



# Alaska State Legislature Legislative Council Minutes

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**DECEMBER 13, 2012**

[2:07:09 PM](#)

The Legislative Council meeting was called to order at 2:07 p.m. by Senator Linda Menard, Chair, in the Anchorage LIO 2nd Floor Conference Room and via teleconference.

## **1. ROLL CALL**

Chair Menard called the roll. In attendance were Council members: Senators Egan, Menard, and Stevens; Representatives Austerman, Chenault, Herron (via teleconference), Holmes, Johnson, Stoltze, and P. Wilson (via teleconference). Absent members: Senators Davis, Hoffman, Olson, Stedman and alternate member Joe Thomas; alternate member Representative Bill Thomas.

Staff present: Pam Varni, Cathy Tilton, Curtis Clothier, Doug Gardner, Jessica Geary, Skiff Lobaugh, Tina Strong (via teleconference), John Wright (via teleconference)

Others present: Kris Curtis, Legislative Auditor; Paulyn Swanson, staff to Representative Mike Hawker; Taylor Winston, Executive Director, Office of Victims' Rights; Wayne Jensen, owner/architect, Jensen Yorba Lott, Inc.; and Blue Shibler, Executive Director, Discovery Preschool

## **2. APPROVAL OF AGENDA**

Chair Menard asked if there were any corrections or additions to the agenda.

Senator Egan moved that RFP 581 – Alaska State Capitol Design Services be added to the agenda. Representative Austerman objected for the purposes of discussion. Chair Menard noted that it was not on the agenda because there was ample time for the incoming chairman to address the issue at the next meeting. Representative Stoltze noted that Senator Egan had convinced him that there were life/safety issues and that it should be dealt with as soon as possible.

Representative Herron joined the meeting at this time.

Chair Menard called the roll.

YEAS: Austerman, Chenault, Herron, Holmes, Johnson, Stoltze, Wilson, Stevens, and Egan

NAYS: Menard

The motioned passed 9-1.

Representative Holmes moved that Legislative Council approve the agenda as amended.

The motion passed with no objections.

### **3. APPROVAL OF JULY 25, 2012 MINUTES**

Representative Holmes moved that Legislative Council approve the minutes of the July 25, 2012 Council meeting as presented.

The motion passed with no objections.

### **4. BARROW LEASE RENEWAL APPROVAL**

Chair Menard stated that the existing Barrow office space sublease will expire December 31, 2012 with four one-year renewal options remaining. The lease renewal period is January 1, 2013-December 31, 2013, for a total cost of \$32,818.20. This equals \$5.03 per square foot for the space. Procurement Officer Tina Strong was available to answer questions.

Representative Holmes moved that Legislative Council approve the sublease extension renewal agreement for the existing Barrow lease space for \$32,818.20 with Arctic Slope Telephone Association Cooperative, Inc.

Representative Holmes expressed concern that the space in Barrow be large enough to accommodate Representative-elect Nageak, but agreed that the issue could be dealt with at a later meeting when it was clarified how much office space was needed. Chair Menard concurred.

The motion passed with no objections.

### **5. DISCOVERY PRESCHOOL RENEWAL APPROVAL**

Chair Menard stated that an extension of the Discovery Preschool contract would cause the contract to be renewed for a term of one year beginning December 30, 2012, terminating December 30, 2013, and leaving a one-year renewal remaining.

Representative Holmes moved that Legislative Council approve the one-year renewal with Discovery Preschool, LLC beginning December 30, 2012, and terminating on December 30, 2013.

Representative Austerman asked for an explanation and history of the lease. Pam Varni explained that Legislative Council entered into the lease when the building was acquired due to a shortage of childcare in Juneau. This assures members and staff that there will be a childcare option during session. Ms. Varni explained that all financial arrangements are between the parents and Discovery Preschool. The Legislative Affairs Agency provides office space. This is similar to the arrangement in the Federal Building and a number of legislators and staff use this

service. The childcare facility operates year-round with additional capacity during the legislative session. Representative Stoltze provided additional historical context.

The motion passed with no objections.

## **6. LATE PER DIEM APPROVAL**

Chair Menard noted there are four requests for late per diem on the agenda and encouraged the incoming chairman to examine the per diem policy as there have been many late per diem approval requests to the committee. She recommended looking at a longer filing period.

Representative Holmes moved that Legislative Council approve the late per diem requests for Sen. Egan, Rep. Olson, Rep. Chenault and Rep. Kawasaki.

Representative Stoltze objected and expressed a concern that a late per diem request received after an election for travel before an election allows a legislator to avoid public scrutiny of the travel, which doesn't serve the public well. Jessica Geary explained that the 60-day policy was adopted in 1989 to meet IRS regulations and to ensure that end of year reporting and fiscal year budgeting is accurate. Senator Stevens opined that a 60-day period is right and shouldn't be changed.

Representative Stoltze said he would like to amend the motion to defer the late per diem claims to the next meeting, giving the filers time to prepare and present their argument for the late per diem requests.

Senator Stevens objected.

Chair Menard called the roll.

YEAS: Stoltze

NAYS: Austerman, Chenault, Holmes, Johnson, Wilson, Egan, Stevens and Menard

Representative Herron did not respond to the roll call.

The amendment failed 8-1.

Representative Stoltze removed his objection.

The motion passed with no objection.

## **7. LAA COMPENSATORY TIME POLICY APPROVAL**

Chair Menard stated that currently the compensatory time policy for non-partisan employees is different among departments. At the last Legislative Budget and Audit meeting, a compensatory policy was adopted for the Legislative Audit and Finance Divisions. Adopting the proposed policy change would bring the Legislative Affairs Agency in line with the policy adopted by LB&A, thereby treating all the non-partisan employees equally.

Representative Holmes moved that Legislative Council approve the proposed compensatory time policy for the Legislative Affairs Agency non-partisan employees that are consistent with Legislative Finance and Legislative Budget and Audit non-partisan employees effective immediately.

Senator Stevens clarified that partisan employees do not have comp time, but adopting this new policy would bring all non-partisan employees under the same rules. Human Resource Manager Skiff Lobaugh concurred. Chair Menard noted that this has been a concern for a while and asked Mr. Lobaugh if he felt this was an equitable solution. Mr. Lobaugh answered in the affirmative. Representative Holmes asked about the history of the policy. Mr. Lobaugh noted that the divisions have historically had various policies in place and the current policy was adopted on September 5. In response to a question from Representative Chenault, Mr. Lobaugh noted that adopting this policy would not bear any additional cost because it is a “use it or lose it” policy.

The motion passed with no objection.

## **8. DOMAIN NAME CHANGE**

Chair Menard stated that several legislative offices have over the years requested a shorter email address extension. The IT Subcommittee researched options and is recommending the approval of *akleg.gov* - a short and descriptive domain name. The current extension of *legis.state.ak.us* will be valid for at least one year from the effective date of the change. The change can be effective within one week of approval.

Representative Holmes moved that Legislative Council approve the Alaska Legislature domain name change to *akleg.gov*.

Senator Stevens asked how long the current address would be valid. Curtis Clothier, Information Services Manager for the Legislative Affairs Agency, replied that it would be valid until December 31, 2013. Chair Menard noted that the new address is more user-friendly and recommended that we reach out to the public to ensure they are aware of the change. Representative Johnson asked how long we would keep our current domain and recommended that we keep it for a long period to ensure that it isn't bought by another entity. Mr. Clothier noted that we could keep it as long as we wanted to pay the \$100 annual fee and also noted that we would be changing the website for consistency. Senator Stevens recommended that the legislature shorten the addresses even further by using a first initial. Mr. Clothier noted that we are not contemplating that change at this time but it could be discussed in future meetings.

Representative Holmes encouraged abbreviating titles to make the address even shorter and adopting all the changes at the same time. Mr. Clothier noted that the abbreviated titles are currently valid.

The motion passed with no objections.

## **9. LEGISLATIVE BUDGET AND AUDIT REMODEL APPROVAL**

Chair Menard stated that the proposal before members is the efforts of Phase I, the design phase for the Audit space remodel and renovation as previously approved by the Council. Funding approval for Phase II of the project will allow the Division of General Services (DGS) to commence with the bid process. Paulyn Swanson, Legislative Budget & Audit staff to Rep. Hawker, and Kris Curtis, Legislative Auditor, were available for questions.

Representative Holmes moved that Legislative Council approve an amended Reimbursable Services Agreement with the Department of Administration in an amount not to exceed \$1,200,000 for design oversight, asbestos abatement, bid preparation, project construction and administration for the 6<sup>th</sup> Floor State Office Building Legislative Audit Remodel project. Funding is from existing legislative capital funds.

Representative Herron left the teleconference. There was a brief at-ease while a quorum was reestablished.

Representative Austerman asked for clarification about the motion. Paulyn Swanson, staff to the Legislative Budget and Audit Committee, explained that approving the motion would amend the RSA that is currently in place with DGS to include the construction phase of the project – including the bid preparation, bid award and actual construction. Ms. Swanson explained that a large portion of the \$1.2 million cost estimate was necessary asbestos abatement.

The motion passed with no objections.

Representative Holmes asked for clarification about the scope of the project. Ms. Swanson explained that the temporary relocation of Legislative Audit to the Terry Miller Gym wasn't included in the \$1.2 million, but would most likely be accomplished with existing funds. However another cost that is being determined by LAA is necessary electrical upgrades to the gym to accommodate Audit. These upgrades, as well as the furniture and partitions, will be future items for Legislative Council review and approval. Representative Johnson expressed concern that the legislature was paying for asbestos abatement, which he opined should be the landlord's responsibility. Ms. Swanson explained that the landlord refused to pay for the abatement, but it was necessary if the remodel was to go forward. Kris Curtis, Legislative Auditor, opined that it was a policy call by the Legislature, but being housed in the State Office Building allows the Audit Division to have a daily presence with the agencies located there. Representative Austerman noted that, since it's a state building, the money would come from the same source. Representative Johnson noted that there might also be a liability concern. Ms. Swanson explained that the agreement is structured so that DGS is running the project. Representative Chenault noted that he had the same concerns as Representative Johnson but that

ultimately the funds would be coming from the same source and he was supportive of moving forward.

## **10. LEGISLATIVE PRINT SHOP COPIER PURCHASE APPROVAL**

Chair Menard stated that the Legislative Print Shop currently has six Xerox copy machines located throughout the Capitol and the Print Shop area that were purchased in 2006. The copiers have exceeded the normal 5-year life cycle and have produced a large volume of prints. The models are being discontinued by the manufacturer and they no longer support the machines. Print Shop Manager John Wright can answer questions.

Representative Holmes moved that Legislative Council approve the purchase of six new copiers for the Capitol and Print Shop for the total price of \$165,764 from the State's WSCA contract from existing legislative capital funds.

Senator Stevens asked about the disposition of the current copiers. Tina Strong, Procurement Officer, noted that since Xerox no longer services the machines, Surplus doesn't want them so they will be hauled away by the company at no cost. Representative Chenault voiced a concern that we were continuing to do business with a vendor that doesn't service equipment that is five years old. Representative Wilson expressed concern that some copiers aged out before they produced the number of copies that they were rated for. Representative Austerman opined that we should not need so many copiers as we adopt more paperless technology.

The motion passed with no objections.

## **11. OFFICE OF VICTIMS' RIGHTS SOFTWARE APPROVAL**

Chair Menard stated that the new executive director, Taylor Winston, of the Office of Victims' Rights, is requesting new case management software to replace the outdated software they are currently using.

Representative Holmes moved that Legislative Council approve the award and expenditure not to exceed \$75,000 from legislative capital funds to New Dawn Technologies for JustWare software and approve the written justification and approval under Section 040 of the Legislative Procurement Procedures.

In response to a question from Representative Stoltze, Ms. Winston explained that the new software is replacing software that was in place when the office opened in 2002. That software is incomplete and outdated, and does not allow proper editing or searching. The new software, which is designed for criminal justice agencies, will increase efficiency, enable electronic files, allow better searching and access, and help the agency better serve the public. Ms. Winston anticipates this software will serve the agency's needs for at least the next ten years.

The motion passed with no objections.

## **12. LEGISLATIVE PROCUREMENT PROCEDURE AMENDMENTS APPROVAL**

Chair Menard tabled Item 12 due to time constraints.

## **13. OFFICE ALLOWANCE OPTION APPROVAL**

Chair Menard stated that after thorough review of the Allowance Account Guidelines by an independent CPA firm, the professional opinion is that the Legislature is jeopardizing our Accountable Plan by letting Legislators choose how they want their individual plan administered, therefore the Council needs to choose one option for all members

Jessica Geary, Finance Manager for Legislative Affairs Agency, reviewed the results of a survey on the Accountable Plan options that was sent to all legislators. Option 3, the non-accountable option where each Legislator receives their annual allowance up front and taxes are withheld was preferred by 25 Legislators. Option 2, the split option, was preferred by six Legislators; and Option 1, the fully accountable option, where receipts were submitted to the Accounting Office with no taxes withheld and any unspent funds lapse to the General Fund at the end of the year was preferred by 17 Legislators. The preference was for Option 3, the non-accountable option.

Senator Menard commented on her experience with choosing an option when she took office and opined that it can be cumbersome and confusing for incoming legislators. Ms. Geary explained that there had not been a review since 2001 and, after review, the CPA noted that it is problematic to allow a payment of funds leftover in an Accountable Plan even if they are taxed and that it is also problematic to allow each legislator to choose an individual option. The recommendation is that one option should be decided administratively and be consistent for all legislators. If Option 3, the non-accountable plan, was chosen, legislators would be able to choose lump-sum, quarterly, or monthly payments. In response to inquiries by Representative Stoltze, Ms. Geary clarified that one option should be chosen for all legislators. There was discussion about the tax consequences and it was determined that the consequences would vary based on income and deductions.

Representative Holmes moved that Legislative Council based on recent IRS rulings and independent auditor recommendations recommend Option 3: Non-accountable Plan for all 60 members of Legislative Council effective with the 28th Legislature with payments made in one-time lump sum, quarterly or monthly at each Legislator's choice.

Representative Stoltze said the motion needs to be amended to change the word "recommend" to "implement."

Representative Holmes removed her original motion.

Representative Holmes moved that Legislative Council, based on recent IRS rulings and independent auditor recommendations, implement Option 3: Non-accountable Plan for all 60 members of the Legislature effective with the 28th Legislature with payments made in one-time lump sum, quarterly or monthly at each Legislator's choice.

The motion passed with no objections.

#### **14. RFP 581**

Representative Holmes moved that Legislative Council go into Executive Session per Uniform Rule 22(b)(1) and (2) discussion of matters, the immediate knowledge of which would adversely affect the finances of a government unit; and discussion of a matter that may, by law, be required to be confidential and ask that any Legislators and the following staff remain in the room or on teleconference: Don Johnston, Pam Varni, Cathy Tilton, Doug Gardner, and Tina Strong.

Legislative Council went into executive session.

Legislative Council came out of executive session.

Representative Holmes moved that Legislative Council award RFP 581 – Alaska State Capitol Design Services to Jensen Yorba Lott, Inc., for Phase I, II and III in the amount of \$1,055,000 and Phase IV paid on time and expense basis if needed for inspections, bidding and construction services. Legislative capital funds are available.

Senator Egan expressed appreciation for Senator Menard, Wayne Jensen, and Don Johnston.

The motion passed with no objections.

The meeting was adjourned at 4:04 p.m.

[4:04:16 PM](#)