

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

March 10, 2017

12:02 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Anna MacKinnon
Senator Cathy Giessel
Senator Click Bishop
Senator Lyman Hoffman
Senator Natasha von Imhof (alternate)

Representative Andy Josephson, Vice Chair
Representative Scott Kawasaki
Representative Paul Seaton
Representative Ivy Spohnholz
Representative Jennifer Johnston

MEMBERS ABSENT

Representative Dan Ortiz (alternate)

COMMITTEE CALENDAR

APPROVAL OF THE AGENDA
APPROVAL OF THE MINUTES
EXECUTIVE SESSION

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

No Witnesses to Record

ACTION NARRATIVE

[12:02:54 PM](#)

CHAIR GARY STEVENS called the Legislative Budget and Audit Committee meeting to order at 12:02 p.m. Senators Stevens, Hoffman, Giessel, Bishop, MacKinnon, and Von Imhof (alternate) and Representatives Josephson, Johnston, Spohnholz, Seaton, and Kawasaki were present at the call to order.

[12:03:44 PM](#)

Approval of the Agenda

CHAIR STEVENS announced that the first order of business would be approval of the agenda.

[12:03:53 PM](#)

REPRESENTATIVE JOSEPHSON made a motion that the Legislative Budget and Audit Committee approve the agenda. There being no objection, it was so ordered.

Approval of the Minutes

[12:04:05 PM](#)

REPRESENTATIVE JOSEPHSON made a motion to approve the minutes of the Legislative Budget and Audit Committee of February 23, 2017. There being no objection, the minutes from the meeting of February 23, 2017 were approved.

Executive Session

[12:04:17 PM](#)

CHAIR STEVENS announced that the next order of business would be to move into Executive Session.

[12:04:30 PM](#)

REPRESENTATIVE JOSEPHSON made a motion to move to executive session under Uniform Rule 22(b)(1), discussion of matters, the immediate knowledge of which would adversely affect the finances of a government unit. There being no objection, the committee went into executive session at 12:04 p.m.

[12:04:49 PM](#)

The committee took an at ease from 12:04 p.m. to 12:23 p.m.

[12:23:37 PM](#)

CHAIR STEVENS brought the committee back to order.

[12:23:49 PM](#)

REPRESENTATIVE JOSEPHSON made a motion that the Legislative Budget and Audit Committee approve an amendment to the contract with Castle Gap Advisors, LLC, in the amount of \$65,000, for a not to exceed amount of \$100,000, and an exemption from solicitation requirements of sections [AS 36.30] .030 and .145 of the Alaska Legislative Procurement Procedures.

CHAIR STEVENS asked if there was any discussion.

12:24:17 PM

SENATOR GIESSEL stressed that the committee members were very cognizant of the current fiscal times. She reported that the proposed amendment for an additional \$65,000 to the contract had been carefully considered. She pointed out that Mr. Ruggiero [Castle Gap Advisors] was charging an hourly rate of \$375 and his daughter was charging \$250 an hour. She acknowledged that the additional \$65,000 to the contract would "buy approximately 100 hours of his time." She expressed her concern that a previous authorization of \$35,000 had been spent in about a week. She offered her belief that \$6,000 of that previous authorization had been related to travel and lodging in Juneau during that week. She reported that the committee had discussed "the careful use of his time; that, as questions arise, groups of legislators would meet together to maximize the efficiency of using this rather expensive consultant." She emphasized that a consultant with this expertise was necessary to give the legislature a global picture of the oil industry.

12:25:45 PM

CHAIR STEVENS clarified that the aforementioned cost for travel and lodging was \$3000.

12:25:57 PM

A roll call vote was taken. Senators Stevens, Hoffman, Giessel, Bishop, and MacKinnon, and Representatives Josephson, Johnston, Spohnholz, Seaton, and Kawasaki voted in favor of the amendment to the contract with Castle Gap Advisors, LLC. Therefore, the amendment to the contract passed by a vote of 10 yeas - 0 nays.

CHAIR STEVENS reiterated that every attempt would be made to control the consultant's time, that the meetings would only be with committees and not with individual legislators, and to ensure that the legislature received its money's worth. He

added that any assistance with the RFP (Request for Proposal) for long term future consultant contracts would be accepted.

12:27:18 PM

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 12:27 p.m.