

**ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

May 26, 2016

4:03 p.m.

MEMBERS PRESENT

Representative Mike Hawker, Chair (via teleconference)
Representative Kurt Olson
Representative Lance Pruitt
Representative Steve Thompson
Representative Sam Kito III

Senator Anna MacKinnon, Vice Chair
Senator Cathy Giessel
Senator Bert Stedman
Senator Click Bishop (via teleconference)
Senator Lyman Hoffman

MEMBERS ABSENT

Representative Mark Neuman (alternate)
Representative Scott Kawasaki (alternate)
Senator Pete Kelly (alternate)

OTHER LEGISLATORS PRESENT

Representative Paul Seaton
Representative Lara Reinbold
Representative David Guttenberg
Representative Bryce Edgmon

COMMITTEE CALENDAR

EXECUTIVE SESSION
OIL AND GAS CONSULTANTS
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

No witnesses to record

ACTION NARRATIVE

[4:03:40 PM](#)

VICE CHAIR ANNA MACKINNON called the Legislative Budget and Audit Committee meeting to order at 4:03 p.m. Representatives Olson, Pruitt, Thompson, Kito III, and Hawker (via teleconference), and Senators Giessel, Stedman, Bishop (via teleconference), Hoffman, and MacKinnon were present at the call to order.

[4:03:55 PM](#)

SENATOR MACKINNON announced that Janak Mayer, the Alaska State Legislature's consultant on oil and gas fiscal terms, is leaving enalytica, Inc.; therefore, enalytica, Inc., has terminated its contract with the legislature, effective May 31, 2016. She announced the first order of business would be to move into executive session to discuss contract matters related to the changes in the legislature's oil and gas consultants.

Executive Session

[4:05:53 PM](#)

SENATOR GIESSEL made a motion under Uniform Rule 22(b)(1) to move to executive session for the purpose of discussing matters that the immediate knowledge of would adversely affect the finances of a government unit. There being no objection, the committee went into executive session at 4:06 p.m.

[5:11:00 PM](#)

VICE CHAIR MACKINNON brought the committee back to order at 5:11 p.m. Representatives Olson, Thompson, Pruitt, Kito III, and Hawker (via teleconference), and Senators Stedman, Giessel, Hoffman, Bishop (via teleconference), and MacKinnon were present at the call back to order.

Oil and Gas Consultants

[5:12:00 PM](#)

VICE CHAIR MACKINNON stated that during executive session, the committee had discussed two contracts related to enalytica, Inc., and Janak Mayer being unavailable to the legislature as of May 31, 2016, and whether the Legislative Budget and Audit Committee would like to enter into an arrangement going forward

to ensure people are available to the legislature to answer questions that may arise within the next six-nine months. She explained that in order to continue services with Nikos Tsafos, who would advise the legislature on issues related to the commercialization of North Slope natural gas, "we" would have to enter into a new contract with analytica, Inc.

[5:12:48 PM](#)

SENATOR GIESSEL made a motion that the chair of the Legislative Budget and Audit Committee be authorized to enter in to a contract with analytica, Inc., at a cost not to exceed \$60,000, and also that the committee approve an exemption under Section 040(a)(1) of the legislative procurement procedures. She stated that the contract would be exempt from the solicitation and Section 145 contract award requirements of the legislative procurement procedures. There being no objection, the motion passed.

[5:13:27 PM](#)

VICE CHAIR MACKINNON stated that during executive session the committee had also discussed whether to enter into a contract at this time with a new consultant to provide information on oil and gas fiscal terms. She relayed that analytica, Inc., had suggested consultant Paul Morgan, from Stratas Advisors, a division of Hart Energy Publishing LLLP.

[5:13:47 PM](#)

SENATOR GIESSEL made a motion that the chair of the Legislative Budget and Audit Committee be authorized to enter in to a contract with Hart Energy Publishing LLLP, at a cost not to exceed \$180,000, and also that the committee approve an exemption under Section 040(a)(1) of the legislative procurement procedures. She stated that the contract would be exempt from the solicitation and Section 145 contract award requirements of the legislative procurement procedures. There being no objection, the motion passed.

[5:14:22 PM](#)

VICE CHAIR MACKINNON explained that each of the two contracts would expire on January 1, 2017; they are intended to augment the previous contracts in place. She noted that there had been a conversation about possible needs in Alaska's future as the

state moves toward the commercialization of North Slope gas. She asked Senator Giessel to read related intent for the record.

[5:14:52 PM](#)

SENATOR GIESSEL stated:

The committee's intent is that the chair of the Legislative Budget and Audit Committee enter into an RFP [request for proposals] process to evaluate interest by qualified consultants for long-term advising on international oil and gas fiscal terms, commercialization, and taxation issues.

Other Committee Business

[5:15:17 PM](#)

VICE CHAIR MACKINNON announced that because of the current Fourth Special Session of the Alaska State Legislature, the Legislative Budget and Audit Committee did not yet have a date set for its next meeting, but would schedule one as needed. She noted there had been a request for documents distributed [for the executive session] to be turned back in to the committee.

[5:15:58 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 5:16 p.m.