



Official Minutes
ALASKA AEROSPACE CORPORATION
Executive Work Session of the Board of Directors
Wednesday, October 7, 2015
Alaska Aerospace Corporation Office, Anchorage, Alaska

1. Call to Order

An Executive Work Session of the Board of Directors of the Alaska Aerospace Corporation (AAC) was called to order at the AAC Office in Anchorage, Alaska - October 7, 2015 at 9:00 a.m.

The following Board members were present:

Dr. Robert McCoy; Chair, University of Alaska Fairbanks Geophysical Institute
Dr. Jim Johnsen, President, University of Alaska Statewide System
Bruce Abel; CEO, Don Abel Building Supply, Juneau
Lindsay Knight; Owner, Powerhouse Gym, Kodiak
Robert Doehl; Deputy Commissioner - DMVA
Representative Louise Stutes (Alaska State Legislature), Non-Voting

The following Board members participated by telephone:

Drue Pearce, Vice Chair; Senior Policy Advisor, Crowell & Moring
Dr. Ronald M. Segal; Director, Systems Engineering at CSU
Dr. David Weldon; Partner, MIMA Physician Group
Senator Gary Stevens (Alaska State Legislature), Non-Voting

Also present were Craig E. Campbell, President and CEO; Mark Greby, Sr. Vice President and COO; John Cramer, Finance and Administration; Thomas Klinkner, Legal Counsel for Birch Horton Bittner & Cherot.

Chairman McCoy called the meeting to order, roll call was taken and a quorum was present.

2. Approval of the Agenda

The agenda for the Executive Work Session October 7, 2015 was approved.

3. President and Chief Executive Officer Report

a. Introduction of New Board Member – Dr. Jim Johnsen, University of Alaska President

4. Executive Session

- a. Privatization Consultant Contract Update Report – Jay Sterne, Fred Kessler and Charlie Fielder, (Nossaman, LLP)

A motion was made and unanimously passed that the Board enter Executive Session as follows:

“The Board of Directors goes into Executive Session in accordance with the provisions of AS 44.62.310 and may discuss personnel issues and matters of the immediate knowledge of which would clearly have an adverse effect upon the finances of AAC and matters which involve the trade secrets and confidential information of third parties. The session shall include members of the Alaska Aerospace Corporation and such other staff members as the Chairman may designate and shall last approximately 5.5 hours. Thus, the open session of the Board of Directors shall resume in this room at approximately 2:30 p.m. This motion is effective 09:10 a.m., on October 7, 2015”.

The Board of Directors went into Executive Session at 9:10 a.m.

The Board of Directors returned to Public Session at 12:40 p.m.

5. Resolutions For Action

- a. Resolution #15-05:

Resolution Authorizing Each of the President and CEO and the Senior Vice-President and COO to Enter into a Contract(s) with Nossaman, LLP for Professional Services relating to the potential Privatization of Alaska Aerospace Corporation in an Aggregate Amount that Cause the original Contract Amount for AAC-150478-000-OP Not To Exceed \$250,000.

WHEREAS, the State of Alaska Executive Branch desires that the Alaska Aerospace Corporation (AAC) be divested from its current state ownership structure to an organization which operates in a more independent relationship with the State of Alaska, operating more as a private commercial business no longer dependent upon state operations and sustainment funding; and

WHEREAS, Nossaman, LLP, is currently under contract with AAC (AAC-150478-00-OP) to develop a recommended strategy and organizational structure for AAC that is less dependent on state finances; and

WHEREAS, AAC awarded a sole source professional services contract (AAC-150478-000-OP) to Nossaman, LLP in March 2015 for an amount not to exceed \$25,000 to provide an initial overview of privatization issues, limitations, and potential options for presentation to the Board of Directors at the May 2015 board meeting; and

WHEREAS, Nossaman, LLP, presented the initial report to the Board at the May 18, 2015 meeting which provided an overview of options for AAC; and

WHEREAS, following the May 2015 presentation the Board directed that Nossaman, LLP, continue developing alternatives for privatization and passed a resolution increasing the contract amount not to exceed \$125,000, and

WHEREAS, Nossaman, LLP, developed a comprehensive analysis of potential options for a future AAC and presented these options to the Board at the August 9, 2015 meeting; and

WHEREAS, at the August 9, 2015 Board meeting, the Board gave Nossaman, LLP, direction on alternatives that should be further developed, with these refined options presented to the Board in an Executive Work Session on October 7, 2015; and

WHEREAS, it is the desire of the Board of Directors to have a recommended plan describing the preferred alternative and presenting a timeline, financial plan, legislative plan, and implementation plan ready for action during the second session of the 29th State Legislature; and

WHEREAS, Nossaman, LLP has completed the terms of the original contract and presented the refined alternative for Board consideration; and

WHEREAS, the Board has directed that AAC staff proceed with development of the preferred alternatives for presentation and action at the November 2015 Board meeting, and

WHEREAS, the total amount of all contracts required to complete all actions necessary to have legislation prepared for implementing the recommended alternative will exceed \$125,000; and

WHEREAS, AS 26.27.100(a)(5) authorizes AAC to “make and execute contracts”; and

WHEREAS, AAC Regulation 1.090(b) requires Board approval of all contracts for non-construction related supplies, services or professional services in an amount exceeding \$100,000.

BE IT RESOLVED, that each of the President and CEO or the Senior Vice President and COO hereby is authorized to issue change orders that will cause the aggregate amount of AAC 150478-000-OP with Nossaman LLP to exceed \$125,000, but not to exceed \$250,000; and that from and after execution and delivery of each such change order each of the President and CEO or the Senior Vice President and COO are hereby authorized, empowered and directed to do all such acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of such contract as executed for a total duration not to exceed nine months from date of the initial contract.

KNIGHT motioned to adopt Resolution #15-05, seconded by Abel. Roll call vote was taken and the resolution was adopted.

6. Any Other Matters to Properly Come Before the Board

a. None

7. Public Comments

a. None

8. Board Member Comments

a. None

9. Next Board Meeting Date

a. November 12, 2015 (Anchorage)

10. Adjournment

A motion was made by Knight, seconded by Abel to adjourn. Meeting adjourned at 12:50 PM.