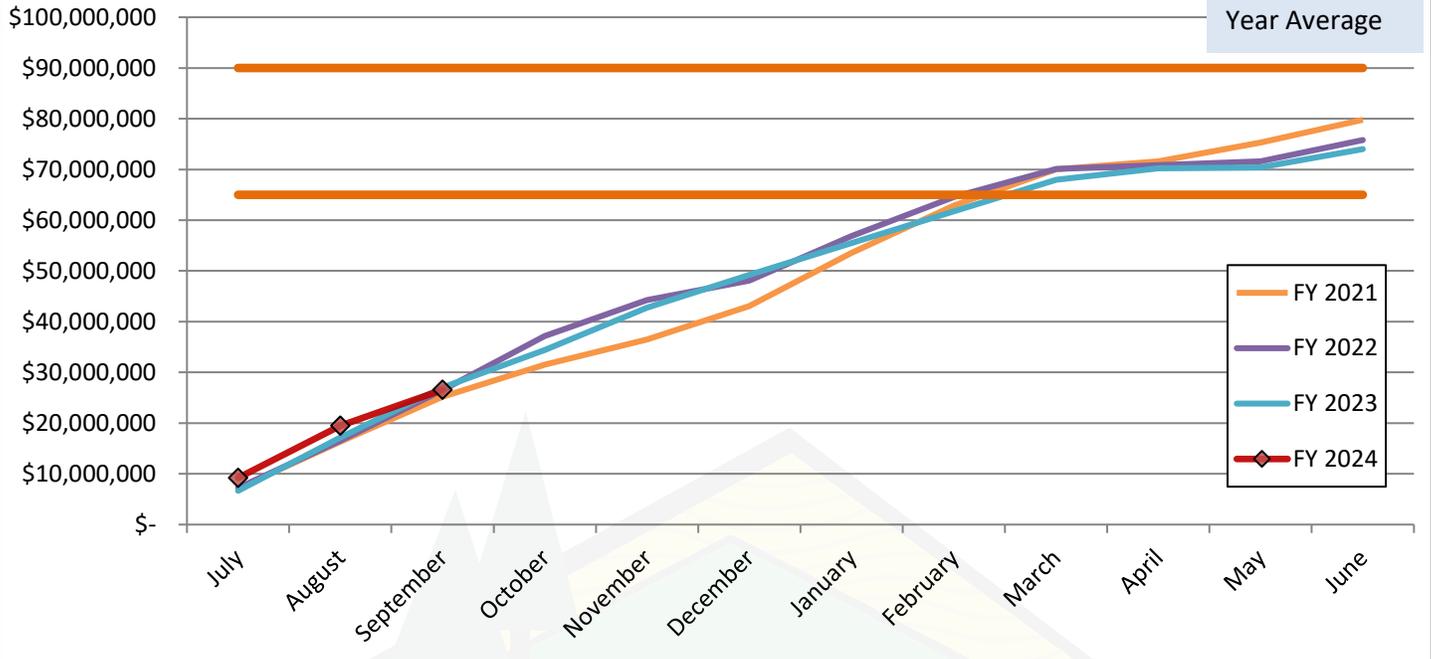
* After three attempts at auction.

	Status of FY2024 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of September 30, 2023	25,216	11,827	37,043	521	3,519	4,040
Currently Advertised	39,091	17,959	57,050	1,648	2	1,650
In Review	29,477	9,153	38,630	13,860	0	13,860
Did Not Sell*	0	0	0	0	0	0
TOTALS	93,784	38,939	132,723	16,029	3,521	19,550
FY2024 Sales Plan			328,000			20,000
Percent to Date			40%			98%

* After three attempts at auction.

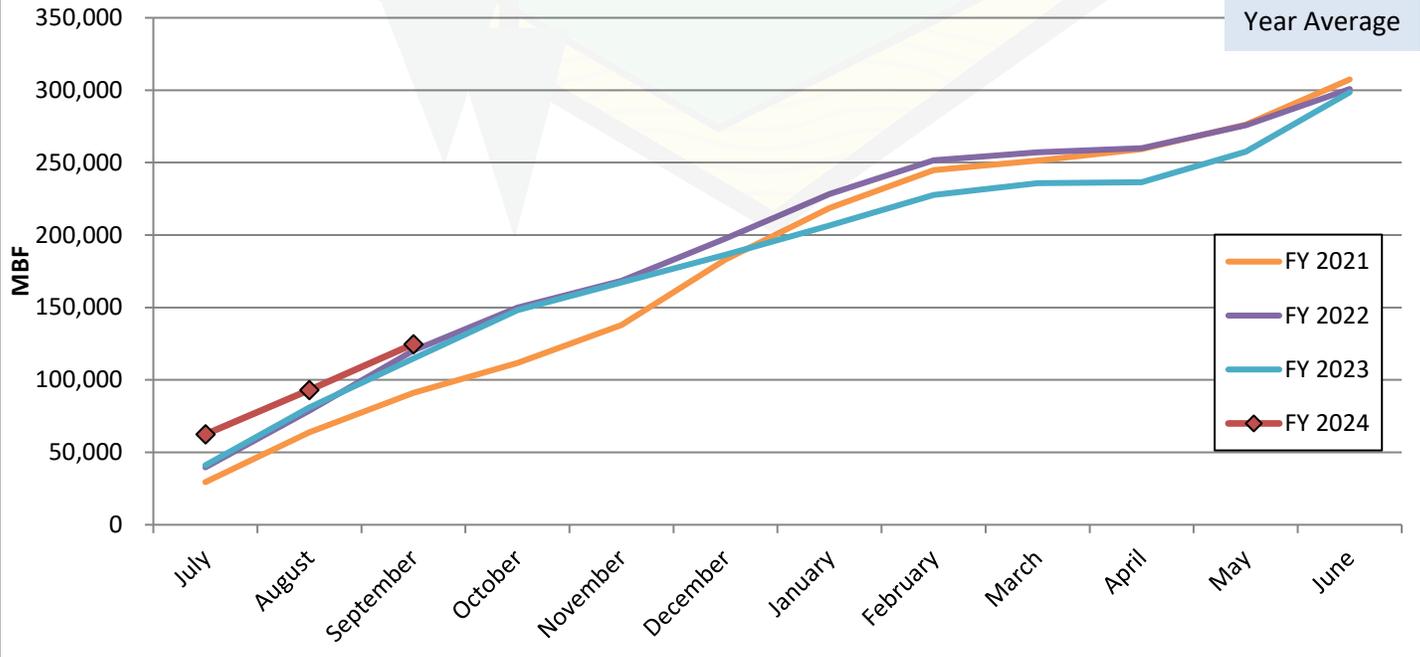
Cumulative Harvest Receipts

Current FYTD is 101% of 3 Year Average

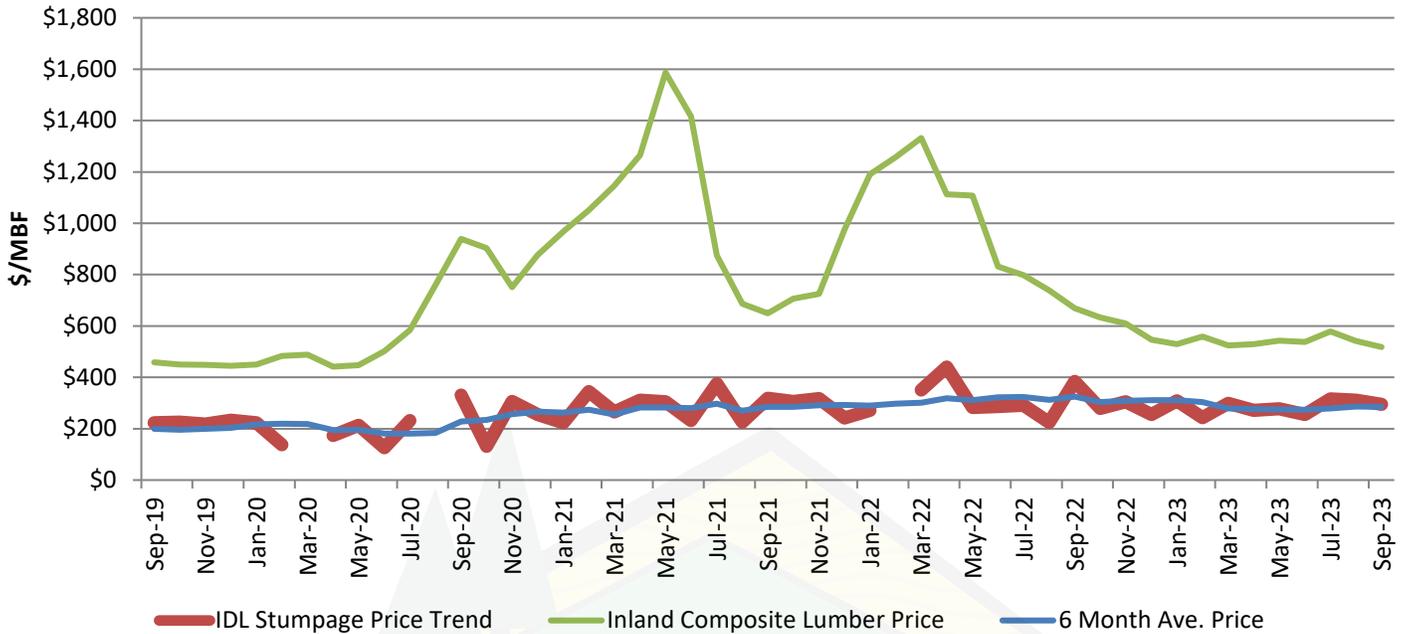


Cumulative Harvest Volume

Current FYTD is 115% of 3 Year Average



Monthly Lumber and Stumpage Price



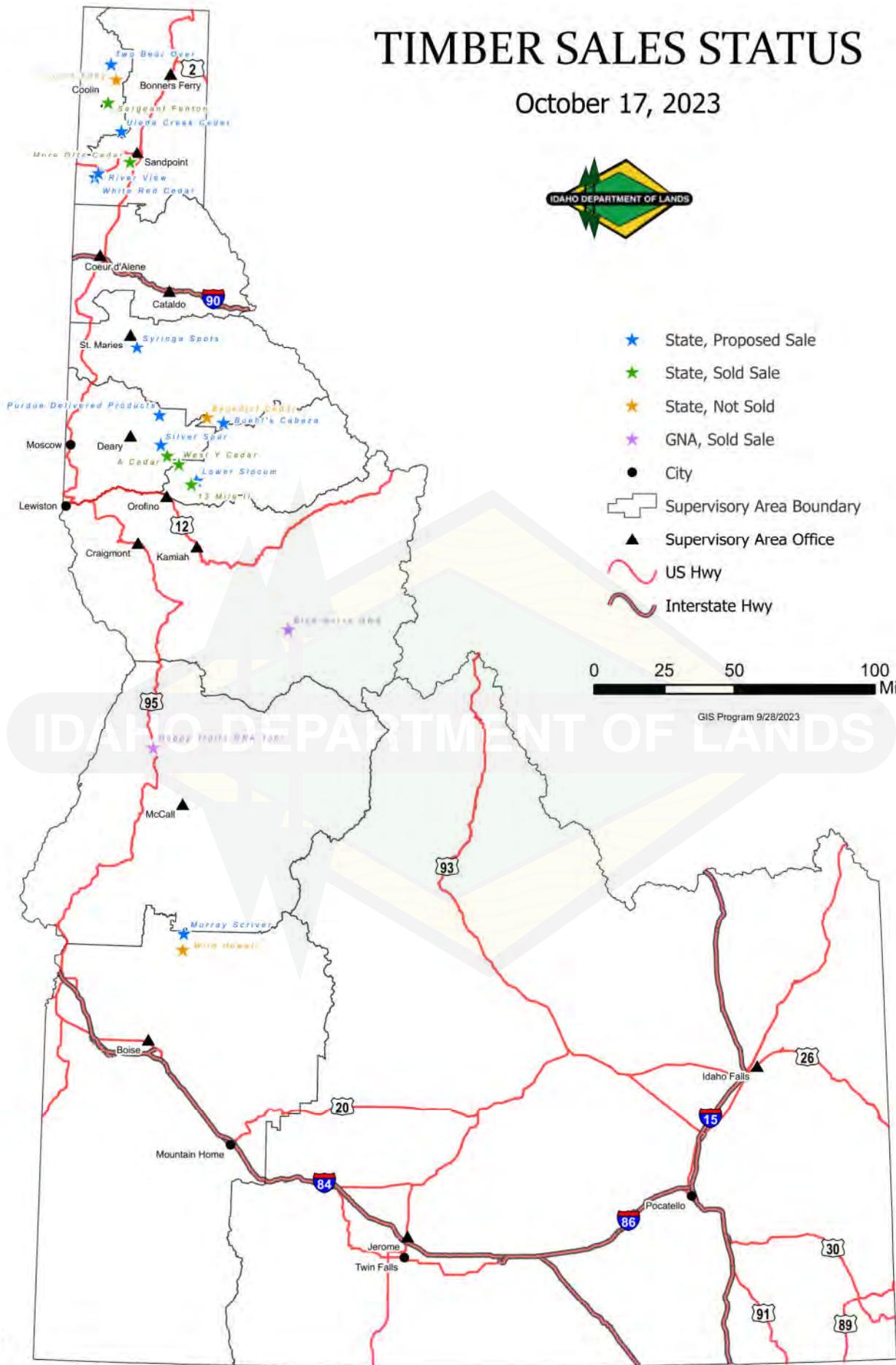
September 2023 6-month average price is \$285.40.

September 2022 6-month average price was \$324.97.

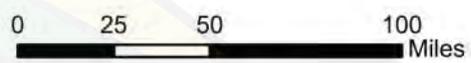


TIMBER SALES STATUS

October 17, 2023



- ★ State, Proposed Sale
- ★ State, Sold Sale
- ★ State, Not Sold
- ★ GNA, Sold Sale
- City
- ▭ Supervisory Area Boundary
- ▲ Supervisory Area Office
- US Hwy
- Interstate Hwy



GIS Program 9/28/2023

IDAHO DEPARTMENT OF LANDS



STATE BOARD OF LAND COMMISSIONERS

October 17, 2023
Endowment Transactions

Leases and Permits

FISCAL YEAR 2024 – LEASING & PERMITTING TRANSACTIONS BY MONTH - through September 30, 2023													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture	1	-	-	-	-	-	-	-	-	-	-	-	1
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
Communication Sites	1	2	-	-	-	-	-	-	-	-	-	-	3
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
Grazing	-	-	-	-	-	-	-	-	-	-	-	-	0
Assignments	-	3	-	-	-	-	-	-	-	-	-	-	3
Residential	-	-	-	-	-	-	-	-	-	-	-	-	0
Assignments	1	-	-	-	-	-	-	-	-	-	-	-	1
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	-	-	-	-	-	-	0
Industrial	1	-	-	-	-	-	-	-	-	-	-	-	1
Military	-	-	-	-	-	-	-	-	-	-	-	-	0
Office/Retail	-	-	-	-	-	-	-	-	-	-	-	-	0
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	0
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2	1	1	-	-	-	-	-	-	-	-	-	4
Assignments	-	-	-	-	-	-	-	-	-	-	-	-	0
Exploration Location			32										32
Non-Comm Recreation	2	-	-	-	-	-	-	-	-	-	-	-	2
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-	-	0
PERMITS													
Land Use Permits	1	9	10	-	-	-	-	-	-	-	-	-	20
TOTAL INSTRUMENTS	9	15	43	0	67								

Real Estate

FISCAL YEAR 2024 – REAL ESTATE TRANSACTIONS BY MONTH – through September 30, 2023													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	-	1	-	-	-	-	-	-	-	-	-	1
Deeds Granted	-	-	4	-	-	-	-	-	-	-	-	-	4
Deeds Granted - Surplus	-	-	-	-	-	-	-	-	-	-	-	-	0
Easements Acquired	1	-	-	-	-	-	-	-	-	-	-	-	1
Easements Granted	-	-	1	-	-	-	-	-	-	-	-	-	1

Notes: Deeds granted:

[Avimor Land Exchange](#) - First American Title Insurance Company as Trustee of the Dual Beneficiary.

1 Acquisition deed, Gem County.

3 Disposition deeds, Gem, Boise and Ada Counties.

[Priest Lake 2023 VAFO](#) (1 of 4 closings) Deed to ChallProps 4, LLC, Sales price = \$733,000.00

TRUST LAND MANAGEMENT DIVISION
FY2024 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through September 30, 2023

	ACTUAL RECEIPTS AS OF 09.30.2023	REVENUE EXPECTED BY 9.30.2023*	REVENUE EXPECTED BY 06.30.2024
SURFACE			
AGRICULTURE	\$ 63,375	\$ 63,625	\$ 592,000
COMMUNICATION SITES	\$ 59,104	\$ -	\$ 1,190,000
GRAZING	\$ 38,589	\$ 7,500	\$ 1,680,200
RESIDENTIAL LEASES	\$ 761	\$ -	\$ 1,017,395
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ -	\$ 67,800	\$ 95,840
COMMERCIAL INDUSTRIAL	\$ 29,041	\$ -	\$ 142,000
COMMERCIAL MILITARY FACILITIES	\$ -	\$ 500	\$ 151,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 86,978	\$ 571,000	\$ 991,600
COMMERCIAL RECREATION	\$ 59,754	\$ 470,000	\$ 1,014,000
OTHER			
CONSERVATION LEASES	\$ -	\$ 500	\$ 73,000
GEOHERMAL	\$ -	\$ -	\$ 5,012
MINERAL LEASES	\$ 11,556	\$ 1,750	\$ 113,000
OIL AND GAS LEASES	\$ 1,440	\$ 351	\$ 3,926
Sub Total	\$ 350,597	\$ 1,183,026	\$ 7,068,973
REAL ESTATE SERVICES (ER)	\$ -	**	
Grand Total - Earnings Reserve	\$ 350,597		

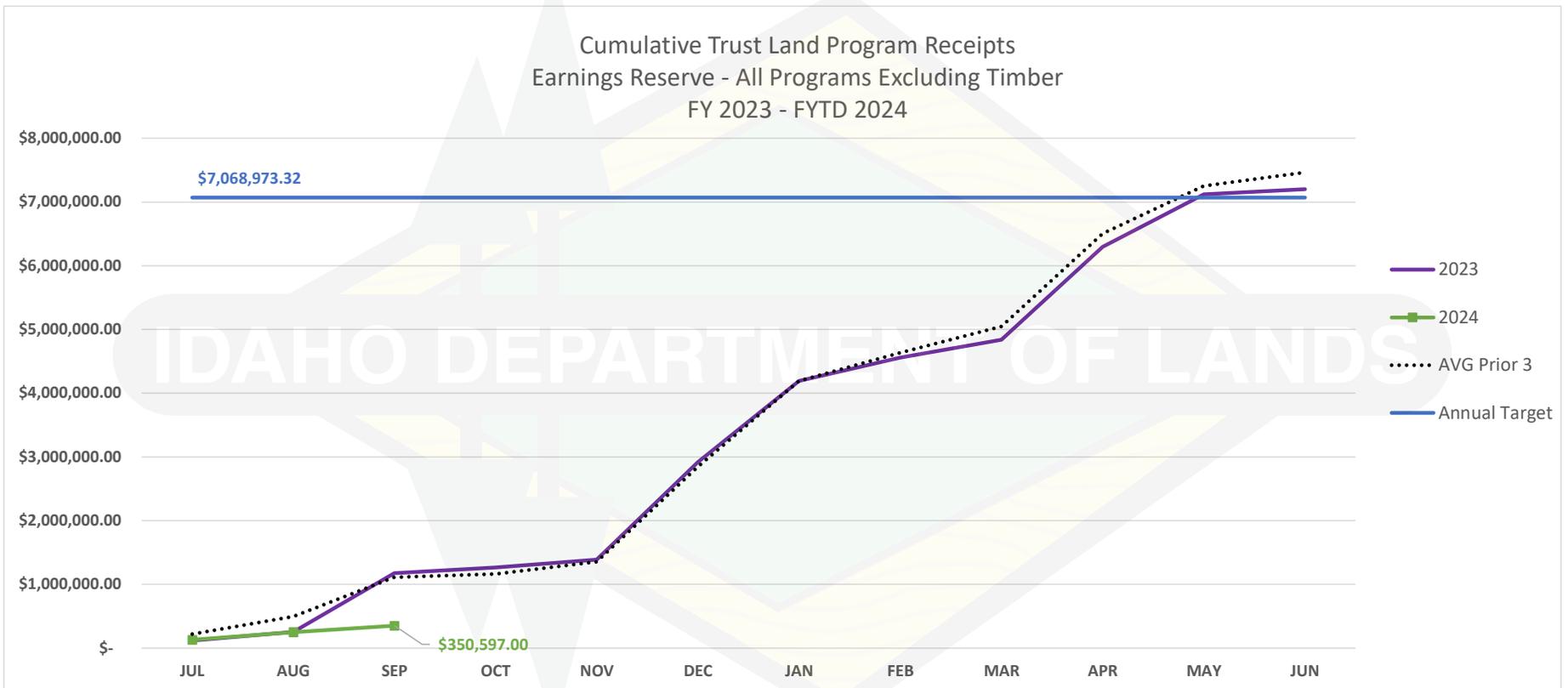
PERMANENT FUND REVENUE	
MINERALS (PF)	\$ 724,348 ***

*These figures are based on historic timing of revenue/billing as well as estimates of upcoming lease and permit revenue.

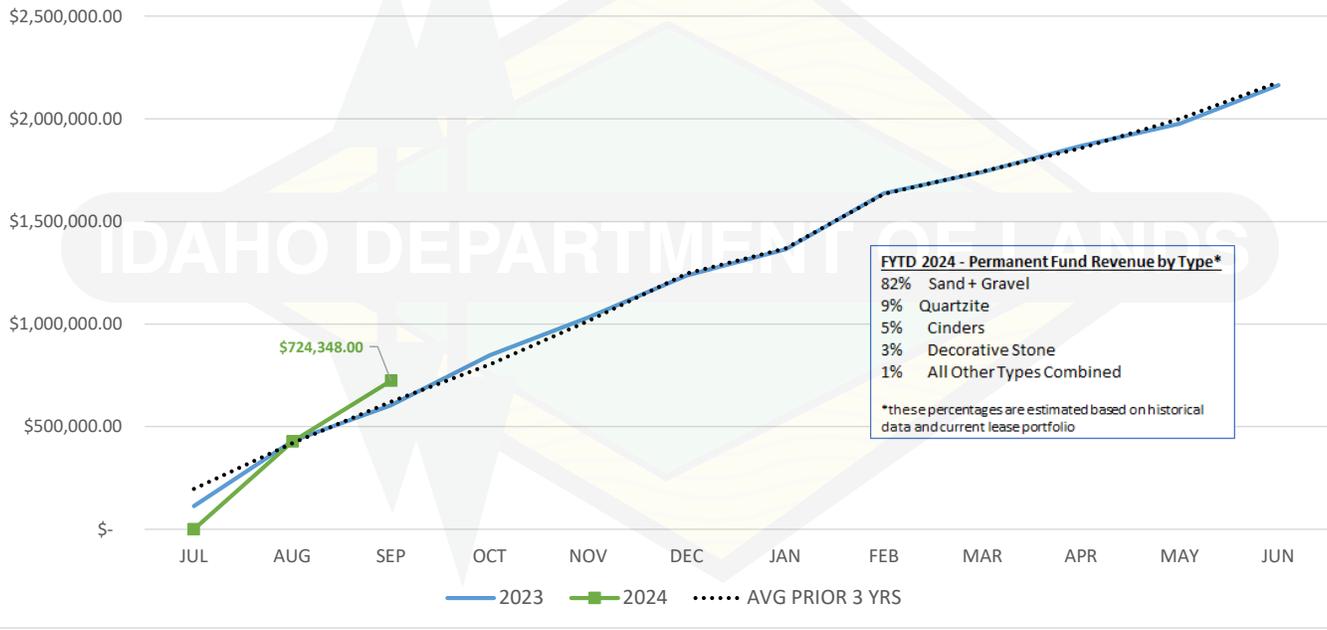
** This category is not included in the annual forecast.

***This category is not included in the annual forecast and represents minerals revenue to permanent fund.

Cumulative Trust Land Program Receipts
Earnings Reserve - All Programs Excluding Timber
FY 2023 - FYTD 2024



Trust Land Permanent Fund Revenue & Royalties
 (Excluding Land Bank and Timber Program)
 FY2023 - FYTD2024



STATE BOARD OF LAND COMMISSIONERS

October 17, 2023
Department Report

Subject

Fire Season Update

Background

As of October 10, Emergency Fire Suppression expenditures are estimated to be \$22,060,500. The Suppression Account will recover an estimated \$4,683,000 of reimbursable costs, for a net obligation of \$17,377,500. The total obligation includes the 2023 contracted aircraft costs and prepositioned contract engines to assist with resource scarcity. These engines were assigned across the state to boost initial attack resources.

Discussion

As shown by the table below, fire occurrence to date for 2023 is 99 percent of the 20-year average, while the acres burned is 10 percent of the 20-year average.

Fire Season Comparison to Date

Number and Size of Fires (Year to Date)				
Year	Human	Lightning	Total	Acres
2020	190	50	240	6,879
2021	237	154	391	141,981
2022	127	153	280	4,614
2023*	206	78	284	2,582
20 Yr. Average (2002-2022)			288	24,784

*2023 fires are calculated using the protection boundaries of the new Idaho Master Agreement which has increased the area in which IDL is the protecting agency. Therefore, there is a known inconsistency between 2023 numbers and 20-year averages.

Temperatures and precipitation are returning to seasonal norms and no significant fire danger and activity is expected.

Significant Fires Outside of IDL Protection

Total Acres Burned by Ownership	
10/10/2023	
Surface Owner	Acres
Bureau of Land Management	12,353
Other Federal	372
Private	8,003
State Endowment	1,396
Tribal	29
U.S. Forest Service	64,789
Total Acres	86,942

Only fires with perimeters in the Fire Enterprise Geospatial Portal have been included in the analysis.

Fire Deficiency Warrant Spending - 2023 Fire Season through Oct. 10		
Category	Estimated Costs	Notes
Aviation Resources	\$2,750,000	4 SEATS, 2 Fire Bosses, 2 Type 2 Helicopters
Prepositioned Engines	\$885,500	10 Contract engines statewide to boost IA, between 8/1/2023 – 9/15/2023
IDL Non-Team Fires	\$6,617,000	IDL/Assn fires including pre-positioning
IDL Team Fires	\$6,550,000	IDL Team Fire, 3 Type 3
Other Suppression Non-reimbursable	\$575,000	Coeur d'Alene Cache, Dispatch and emergency equipment expenses
Other Suppression Reimbursable	\$4,683,000	Reimbursable (IDL and Fire Department resources supporting non-IDL fires)
Total Estimate YTD	\$22,060,500	

Suppression Spending History

Fire Season Estimated Costs from Annual Reports			
	Idaho Fire Suppression Costs	Reimbursable	Idaho Obligation
2020	\$ 28,500,000	\$ 3,100,000	\$ 25,400,000
2021	\$ 74,600,000	\$ 7,200,000	\$ 67,400,000
2022	\$ 25,700,000	\$ 8,560,000	\$ 17,140,000
2023	\$ 22,060,500	\$ 4,683,000	\$ 17,377,500

Numbers for 2023 are YTD.

Master Agreement

This fire season was the first year for the new master agreement. It created savings to IDL of 2 fires and 3,343 acres burned in comparison to the 2016 Master Agreement. This is only one year. Results can vary significantly from year to year.

Attachments

1. Map–Significant Fires Throughout Idaho

IDAHO DEPARTMENT OF LANDS

2023 Wildland Fires in Idaho

10/6/2023

Fire Perimeter Categories

- Current Month
- Last Month
- Two Months Ago
- Three Months and Older

Surface Management

- Idaho Endowment Lands
- Other State
- Private
- U.S. Forest Service
- Bureau of Land Management
- Tribal Lands
- Other Federal



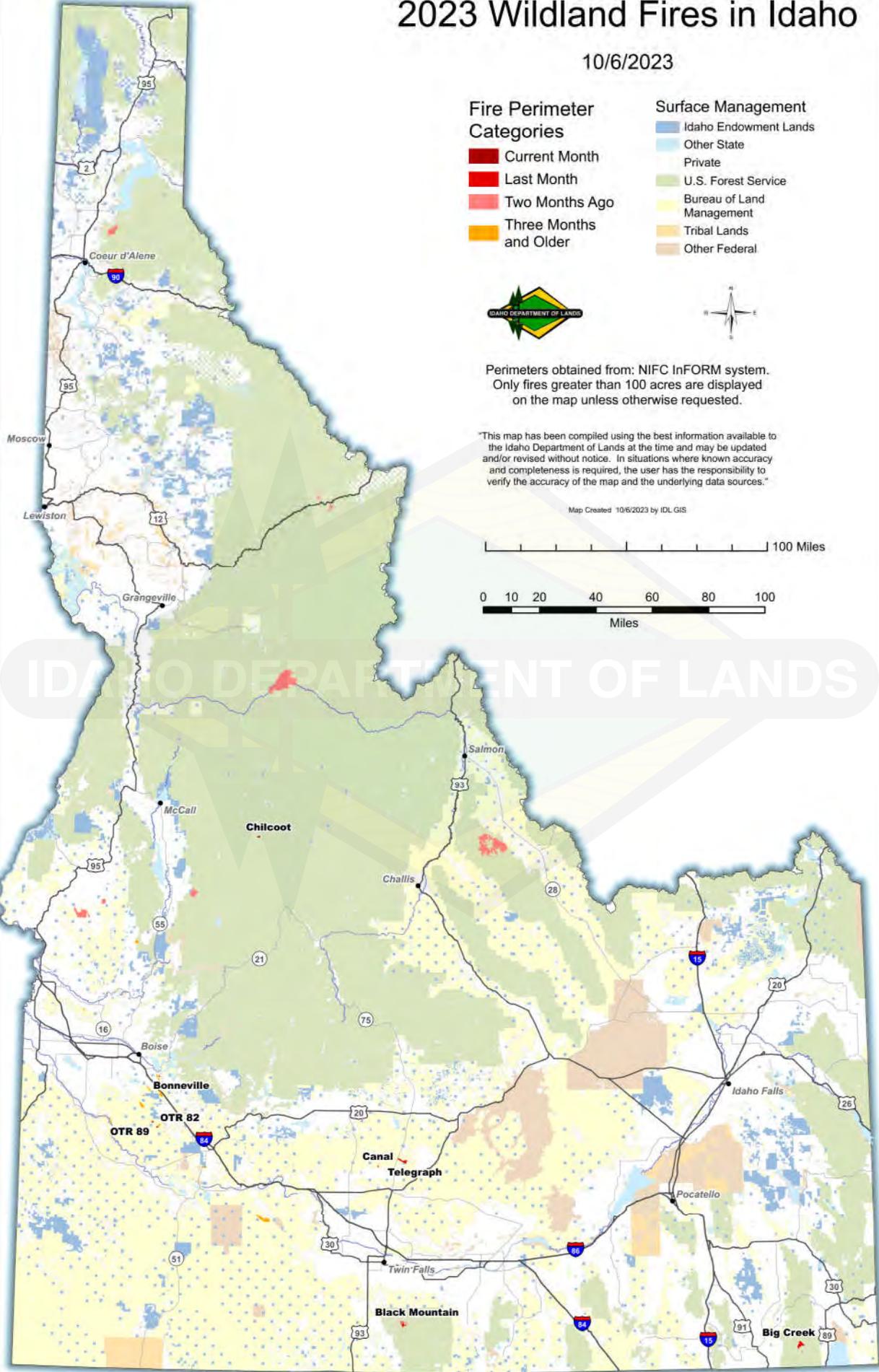
Perimeters obtained from: NIFC InFORM system.
Only fires greater than 100 acres are displayed on the map unless otherwise requested.

"This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources."

Map Created 10/6/2023 by IDL GIS

0 10 20 40 60 80 100 Miles

0 10 20 40 60 80 100 Miles



LAND BANK AGING REPORT

Current Remaining Principal Balance By Quarter Received - As of September 30, 2023

FY Quarter IN	Public School	Agriculture College	Normal Schools	State Hospital South	University of Idaho	All Endowments	FY Quarter EXPIRES
2019-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-01
2019-02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-02
2019-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-03
2019-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2024-04
2020-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-01
2020-02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-02
2020-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-03
2020-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2025-04
2021-01	\$ 1,639,575	\$ -	\$ -	\$ -	\$ -	\$ 1,639,575	2026-01
2021-02	\$ 6,595,000	\$ -	\$ -	\$ -	\$ -	\$ 6,595,000	2026-02
2021-03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2026-03
2021-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2026-04
2022-01	\$ 1,500,720	\$ -	\$ -	\$ -	\$ -	\$ 1,500,720	2027-01
2022-02	\$ 10,140,720	\$ 17,237,620	\$ -	\$ -	\$ -	\$ 27,378,340	2027-02
2022-03	\$ 9,890,500	\$ -	\$ -	\$ -	\$ -	\$ 9,890,500	2027-03
2022-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2027-04
2023-01	\$ 6,125,000	\$ -	\$ -	\$ -	\$ -	\$ 6,125,000	2028-01
2023-02	\$ 9,848,000	\$ -	\$ -	\$ 432,187	\$ -	\$ 10,280,187	2028-02
2023-03	\$ 9,800,000	\$ -	\$ -	\$ -	\$ -	\$ 9,800,000	2028-03
2023-04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2028-04
2024-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2029-01
TOTAL PRINCIPAL REMAINING	\$ 55,539,515	\$ 17,237,620	\$ -	\$ 432,187	\$ -	\$ 73,209,322	

LAND BANK CASH BALANCE (with Interest)	\$ 56,745,248	\$ 17,758,306	\$ 11,836	\$ 448,754	\$ -	\$ 74,964,143
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Thomas J. Wilford :: Chairman
Jerry F. Aldape Mary Pat Thompson
Robert M. Donaldson Chuck Winder
Joseph Forney Kenny Wroten
Irving Littman Brian Yeargain

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through September 30, 2023

Month: -3.3% Fiscal year: -3.4%

Both bonds and stocks declined in September. Stocks suffered their worst month of 2023 as the S&P500 fell 4.9%. Inflation continued to moderate with core and PCE inflation at 3.7% and 3.9%, respectively, but it remains considerably above the Fed’s inflation target of 2.0%. Treasury yields jumped to their highest levels in over a decade as markets reacted to the Fed’s “higher for longer” stance. Stocks sold off due to concerns that higher interest rates would put further pressure on a slowing economy and create challenges for businesses that are forced to borrow at higher rates of interest. The price of oil surged by nearly 10% which added to concerns that central banks will need to maintain tight monetary policy for longer.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 are well secured.

Significant actions of the Endowment Fund Investment Board

None

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None

Material legal issues: None

Changes in board membership or agency staffing: None

Upcoming issues/events

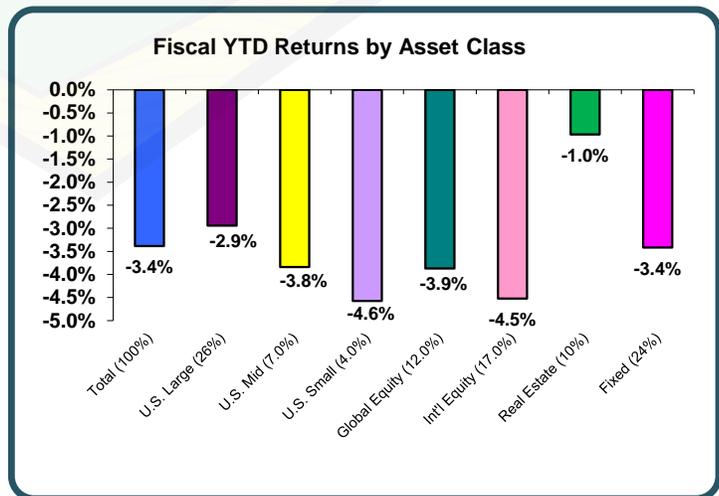
Board Meeting – November 21, 2023 (joint meeting)

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	2,929,701,056	\$ 2,947,604,447
Distributions to Beneficiaries	(8,359,583)	(25,328,749)
Land Revenue net of IDL Expenses	6,659,603	9,808,716
Change in Market Value net of Investment Mgt. Expenses	(95,607,896)	(99,691,233)
Current Value of Fund	\$ 2,832,393,180	\$ 2,832,393,180

<u>Gross Returns</u>	<u>Current Month</u>	<u>Calendar Y-T-D</u>	<u>Fiscal Y-T-D</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Total Fund	-3.3%	4.3%	-3.4%	12.2%	4.6%	5.8%	7.0%
<i>Total Fund Benchmark*</i>	-3.7%	5.1%	-3.3%	12.4%	4.3%	5.4%	6.7%
Total Fixed	-2.7%	-0.9%	-3.4%	1.0%	-4.5%	0.4%	1.2%
<i>BBG U.S. Agg. (Ag)</i>	-2.5%	-1.2%	-3.2%	0.6%	-4.7%	0.4%	1.2%
Total Equity	-4.0%	8.6%	-3.8%	20.6%	8.0%	7.7%	9.1%
<i>57% R3 29% Ax 14% AC</i>	-4.2%	10.0%	-3.4%	20.6%	7.5%	6.9%	8.7%
Domestic Equity	-4.4%	9.5%	-3.3%	19.3%	9.5%	8.6%	10.8%
<i>Russell 3000 (R3)</i>	-4.8%	12.4%	-3.3%	20.5%	9.4%	9.1%	11.3%
Global Equity	-4.1%	9.6%	-3.9%	23.4%	6.6%	8.6%	7.5%
<i>MSCI ACWI (AC)</i>	-4.1%	10.1%	-3.4%	20.8%	6.9%	6.5%	7.6%
Int'l. Equity	-3.1%	6.5%	-4.5%	21.7%	5.6%	5.7%	5.6%
<i>MSCI ACWI ex-US (Ax)</i>	-3.2%	5.3%	-3.8%	20.4%	3.7%	2.6%	3.3%
Real Estate			-1.0%	-10.1%	6.0%	5.7%	

* Benchmark: 38% Russell 3000 19% ACWI ex-US 9% AC 24% BB Agg. 10% OD

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,037.9	36.6%
Large Cap	731.2	25.8%
Mid Cap	195.5	6.9%
Small Cap	111.2	3.9%
Global Equity	338.1	11.9%
Int'l Equity	475.2	16.8%
Fixed Income	698.2	24.7%
Real Estate	268.5	9.5%
Cash	<u>15.7</u>	<u>0.6%</u>
Total Fund	\$ 2,832.4	100.0%

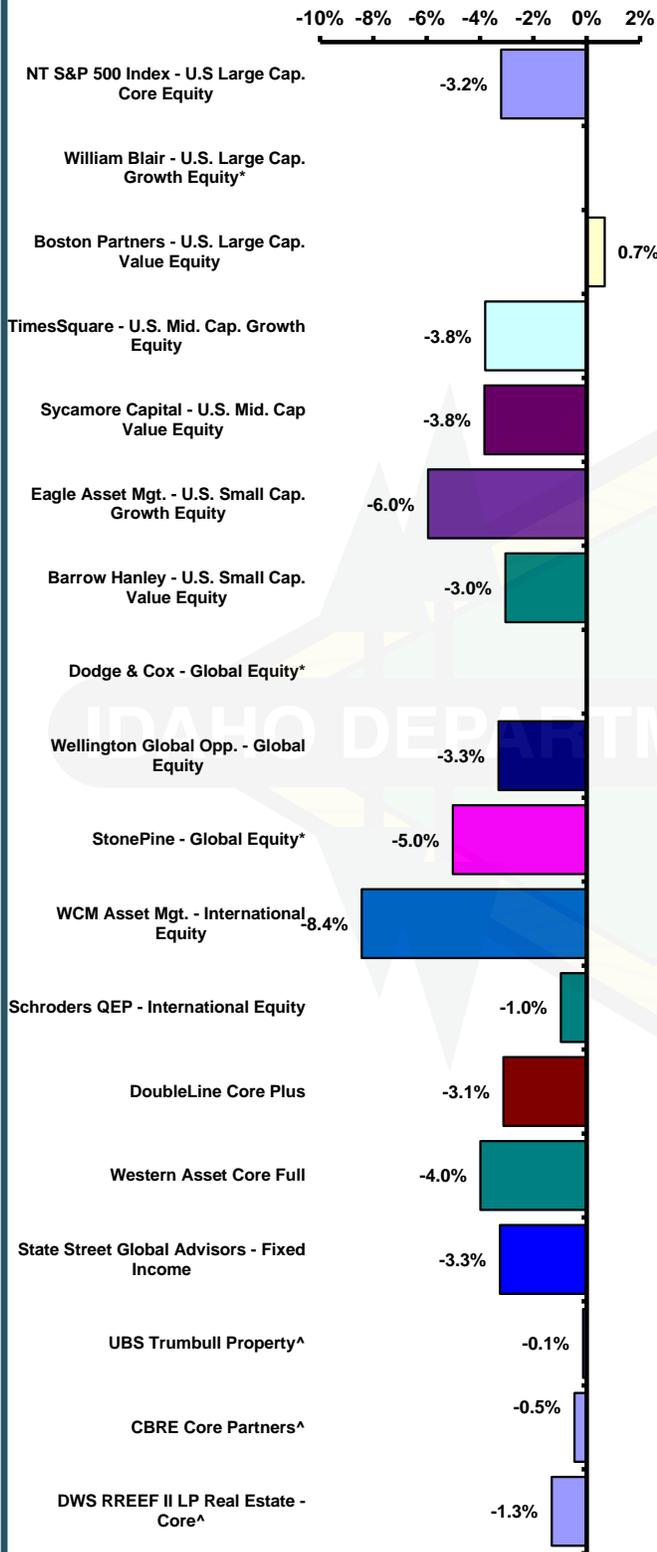


Endowment Fund Staff Comments:

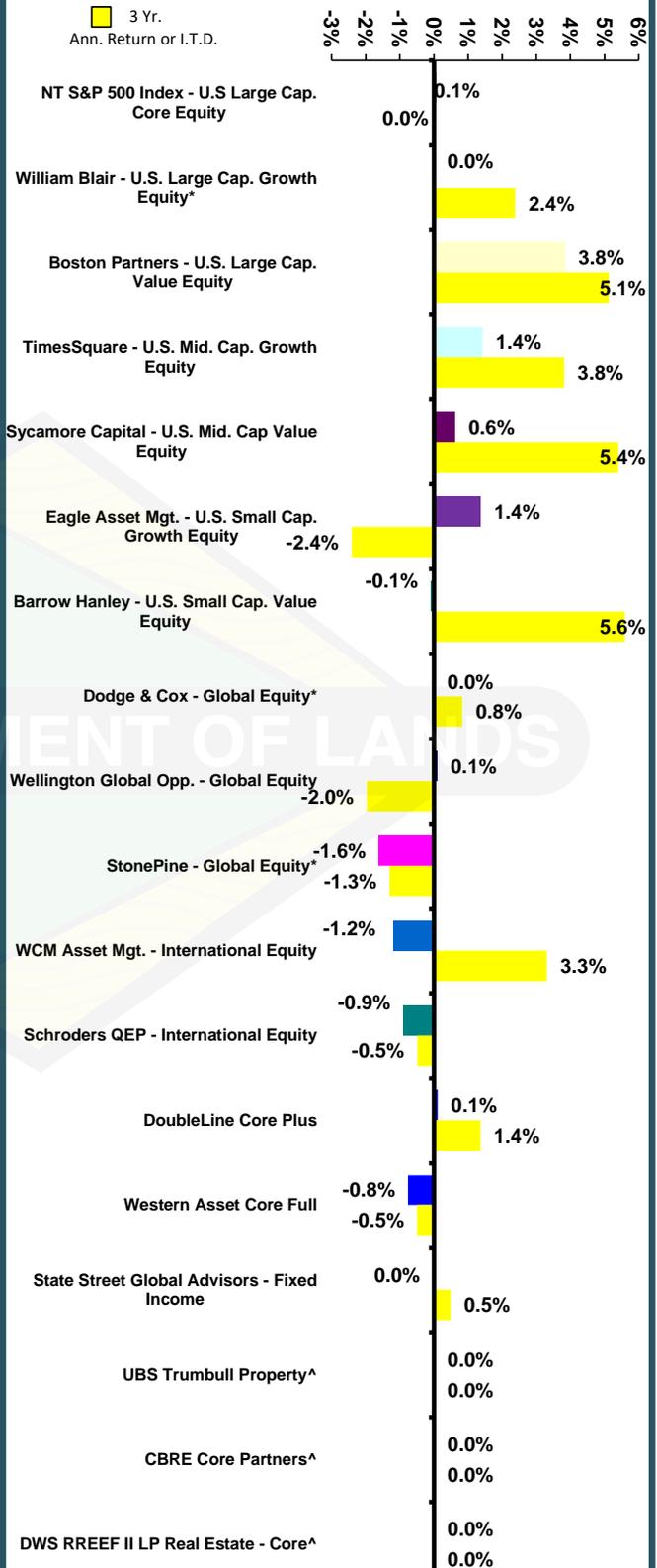
Both bonds and stocks declined in September. Stocks suffered their worst month of 2023 as the S&P500 fell 4.9%. Inflation continued to moderate with core and PCE inflation at 3.7% and 3.9%, respectively, but it remains considerably above the Fed's inflation target of 2.0%. Treasury yields jumped to their highest levels in over a decade as markets reacted to the Fed's "higher for longer" stance. Stocks sold off due to concerns that higher interest rates would put further pressure on a slowing economy and create challenges for businesses that are forced to borrow at higher rates of interest. The price of oil surged by nearly 10% which added to concerns that central banks will need to maintain tight monetary policy for longer.

INVESTMENT REPORT

FYTD Manager Returns



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



^ Most recent valuation. * I-T-D if no 3-yr. history



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Be it remembered, that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes State Board of Land Commissioners Special Meeting September 1, 2023

The special meeting of the Idaho State Board of Land Commissioners was held on Friday, September 1, 2023 at Idaho Department of Lands, Garnet Conference Rooms, 300 N. 6th Street, Suite 103, Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little
Honorable Secretary of State Phil McGrane
Honorable Attorney General Raúl Labrador
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Debbie Critchfield

For the record, Governor Little, Attorney General Labrador, Controller Woolf, and Superintendent Critchfield attended at the physical location; Secretary of State McGrane attended via Zoom webinar.

Regular—Action Item(s)

1. Address Open Meeting Violation

Board Action: A motion was made by Governor Little pursuant to Idaho Code § 74-204(4)(b), that the Land Board amend the special meeting agenda by adopting the proposed amended agenda. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

A motion was made by Governor Little that the Land Board acknowledge the August 15, 2023 motion for Executive Session violated the Open Meeting Law by failing to specifically identify the subsection of Idaho Code authorizing the Executive Session. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

A motion was made by Governor Little that the Land Board cure the violation by declaring the August 15, 2023 Executive Session void. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

At 9:02 a.m., a motion was made by Attorney General Labrador to resolve into Executive Session pursuant to Idaho Code § 74-206(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Controller Woolf seconded the motion. *Roll Call Vote: Aye: McGrane, Labrador, Woolf, Critchfield, Little; Nay: None; Absent: None.*

Executive Session

A. State v. Tim Garayalde

Idaho Code § 74-206(1)(f) – to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement.

At 9:08 a.m., a motion was made by Attorney General Labrador that the Land Board resolve out of Executive Session. Superintendent Critchfield seconded the motion. *Roll Call Vote: Aye: McGrane, Labrador, Woolf, Critchfield, Little; Nay: None; Absent: None.* No action was taken by the Land Board during the Executive Session.

For the record, Secretary of State McGrane commented that Land Board members always know what they are meeting about, and it was surprising how creative people were in the absence of knowledge; this was a good opportunity for the Land Board to help fill in those gaps.

There being no further business before the Land Board, at 9:09 a.m. a motion to adjourn was made by Controller Woolf. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Be it remembered, that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes
State Board of Land Commissioners Regular Meeting
September 19, 2023

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, September 19, 2023 at the State Capitol, Lincoln Auditorium WW02, Lower Level, West Wing, 700 West Jefferson St., Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little
Honorable Attorney General Raúl Labrador
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Debbie Critchfield

For the record, Governor Little, Attorney General Labrador, and Controller Woolf attended at the physical location; Superintendent Critchfield attended via Zoom webinar. Secretary of State McGrane was absent, administering other state business.

Director Miller recognized 11 Department employees in the audience who were participating in new employee onboarding, meeting Boise staff personnel and learning functions of the staff office. These employees are from various parts of the state and operate in diverse programs. Director Miller said that he appreciates these employees being here today and asked them to stand. Governor Little welcomed everyone.

1. Department Report – *Presented by Dustin Miller, Director*

Trust Land Revenue

- A. Timber Sales – August 2023
- B. Leases and Permits – August 2023

Discussion: None.

Status Update

- C. Fire Season Report
- D. Resource Protection and Assistance Report

Discussion: None.

2. Endowment Fund Investment Board – Presented by Chris Anton, EFIB Manager of Investments

- A. Manager's Report
- B. Investment Report

Discussion: Mr. Anton reported that during the month of August the fund was down 2.3%, essentially breaking even fiscal year-to-date. Through yesterday [September 18] the fund was down 1%; the market has been moving sideways. In May, the Investment Board approved restructuring the portfolio, including replacing one large cap growth manager, Sands Capital. A search was conducted with the support of Callan; the Investment Board interviewed J.P. Morgan, Loomis Sayles, and William Blair, and selected William Blair. William Blair is also a large cap growth manager; their approach is differentiated in that they look at quality growth companies, companies with strong balance sheets that are growing their profits as opposed to companies focused on growing the top line. Mr. Anton explained the reason for this change is to reduce the volatility in that area. In calendar year 2022, William Blair was half as volatile as Sands. Because Sands was so volatile, EFIB had two value managers for one growth manager. The Investment Board elected to eliminate LSV Asset Management, even though they are a good manager, and make small reductions in mid-cap allocations. All that money went into the S&P 500.

Mr. Anton mentioned that EFIB has a bit of overweight to small and mid-cap compared to its benchmark, which is the Russell 3000. There have been times in the past several months when the fund has underperformed the benchmark even though managers have outperformed their benchmark. In addition to replacing Sands, EFIB moved the capitalization up slightly to large cap. On the global side EFIB has two managers, Wellington and PineStone; both managers have a growth bias and EFIB thought it would be helpful to add a manager with more of a value tilt. Again with Callan's support, EFIB conducted a search; the Investment Board interviewed Artisan, Barrow Hanley, and Dodge & Cox, and selected Dodge & Cox. The funding for that came primarily from the Vanguard EAFE Index, an international index, which allows EFIB to have active management for all its international and global strategies; this is an area where active managers can add good value.

Consent—Action Item(s)

3. Approval of Draft Minutes – August 15, 2023 Regular Meeting (Boise)

Consent Agenda Board Action: A motion was made by Controller Woolf that the Land Board approve and adopt the Consent Agenda. Attorney General Labrador seconded the motion. The motion carried on a vote of 4-0.

Regular—Action Item(s)

4. **FY2025 Department of Lands Budget** – *Presented by Dustin Miller, Director*

Recommendation: Approve the Department's FY2025 budget request as submitted to Division of Financial Management and Legislative Services Office on Friday, September 1, 2023.

Discussion: Controller Woolf noted there is a placeholder in the budget for IT consolidation and asked how that will be determined. Is that a recommendation from ITS to the Department, or will the Department decide it is a good idea and bring a recommendation to the Land Board. Director Miller replied that ITS will provide information from the discovery phase to the Department. The Department will review, then based on the Department's needs will bring a recommendation for Land Board approval.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Department's FY2025 budget request as submitted to the Division of Financial Management and Legislative Services Office on Friday, September 1, 2023. Attorney General Labrador seconded the motion. For the record, Governor Little recused himself from this vote. The motion carried on a vote of 3-0.

5. **Approval of Dry Sky Ton Timber Sale with Clearcut Harvest Unit(s)** – *Presented by David Greenwood, Bureau Chief-Forest Management*

Recommendation: Approve the Dry Sky Ton Timber Sale.

Discussion: Governor Little inquired, in these clearcuts, if the Department always plants a monoculture or does the Department ever put larch or Douglas fir. Mr. Greenwood answered that it depends on the site. This site is dry; the Department is leaning towards ponderosa pine which is a faster growing species for this site. If the site had more moisture, the Department would plant more western larch. Insects and disease play a part. Given conditions at the Packer John site, the Department is shying away from Douglas fir and planting more western larch and ponderosa pine.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Dry Sky Ton Timber Sale. Attorney General Labrador seconded the motion. The motion carried on a vote of 4-0.

6. **Modification of Disclaimers of Interest Delegation of Authority** – *Presented by Mick Thomas, Division Administrator-Minerals, Navigable Waterways, Oil and Gas*

Recommendation: Modify the April 18, 2023 policy for disclaimer delegation of authority by replacing the public use right-of-way condition with the following:

"For navigable rivers, the proposed public use right-of-way is not less than or greater than twenty-five feet (25') in width. For navigable lakes, a public use right-of-way is not required."

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board adopt the Department's recommendation and modify the April 18, 2023 policy for disclaimer delegation of authority by replacing the public use right-of-way condition with the following: for navigable rivers, the proposed public use right-of-way is not less than or greater than 25 feet in width; for navigable lakes, a public use right-of-way is not required. Attorney General Labrador seconded the motion. The motion carried on a vote of 4-0.

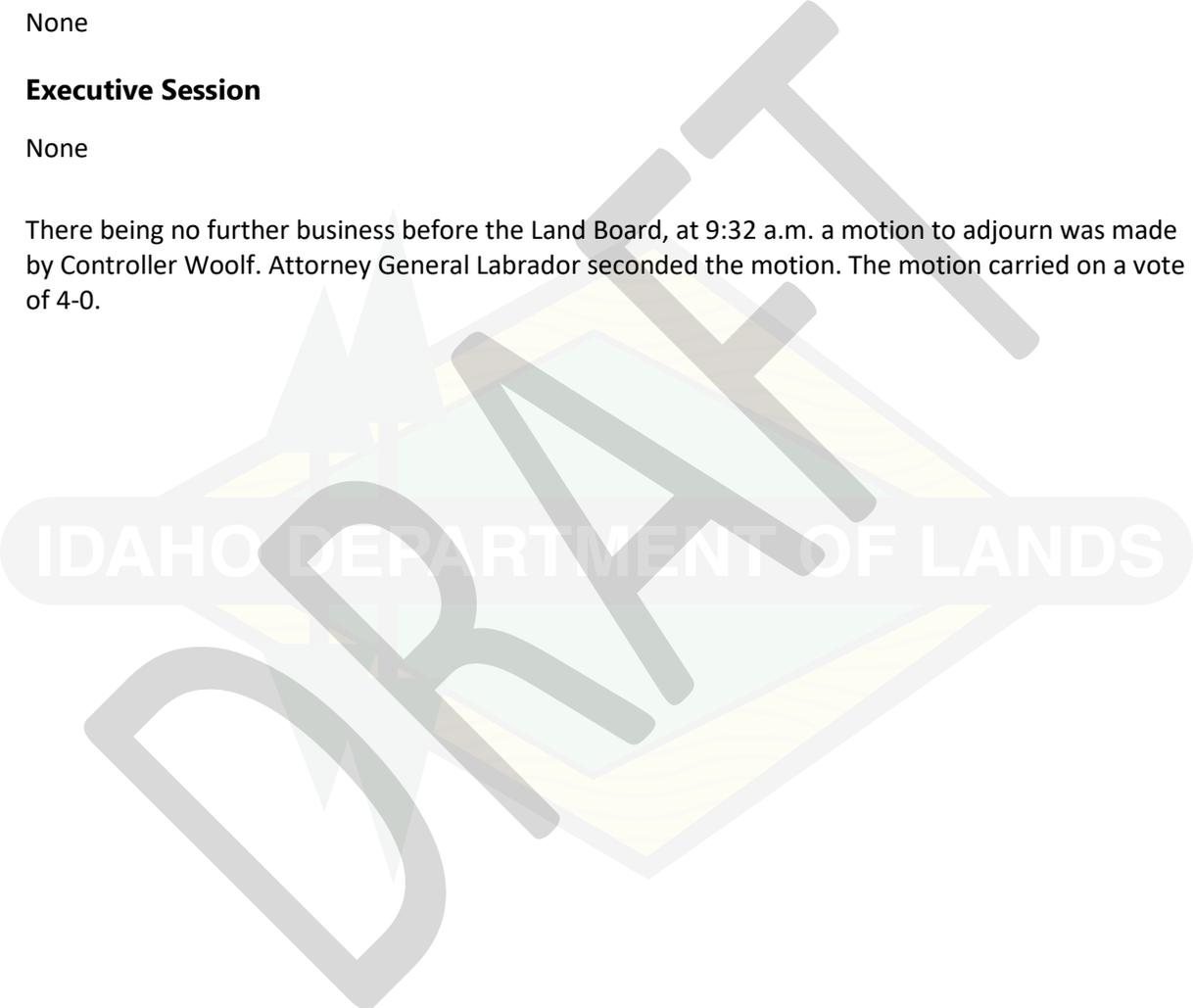
Information

None

Executive Session

None

There being no further business before the Land Board, at 9:32 a.m. a motion to adjourn was made by Controller Woolf. Attorney General Labrador seconded the motion. The motion carried on a vote of 4-0.



STATE BOARD OF LAND COMMISSIONERS

October 17, 2023

Regular Agenda

Subject

Commercial Real Estate Advisor

Question Presented

Shall the Land Board authorize the Department and the Investment Subcommittee to issue a request for proposals for a new commercial real estate advisor for the Land Board?

Background

On September 20, 2023, the Idaho Department of Lands (Department) received notice that CenturyPacific LLLP desired termination of their role as commercial real estate advisor effective September 30, 2023. Termination by either party is allowed under the terms of the contract.

The role of commercial real estate advisor was established in 2015 consistent with the direction provided by the Asset Allocation and Governance Review from Callan, adopted by the State Board of Land Commissioners (Land Board) in 2014. The recommendations from Callan included obtaining expert professional guidance for the Land Board regarding management and disposal of commercial real estate assets.

The commercial real estate advisor has assisted the Land Board and the Department with analysis and review of commercial and transitional real estate assets, leasing opportunities, property valuation, land exchange opportunities, and more. Third party expert review of these complex issues adds to the expertise of the Land Board and the Department, helping ensure that decisions reflect the best interest of the endowment beneficiaries. The Department remains in need of this type of expertise.

Discussion

To maintain the needed expertise and third party review capability, the role of commercial real estate advisor remains important. The Department could issue a Request for Proposals (RFP) seeking firms interested in filling the role.

The RFP and scope of work would be reviewed by the Land Board's Investment Subcommittee prior to issuance. Proposals received would be screened by Department staff prior to review by the Investment Subcommittee and subsequent Investment Subcommittee interviews of qualified firms. If a suitable firm is located, the Investment Subcommittee would make a recommendation to the Land Board regarding the selection of a commercial real estate advisor.

The scope of work for the RFP would describe responsibilities including but not limited to:

1. Review and recommendation regarding certain proposed land transactions.
2. Review and recommendation regarding certain leasing or other revenue opportunities.
3. Assistance with development and review of proposals related to certain parcels of endowment land.
4. Assistance with determining highest and best use of certain parcels of endowment land.
5. Assistance with valuation of certain parcels of endowment land.
6. Presentations to the Land Board when needed.
7. Other duties as appropriate.

Use of the commercial real estate advisor would typically involve relatively high value parcels or projects. The Land Board would have priority for use of the advisor over the Department should the use ever be in possible conflict. Expenses related to the advisor would utilize funds from the Department's existing budget, as has been the case since 2015.

Recommendation

Authorize the Department and the Investment Subcommittee to develop and issue an RFP for a commercial real estate advisor, review the responses, interview candidate firms, and make a recommendation to the Land Board.

Board Action

Attachments

1. CenturyPacific LLLP notice of termination

Michael E. Finch
PRINCIPAL

September 20, 2023

Mr. Dustin Miller

Secretary
Idaho State Board of Land Commissioners
300 N. 6th Street
Boise, ID 82702
dmiller@idl.idaho.gov

Mr. Bill Haagenson

Deputy Director
Idaho Department of Lands
300 N. 6th Street
Boise, ID 82702
whaagenson@idl.idaho.gov

**RE: Notice of Termination
Commercial Real Estate Advisor Agreement**

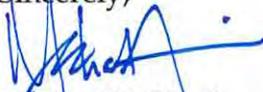
Dear Messrs. Miller and Haagenson,

Thank you for the opportunity to serve the State of Idaho Board of Land Commissioners ("Land Board") and the Idaho Department of Lands ("Department"). Beginning in 2015, CenturyPacific has thoroughly enjoyed building a strong relationship with the Land Board and the Department - working together to assess, reposition, monetize, exchange and activate previously underutilized and surplus commercial real estate assets with the collective goal of maximizing revenue and long-term value to the State of Idaho and the endowments served.

Pursuant to Section 13 of the Commercial Real Estate Advisory Agreement between State of Idaho Board of Land Commissioners and CenturyPacific, LLLP dated September 22nd, 2015, please accept this notice as termination of the contract. A termination effective as of September 30, 2023 is acceptable to CenturyPacific, LLLP, as there are currently no active advisory assignments or deliverables in progress. We are happy to work with the Department related to transitioning of files or the onboarding of a new advisor.

Our service to the State of Idaho as real estate advisor, and the trust received from the State, has been a privilege and will continue to be viewed by our firm as a rewarding assignment. We are grateful to have had the opportunity to work with you in service of the great State of Idaho.

Sincerely,



Michael E. Finch

CC: Michael A. Odegard



IDAHO DEPARTMENT OF LANDS

STATE BOARD OF LAND COMMISSIONERS

October 17, 2023

Regular Agenda

Subject

IT Modernization

Question Presented

Shall the Land Board approve the transfer of Department IT resources to the Office of Information Technology Services?

Background

The Office of Information Technology Services (ITS) was created in 2018 to increase efficiency in IT services across state agencies, enabling agencies to focus on their core missions rather than being IT providers. ITS provides dedicated IT services and state-of-the-art cybersecurity operations to promote consistent agency security. Currently, ITS is responsible for the IT support of 48 agencies in Idaho and over 8,500 users; services include but are not limited to Security Management, Networking, Telecommunications, Application, and Website hosting.

The Idaho Department of Lands (Department) has an IT staff of 16 full-time positions providing services including help desk, infrastructure management and support, and application development. The Department is a potential candidate for modernization in the 2025 fiscal year.

Discussion

The Department currently has two technical support staff to serve all of its 14 field offices throughout the state. Modernization will allow the Department to leverage ITS's existing field services, improving the speed of service.

Department infrastructure is becoming obsolete, and the Department has had trouble recruiting additional staff in this area. Currently, the Department has three infrastructure engineers to take care of over 125 servers (of which 73 need to be replaced), network equipment at each area office, VOIP phones, and Starlink for connectivity. ITS modernization will allow the Department to utilize the skilled staff of ITS to help remediate current issues, provide faster resolution of issues and lower the risk that the Department has within its environment.

As cybersecurity risks continue to become more prevalent, the Department has only one cybersecurity staff member ensuring the security of the Department's data and services. ITS has a much more robust toolset and the proper staffing to protect the State's data.

Modernization will allow the Department to benefit from the 24-hour monitoring that ITS has in place.

The Department's application development team provides better service and functionality than what ITS currently offers. ITS has acknowledged this and has assured the Department that its application development team will stay dedicated to the agency's needs until the development has been completed. ITS has also agreed for at least the first 12 months after modernization that the Department's application development team will stay onsite to ensure the business has access to the staff while application development continues.

Recommendation

Approve the transfer of Department IT resources to ITS in fiscal year 2025, with the following conditions:

- The Department and ITS enter into an agreement that provides certainty regarding support for Department IT needs.
- Service level agreements are adequate for support of special needs, such as during fire season.
- The Department's application development team will remain assigned to the existing project backlog for the next three years or until completed, if beyond three years.
- The Department will continue to receive a similar level of application development support beyond the three-year term.

Board Action

