

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

October 26, 2017

9:05 a.m.

MEMBERS PRESENT

Senator Bert Stedman, Chair

Senator Cathy Giessel (via teleconference)

Senator Click Bishop (via teleconference)

Senator Lyman Hoffman

Senator Natasha von Imhof (alternate) (via teleconference)

Representative Andy Josephson, Vice Chair

Representative Paul Seaton

Representative Ivy Spohnholz

Representative Jennifer Johnston (via teleconference)

MEMBERS ABSENT

Senator Anna MacKinnon

Representative Scott Kawasaki

Representative Dan Ortiz (alternate)

COMMITTEE CALENDAR

APPROVAL OF AGENDA

EXECUTIVE SESSION

OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

No witnesses to record

ACTION NARRATIVE

[9:05:03 AM](#)

CHAIR BERT STEDMAN called the Legislative Budget and Audit Committee meeting to order at 9:05 a.m. Representatives Seaton, Spohnholtz, Johnston (via teleconference), and Josephson and Senators Bishop (via teleconference), Giessel (via teleconference), Hoffman, and Stedman were present at the call to order. Senator von Imhof (alternate) arrived (via teleconference) as the meeting was in progress.

APPROVAL OF AGENDA

[9:06:23 AM](#)

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

[9:06:28 AM](#)

REPRESENTATIVE JOSEPHSON moved and asked unanimous consent that the Legislative Budget and Audit Committee approve the agenda. There being no objection, the agenda was approved.

EXECUTIVE SESSION

[9:06:44 AM](#)

CHAIR STEDMAN announced that the next order of business would be an executive session.

[9:06:53 AM](#)

REPRESENTATIVE JOSEPHSON moved and asked unanimous consent that the Legislative Budget and Audit Committee go into executive session under Uniform Rule 22, for the purpose of discussing a procurement issued related to a confidential audit report under AS 24.20.301. He requested that the following individuals remain in the room or on line: Eileen Donahue, Audit Manager for the Alaska Mental Health Trust (AMHT) audit; Karen Buchkoski, Auditor for the Legislative Audit Division; Kris Curtis, Legislative Auditor; Mindy Kissner, Audit Operations

Manager; any legislators that are not on the Legislative Budget and Audit Committee; and any legislative staff working for committee members. There being no objection, the Legislative Budget and Audit Committee entered into executive session at 9:07 a.m.

[9:07:47 AM](#)

The committee took an at-ease from 9:07 a.m. to 9:16 a.m.

[9:15:54 AM](#)

CHAIR STEDMAN brought the committee back to order. Present at the call back to order were Representatives Seaton, Spohnholtz, Johnston (via teleconference), and Josephson and Senators Bishop (via teleconference), Giessel (via teleconference), Hoffman, von Imhof (alternate/via teleconference), and Stedman.

OTHER COMMITTEE BUSINESS

[9:16:50 AM](#)

REPRESENTATIVE JOSEPHSON moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the legislative auditor to solicit and award a contract up to \$75,000 for evaluation of Alaska Mental Health Trust Authority investment policies and specific real estate transactions. There being no objection, it was so ordered.

[9:17:23 AM](#)

REPRESENTATIVE JOSEPHSON moved and asked unanimous consent that the Legislative Budget and Audit Committee authorize the legislative auditor to increase a contract for legal services for up to \$45,000 for legal services related to the audit of the Alaska Mental Health Trust Authority.

REPRESENTATIVE JOSEPHSON related that his sister is a partner in Jermain, Dunnagan & Owens, P.C. He offered his understanding that she works on union trusts, but he said he is not sure if she works on asset management. He said his sister could benefit

indirectly; therefore, he would like to be recused from approving the audit.

[No objections were voiced in response to Representative Josephson's request to be recused.]

[9:18:15 AM](#)

SENATOR HOFFMAN stated for the record that the increase in question was in the amount of \$10,000, from \$35,000 to \$45,000.

CHAIR STEDMAN added that it is an incremental increase.

[9:18:29 AM](#)

CHAIR STEDMAN recognized Representative Josephson's disclosure and, after ascertaining that there was no objection, announced that the authorization for the legislative auditor to increase a contract for legal services for up to \$45,000 for legal services related to the audit of the Alaska Mental Health Trust Authority was approved.

[9:19:27 AM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 9:19 a.m.