MEETING AGENDA

Meeting: Finance Committee
Date: October 17, 2018
Time: 9:00 AM
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: (844) 740-1264 / Meeting Number: 805 579 170 # / Attendee Number: #
http://thetrust.webex.com
Trustees: Jerome Selby (Chair), Verné Boerner, Chris Cooke, Laraine Derr, Paula Easley, Mary Jane Michael, Carlton Smith

Wednesday, October 17, 2018

9:00 am Call Meeting to Order (Jerome Selby, Chair)
Roll Call
Announcements
Approve Agenda
Ethics Disclosure
Approve Minutes – 08/02/18

9:05 Staff Report Items
Cash Management Reports – Andy Stemp, CFO
Hand-Out

9:30 Updates
Trust Land Development Account – Andy Stemp, CFO

10:30 Adjourn
Future Meeting Dates

Full Board of Trustee / Program & Planning / Resource Management / Audit & Risk / Finance 2018 / 2019 / 2020

(Updated – September 10, 2018)

- Program & Planning Committee  October 17, 2018  (Wed)
- Resource Mgt Committee   October 17, 2018  (Wed)
- Audit & Risk Committee   October 17, 2018  (Wed)
- Finance Committee    October 17, 2018  (Wed)
- Full Board of Trustee    November 15, 2018  (Thu) – Anchorage

**************************************************************************

- Program & Planning Committee  January 3, 2019  (Thu)
- Resource Mgt Committee   January 3, 2019  (Thu)
- Audit & Risk Committee   January 3, 2019  (Thu)
- Finance Committee    January 3, 2019  (Thu)
- Full Board of Trustee    January 30-31, 2019  (Wed, Thu) – JUNEAU

- Program & Planning Committee  April 17, 2019  (Wed)
- Resource Mgt Committee   April 17, 2019  (Wed)
- Audit & Risk Committee   April 17, 2019  (Wed)
- Finance Committee    April 17, 2019  (Wed)
- Full Board of Trustee    May 8, 2019  (Wed) – TBD

- Program & Planning Committee  July 30-31, 2019  (Tue, Wed)
- Resource Mgt Committee   August 1, 2019  (Thu)
- Audit & Risk Committee   August 1, 2019  (Thu)
- Finance Committee    August 1, 2019  (Thu)
- Full Board of Trustee    September 4-5, 2019  (Wed, Thu) – Anchorage

- Program & Planning Committee  October 16, 2019  (Wed)
- Resource Mgt Committee   October 16, 2019  (Wed)
- Audit & Risk Committee   October 16, 2019  (Wed)
- Finance Committee    October 16, 2019  (Wed)
- Full Board of Trustee    November 14, 2019  (Thu) – Anchorage
Future Meeting Dates
Full Board of Trustee / Program & Planning / Resource Management / Audit & Risk / Finance
2018 / 2019 / 2020
(Updated – September 10, 2018)

- Program & Planning Committee: January 3, 2020 (Fri)
- Resource Mgt Committee: January 3, 2020 (Fri)
- Audit & Risk Committee: January 3, 2020 (Fri)
- Finance Committee: January 3, 2020 (Fri)
- Full Board of Trustee: January 29-30, 2020 (Wed, Thu) – JUNEAU

- Program & Planning Committee: April 22, 2020 (Wed)
- Resource Mgt Committee: April 22, 2020 (Wed)
- Audit & Risk Committee: April 22, 2020 (Wed)
- Finance Committee: April 22, 2020 (Wed)
- Full Board of Trustee: May 7, 2020 (Thu) – TBD

- Program & Planning Committee: August 4-5, 2020 (Tue, Wed)
- Resource Mgt Committee: August 6, 2020 (Thu)
- Audit & Risk Committee: August 6, 2020 (Thu)
- Finance Committee: August 6, 2020 (Thu)
- Full Board of Trustee: September 2-3, 2020 (Wed, Thu) – Anchorage – TAB

- Program & Planning Committee: October 21, 2020 (Wed)
- Resource Mgt Committee: October 21, 2020 (Wed)
- Audit & Risk Committee: October 21, 2020 (Wed)
- Finance Committee: October 21, 2020 (Wed)
- Full Board of Trustee: November 19, 2020 (Thu) – Anchorage – TAB
### Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

- Executive Committee – monthly via teleconference (First Wednesday of the Month)
- October 9-10, 2018 - Kodiak
- March 4-8, 2019 – Juneau <tentative>

### Governor’s Council on Disabilities and Special Education

- November 15, 2018 – Anchorage – Supported Decision Making Agreements Summit

### Alaska Commission on Aging

- December 12 by video/teleconference <tentative>
- February 11-13, 2019 (face-to-face) or February 13 by video/teleconference <tentative>
- May 1, 2019 by video/teleconference <tentative>
ALASKA MENTAL HEALTH TRUST AUTHORITY
FINANCE COMMITTEE MEETING

August 2, 2018
12:45 p.m.

Taken at:
Alaska Mental Health Authority
3745 Community Park Loop, Suite 120
Anchorage, Alaska 99508

OFFICIAL MINUTES

Trustees present:
Jerome Selby, Chair (via Speakerphone)
Chris Cooke
Mary Jane Michael
Carlton Smith
Laraine Derr
Paula Easley
Verne’ Boerner

Trust staff present:
Mike Abbott
Steve Williams
Miri Smith-Coolidge
Kelda Barstad
Andy Stemp
Luke Lind
Michael Baldwin
Carrie Predeger
Katie Baldwin-Johnson
Jimael Johnson
Valette Keller
Eric Boyer
Travis Welch
Autumn Vea

Trust Land Office:
Wyn Menefee
Jusdi Doucet
Sarah Morrison

Also participating:
Kathy Craft; Brenda Moore; Pat Sidmore; Adam Rutherford; Allison Kulas; Kristin Vandagriff.
PROCEEDINGS

CHAIR SELBY calls the Finance Committee to order and passes the gavel to Trustee Derr to act as chair for this meeting.

TRUSTEE DERR asks for a roll call and states that Trustee Boerner is not present yet. She asks for any announcements. There being none, she moves to the approval of the agenda.

TRUSTEE COOKE makes a motion to approve the agenda for the August 2, 2018, Finance Committee meeting.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

CHAIR DERR asks for any ethics disclosures. There being none, she moves to the minutes of April 19, 2018.

TRUSTEE MICHAEL makes a motion to approve the minutes of April 19, 2018.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

STAFF REPORTS

CHAIR DERR notes that Trustee Boerner is present.

CASH MANAGEMENT REPORT

MR. STEMP states that this report is a first look at where the year was finished. This was drawn on the information at hand, as well as some estimates of things that have not yet been determined or recorded. He continues that it has been a very positive year for the Trust. He begins by thanking the staff of the Trust Land Office for the help going through the revenues and making sure that was as close to a comprehensive report as possible for today. He starts with the review of the report and the very positive results of the Trust Land Office activity. He states that the combined revenues for the Trust show a very healthy year for revenue growth, very healthy returns.

CHAIR DERR asks if the format of this report will be changed for next year.

MR. STEMP replies that the recommendation from Trustee Cooke was to help present the transfers in and out in that section, putting all the activity in one place. He states that he would like to have an opportunity to share that with Trustee Selby, as the committee chair, and make sure there is a consensus on that, and then will present to all the trustees. He continues going through the report, explaining as he goes along. He states that the second page of the report is
largely informational in nature. He points out the details of the investment activities from the different portfolios. There has been some volatility in the stock market, and there has been a little bit of interest rate change, as well. He continues that this is a very positive result for the Trust, and is a useful benchmark getting further into the committee meeting in talking about the revenue forecast and expectations for the future.

CHAIR DERR asks for any questions.

TRUSTEE COOKE states the that Permanent Fund principal shows a decline of over $6 million. He asks if that is just unrealized losses, like market losses.

MR. STEMP replies yes, and states that the activities are segregated. He explains the unrealized adjustments and the realized activity. He states that it is largely an accounting convention and not a hard loss for the Trust.

CHAIR DERR asks if there was a GASB change that caused this to recognize unrealized gains or losses.

MR. STEMP replies that is correct. The GASB standard takes all of those adjustments into income in the current year as a governmental or public unit. He continues, that is their reporting standard. He adds that in looking at the APFC investment earnings total, the net results of both realized and unrealized gains as a positive of $45.2 million.

MR. ABBOTT states that this is one of the vagaries of this report; the good news shows up in the reserves, and the bad news shows up under principal. He adds that the GASB rules and others suggest that this is the way it should be presented. He continues that it is all real money, and it is just a question of how the accounting system treats it and how it is reported that year.

A brief discussion ensues.

CHAIR DERR moves to the planning items and the Land Office operating budget.

LAND OFFICE OPERATING BUDGET

MR. STEMP states that the overall spending plan has not changed, but we are giving a more precise look at what to expect.

TRUSTEE SELBY makes a motion that the Finance Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the Trust Land Office operating budget for FY20 in the amount of $4,539,200.

TRUSTEE COOKE seconds.

MR. MENEFEE walks through the ’18, ’19, and ’20 management plan. He states that fiscal year ’18 is within operating expenditure expectations and were approved by the trustees at $4,568,375 for fiscal year ’19. The figures were relooked at and were revised down slightly, because it was
found that some things will not cost as much. That amount is down to $4,539,200. He continues that for fiscal year ’20, using the same funding, there is no increase. It is a zero increase in the budget. He explains the difference in revenue in more detail with the layout of what is in the spreadsheet.

A discussion ensues on the budget.

CHAIR DERR asks for any other questions about the TLO operating budget. There being none, she calls the vote.

*There being no objection, the motion is approved.*

TRUSTEE SELBY makes a motion that the Finance Committee recommend that the Full Board of Trustees approve the FY20 Trust Authority Office MHT administrative of $4,135,321.

TRUSTEE EASLEY seconds.

MR. ABBOTT states that staff is recommending a flat-funded budget for the FY20 operating budget. He continues that Allison Biastock has accepted the offer to replace Carley Lawrence, and the Governor’s Office yesterday approved that hiring choice. She will be joining the Trust as the new chief communications officer. At that point, we will be fully staffed. He adds that in the last budget approval, the Legislature did give the authority to add a PCN for a new position, and we have not decided on whether to do that or not.

CHAIR DERR asks for any other questions. There being none, she calls the vote.

*There being no objection, the motion is approved.*

**REVENUE FORECAST**

CHAIR DERR moves to the revenue forecast.

MR. STEMP states that there is a one-page summary in the packet on the FY20 revenue forecast. He continues that it is based around four major legs. The investment returns are the largest portion of the revenue expectations. The returns have been strong both in this year, as well as in the previous year. He adds that the FY20 results are anticipated to be ahead of the expected FY19 results by just under $1 million. He states that the forecast is for a favorable revenue factor of about $850,000, based on strong investment results for the foreseeable future. He looks at the reprogramming that was previously accomplished to support the partnership line item, as well as some direction from the CEO to achieve some more efficiency in the activities, a lapsed calculation to decline by about $648,000, is in line with previous expectations and comments. He states that the third item is the Land Office spendable income, which is continuing to drive positive results for the Trust. It has been outperforming previous expectations with a forecast of just under $5 million for FY20, which is a favorable change. He continues that the GeFONSI interest account is the fourth leg; an area where the Trust has a potential up side because of the
significant financial resources. That forecast is under $40,000, for a total aggregate expected revenue in FY20 under $30.5 million.

CHAIR DERR asks for questions. There being none, she moves to the next item on the agenda, recognizing Trustee Smith.

TRUSTEE SMITH states that he asked Mr. Stemp for some background on the TADA activity, which he received and learned a great deal from. He asks Mr. Stemp to give a bit of background on it.

MR. STEMP replies that the TADA account is a place where the principal receipts that are generated from the Land Office activities are temporarily placed. He explains that the practice has been for certain designated projects where the expenses are such that they need to be supported separately from the programmatic budgets that the trustees would be approached for authorization to draw from that account. He continues that, in light of past experiences, that practice has been moved away from. Per the CEO’s direction, a more systematic way to manage these resources is being looked at. He adds that this will make what might be available to the Trust presently and in the future clearer. This is just an informational item for the trustees at this time. He states that there is a projection both for FY19 and FY20 activity that is based on the Land Office’s expectations. Forecasted is a significant growth in both years of approximately $8 million. He adds that the largest driver of that is coming out of the prospective timber activity. He explains that this will bring an expected resource base of around $39.5 million for that window of time.

TRUSTEE COOKE states his support and asks if this going into the operating account.

MR. STEMP replies yes, and the understanding is that the principal is segregated from the income.

TRUSTEE COOKE asks if this will operate as a capital account for the TLO.

MR. STEMP replies potentially.

MR. ABBOTT adds that the legislative audit challenged some of the historic uses that the Trust has made of that, but generally, that is correct.

TRUSTEE COOKE asks if that account received any investment earnings.

MR. STEMP replies that account is largely showing up under the GeFONSI line item as interest income.

TRUSTEE COOKE asks if, at some point, some portion of the TADA will be transferred into the principal.

CHAIR DERR replies that, historically, that has always been done at the November meeting;
everything, all the principal, would transfer to the Permanent Fund. She explains that when the university land was sold for $8 million, it was decided to perhaps do something with it, and it was placed into the TADA account. She continues that then capital out of that account started being spent. The way the motion went, trustees deferred transfers to the Permanent Fund. She adds that $33 million will then be a question to discuss, and we would like to have staff determine the feasibility of transferring $25 million of that to the Permanent Fund at the November meeting.

MR. STEMP states that one of the objectives for today’s conversation is getting direction from the Trust board to encourage staff to bring back a plan to the trustees for consideration.

TRUSTEE SELBY states that if that conversation is starting now, he would like to make a proposal, that whatever the balance of the TADA account on 10/30/2018, that at the November meeting it be transferred to the Permanent Fund. He continues that, at the same time, he would like to take $30 million out of the Permanent Fund budget reserves and fund the TADA account for the future. He would like to have the staff develop the cost recovery policy for the amount talked about earlier so that going forward $6 million is pulled out of the TADA account in the future to finish getting the mine on-line, with the first $6 million of principal being cost recovery that would go back into the TADA account. And only the principal that is gained from the mine thereafter would be deposited to the Permanent Fund. He thinks that if a cost recovery model is adopted, the TADA account can be kept fully funded at or near the $30 million mark going forward. He explains this in more detail, and adds that the result will be a fully self-funded TADA account with non-principal money permanently into the future of the Trust.

CHAIR DERR states that makes sense.

TRUSTEE COOKE states that he would like Trustee Selby’s idea of sort of starting fresh to not get confused with this notion of recovering principal from the sale of the land and putting it in the Permanent Fund. He added to also change the TADA name.

TRUSTEE SMITH states that it may be appropriate, with that suggestion, for staff to come back with a written recommendation.

MR. ABBOTT states that a recommendation for the Finance Committee consideration can be brought to the October meeting for final board action in November.

TRUSTEE COOKE talks about updating the TLO regulation to reflect the handling of revenue received from land sales, income from commercial property, and recognizing the expenses incurred in deriving that income. He continues that there have been some discussions about the need to clean up the language of those regulations to properly account for the expenses incurred in developing land and preparing land for sale, et cetera.

MR. MENEFEE states that no regulatory action has been taken at this point. DNR as a whole has gone through a recent thing about increasing fees for services. It takes more to process things than what they are actually earning. He continues that there would be an extensive process to go through for a regulation update. Some are regulations, and some are statutes.
TRUSTEE SELBY asks if the TADA account was ever used for anything other than Trust Land Office activity.

MR. STEMP replies not to his knowledge.

TRUSTEE SELBY agrees with Trustee Cooke’s idea of changing the name and making it the Trust Land Office Development Account, so it has a different title. He adds it would be good to change it from the TADA.

CHAIR DERR states that is a direction for staff to bring it back to the board at the October meeting.

MR. STEMP thanks the chair, and states that a very positive conversation has been opened with the Permanent Fund Corporation. They have been extremely supportive and cooperative working with the Trust. He continues that there has been an information exchange on all of the details around the real estate holdings, and they have gone out to competitively shop the holdings with several of their different investment managers. He adds that the previous conversation with them was they had about three firms that were interested and were providing, tentatively, price points that were very competitive. He states that there is no formal proposal to present to the trustees at this time. The proposal is anticipated arriving somewhere around August 6th. He continues, that will give some time to do due diligence on that, and prepare a recommendation for trustee consideration in a future meeting. He adds that there is a continued effort and the conversations are on track. They understand the Trust’s mission and the need to maximize resources for the beneficiaries. That is the progress report at this time.

CHAIR DERR asks for any questions.

TRUSTEE EASLEY asks about the scope of the RFP.

MR. STEMP replies that the RFP was not issued. The Permanent Fund has presented the existing seven investment properties in one bundle to see if a manager would be interested in overseeing those investments. He states that the conversations had so far are more of a mentorship relationship between the manager and the Trust Land Office.

MR. ABBOTT states that Angela Rodell from the Permanent Fund will be at the September board meeting to present an annual review of the Permanent Fund’s performance vis-à-vis as the fund manager of both the Mental Health Trust Fund and some of the reserves, as well. He continues that he does not think that, conceivably, a recommendation for action at the September board meeting regarding the disposition of the commercial real estate assets that the Trust currently owns and manages can be brought forth. He adds, that would also require the Permanent Fund’s trustees to approve the action, as well. Ms. Rodell is committed to trying to make this timeline work so both groups of trustees could address this before the end of September. This could be an optimum solution, if both organizations can support it.

CHAIR DERR states that she received a comment from the city manager in Juneau that Aaron
did a wonderful job the last time he was there, and he was very impressed with his ability in working with the real estate we have.

MR. MENEFEE thanks Trustee Derr for passing that on. He states that he also appreciates the exceptional job that he does.

CHAIR DERR asks for anything else in regard to the Permanent Fund. There being none, she moves to the status report.

MR. STEMP states that an estimate of the portfolio valuations was done, but in aggregate, the total reserves are presented at the top; and at that time it was expected to be about $140-$150 million. Those reserves were pegged against the target benchmark of 400 percent of budget to support the operations in a downturn for up to four years. He states that there is a reserve benchmark of approximately $117.8 million, and comparing the current reserve amount, which will be moving up based on the latest Permanent Fund numbers against the benchmark amount, there are assets for the benchmark amount, and that is presented for some background and context for this discussion.

TRUSTEE COOKE states that the cash management report shows that $142 million was the beginning balance in 2017, and the ending balance this year is $158 million.

MR. STEMP explains that this was prepared a week ago without the June numbers.

CHAIR DERR states that there is $158 million there now, and the reserve is $117 million. She asks Trustee Selby if this is where he is suggesting to take the money from to put into the new reserve account.

TRUSTEE SELBY replies yes, and then that means there is about $40 million of surplus and assets there over the benchmark. He states that is why he proposed to take $30 million out of that to fund the new TADA account. That will prevent any further discussion with the State about whether we ought to be messing with principal.

CHAIR DERR states that the second part of that is an excess of maybe $10 million. She asks Mr. Stemp to figure out what amount of money inflation-proofing would take and bring back to the board what should go into the fund for that. She adds that maybe $10 million can help with the deficit on inflation-proofing.

TRUSTEE MICHAEL states that, potentially, there are some big projects on the horizon. She continues that API is going to have some challenges with capital funds when they look at expansion. She thinks there may be some other requests to help with some initiatives. And similar to the Medicaid expansion and reform, significant progress was made with putting funds into some of the bigger policy, broader decisions. She thinks reserving some of those funds for those kinds of things and putting more money out in the streets right now when dollars are tight.

TRUSTEE SELBY requests staff to bring back a proposal at the November meeting. The discussion on this can continue, and he fully agrees with both trustees in looking at some
package that would do some inflation-proofing and making some money available. He would like to make some money available for staff to look at growing the programming activities a little bit beyond what the current budget is for this next year, as well.

TRUSTEE COOKE asks if there was an inflation-proofing account that kind of went with the Permanent Fund and just decided to consolidate with the principal, because the whole idea of the Permanent Fund is that it would rise in accordance with inflation and improvement in the commitment.

CHAIR DERR replies that $5 million was transferred maybe three years ago and set aside in a separate fund. She states that ordinarily the money would go directly to the Permanent Fund. That was a one-time setaside that was done.

TRUSTEE COOKE states that he thought, sort of by definition, the principal was inflation-proofed because it was with the Permanent Fund and could not be touched.

MR. ABBOTT explains that it is protected against expenditure, but because of the way the earnings on that are handled, it does not naturally inflation-proof itself as an endowment or something else might do. He states that it is something that staff will wrap into a recommendation that will be ready for the Finance Committee to review in October.

CHAIR DERR thanks all and asks for any other comments. There being none, she entertains a motion for adjournment.

TRUSTEE EASLEY makes a motion to adjourn the meeting.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

(Finance Committee adjourned at 1:55 p.m.)
REQUESTED MOTION #1:

The full Board of Trustees approve setting a target level for Trust Authority Development Account funds at $4.05 million.

REQUESTED MOTION #2:

The full Board of Trustees authorizes the Chief Financial Officer to transfer TADA funds that exceed the target level to the Permanent Fund for investment.

Current Status & Expected Growth:

As of August 31, 2018 the account held $20.933 million and is expected to grow by approximately $8.2 million during FY 2019. The $8.2 million in growth will largely come from anticipated timber sales associated with the South East Land Exchange. This pattern is expected to continue in FY 2020, with total deposits into the account of approximately $17 million over two years.

Existing Commitments:

The Trust has committed approximately $4.05 million to ongoing projects. No additional new projects using TADA funding are anticipated in the near future.

Recommendation for TADA Funds:

Because of the ongoing projects some funding will be needed to pay for expenses. At this time, the recommended target level is $4.05 million. This target is set based on the current commitments that need funding and will allow the Trust to complete the previously authorized work.

Funds exceeding the target amount, approximately $16.883 million, are recommended to be transferred to the Permanent Fund for investment in the Trust portfolio.
Background Information:
The Trust maintains reserve accounts to ensure consistent availability of funding for program needs during any period of investment uncertainty. These reserves work as a buffer when investment results are poor, allowing the Trust to maintain services even if the total cost exceeds short term revenues. The Trust engaged Callan, an independent advisor, to set a reserve target. This target is currently 400% of annual spending.

Current Status & Expected Growth:
The Trust reserves are invested in two places: the Department of Revenue and the Alaska Permanent Fund. These accounts have the following values as of June 30, 2018:

<table>
<thead>
<tr>
<th>Account</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dept. of Revenue Mental Health Trust Investment Fund</td>
<td>$46,844,000</td>
</tr>
<tr>
<td>Alaska Permanent Fund Reserve</td>
<td>$95,691,000</td>
</tr>
<tr>
<td>Total Reserves</td>
<td>$142,535,000</td>
</tr>
</tbody>
</table>

Current Reserve Level:
The Trust has an authorized FY19 budget of $29,437,600. Applying the 400% modifier creates a reserve target of $117,750,000. The current value of the reserves at $142,535,000 surpass the target amount by approximately $24,785,000.

Recommendation for Reserve Funds:
Several areas have been identified as needing resources beyond the funding available in the regular operating budget.
   1. The Trust Land Office has a responsibility to maximize the value of Trust lands and will need funding to accomplish these objectives. This funding is outside of the scope of the regular operating budget.
   2. Significant investments in facilities, such as the proposed Hiland Mountain Correctional Center reconfiguration and others, are needed to help meet beneficiary needs. These are one time investments that would be best met through use of reserve funding rather than incorporating them in the regular budget.

In order to meet those needs while still being sensitive to changes in the investment environment, a phased approach is recommended to give the Trust maximum flexibility. This involves committing
reserve funds over several years and periodically assessing the results of these efforts, so any changes in environment or strategy can be implemented. For the current year, the following amounts are recommended for consideration:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Funding for Trust Land Office Development Projects</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Facility Needs</td>
<td>$4,800,000</td>
</tr>
</tbody>
</table>

The remaining reserve balance of approximately $11,985,000 would be held for the year and a second phase of funding deployed in FY20. A key distinction with this approach is that accessing these funds for Development Projects and Facility Needs will still require formal approval through the Board, the allocation is not an authorization to spend the funds. Those spending decisions will be handled through the regular due diligence and approval process.