

MEETING AGENDA

Meeting: Board of Trustees
Date: May 22-23, 2024
Time: 8:15 AM
Location: Ted Ferry Civic Center, 888 Venetia Ave, Ketchikan
Teleconference: (844) 740-1264 / Session No: 2630 144 4711 # / Attendee No: #
<https://alaskamentalhealthtrust.org/>
Trustees: Anita Halterman (Chair), Rhonda Boyles, Kevin Fimon, Brent Fisher, Agnes Moran, John Morris, John Sturgeon

Wednesday, May 22, 2024

	<u>Page No.</u>
8:15	
Call to Order – Anita Halterman, Chair	
Roll Call	
Approval of Agenda	
Review of Guiding Principles	6
Ethics Disclosure	
Approval of Minutes	
• January 5, 2024	13
• January 31 – February 1, 2024	28
• February 16, 2024	56
• March 27, 2024	64
Current Bylaws	77
8:25	
Mission Moment	
Community Connections	
• Brynn Bolling, Director of ILP/ELP	
8:50	
CEO Update	
9:15	
Resource Management Committee Report / Update	84
• Commercial Real Estate Asset Reclassification Approval	
• Commercial Real Estate Asset Dispositions (Item A)	
○ MHT 9500002 – Commercial Drive	
○ MHT 9500004 – Israel Road	
○ MHT 9500005 – Promontory Point	
○ MHT 9500006 – North Park	
○ MHT 9500007 – Amber Oaks	
• Carbon Program (Item G)	
• Land Sale Program Parcels (Item E)	
9:45	
Finance Committee Report	138
• AMPS Update	
• FY25 Real Estate and Program-Related Real Estate Facility Budgets	

Wednesday, May 22, 2024 (continued)

		<u>Page No.</u>
10:00	Break	
10:15	COMP Plan Update / Scorecard	150
	<ul style="list-style-type: none"> • Stephanie Kings, Department of Health • Eliza Muse, Trust Evaluation & Planning Officer 	
10:45	Governance	
	<ul style="list-style-type: none"> • Charter – Trust Land Office Executive Director 	Hand-Out
	<p>Executive session – (if necessary) <i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i></p>	
11:45	Lunch	
12:15	Public Comment	
	<ul style="list-style-type: none"> • For Public Comment Guidelines click here 	
1:00	Communications Update	158
	<ul style="list-style-type: none"> • Allison Biastock, CCO 	
1:45	FY25 Budget Amendment	179
	<ul style="list-style-type: none"> • Katie Baldwin-Johnson, COO 	
2:15	Break	
2:30	Statutory Advisor Update	Hand-Out
	<ul style="list-style-type: none"> • Patrick Reinhart, Executive Director, Governor’s Council on Disabilities and Special Education • Stephanie Hopkins, Acting Executive Director, Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse • Jon Haghayeghi, Executive Director, Alaska Commission on Aging 	
3:45	CEO Annual Performance Evaluation	
	<p>Executive session – (if necessary) <i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i></p>	
4:45	Recess	

Thursday, May 23, 2024

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8am-11:30	Site Visit / Sealevel Residential Youth Care, 2050 Sealevel Dr Ketchikan	Site Visit / Shelter Cove Timber Sale Project, Ketchikan	
12:00	Lunch / Catered		
12:30	Call to Order Announcements		
12:35	SE Regional Panel Discussion		
	<ul style="list-style-type: none"> • Daniel Brendible- LCSW, Director of Behavioral Health, Annette Island Service Unit • Jackie Yates- ED, Ketchikan Wellness Coalition • Bess Clark- Community Connections/Prince of Wales Island/Ketchikan • Adrienne Gaines, WISH Community Services Director 		
2:00	Recess		
2:15	Site Visit / Opportunity House Community Connections, 323 Carlanna Lake Rd, Ketchikan		
3:45	Trustee Training		
	Ethics Training, Department of Law		Hand-Out
	<ul style="list-style-type: none"> • Matthew Stinson, Department of Law 		
4:45	Trustee Comments		
5:00	Adjourn		

Additional Documents:

Audit & Risk Committee Report	183
Program & Planning Committee Report	185

Future Meeting Dates

Full Board of Trustees / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – May 2024)

- | | | |
|--------------------------------|---------------------------|------------------------|
| • Audit & Risk Committee | July 30, 2024 | (Tue) |
| • Finance Committee | July 30, 2024 | (Tue) |
| • Resource Mgt Committee | July 30, 2024 | (Tue) |
| • Program & Planning Committee | Jul 31 – Aug 1, 2024 | (Wed, Thu) |
| • Full Board of Trustees | August 28-29, 2024 | (Wed, Thu) – Anchorage |
| | | |
| • Audit & Risk Committee | October 16, 2024 | (Wed) |
| • Finance Committee | October 16, 2024 | (Wed) |
| • Resource Mgt Committee | October 16, 2024 | (Wed) |
| • Program & Planning Committee | October 17, 2024 | (Thu) |
| • Full Board of Trustees | November 13-14, 2024 | (Wed, Thu) – Anchorage |
| | | |
| • Audit & Risk Committee | January 8, 2025 | (Wed) |
| • Finance Committee | January 8, 2025 | (Wed) |
| • Resource Mgt Committee | January 8, 2025 | (Wed) |
| • Program & Planning Committee | January 9, 2025 | (Thu) |
| • Full Board of Trustees | February 5-6, 2025 | (Wed, Thu) – Juneau |
| | | |
| • Audit & Risk Committee | April 23, 2025 | (Wed) |
| • Finance Committee | April 23, 2025 | (Wed) |
| • Resource Mgt Committee | April 23, 2025 | (Wed) |
| • Program & Planning Committee | April 24, 2025 | (Thu) |
| • Full Board of Trustees | May 21-22, 2025 | (Wed, Thu) – TBD |

Future Meeting Dates Statutory Advisory Boards (Updated – May 2024)

Alaska Commission on Aging

ACO: <http://dhss.alaska.gov/acoa/Pages/default.aspx>

Executive Director: Jon Haghayeghi, (907) 465-4879, jon.haghayeghi@alaska.gov

- Quarterly Meeting (summer): May 14-16, 2024 / Valdez
- Quarterly Meeting (fall): September 9-13, 2024 / Kotzebue
- Quarterly Meeting (winter): December 4, 2024 / Zoom

Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

AMHB: <http://dhss.alaska.gov/amhb/Pages/default.aspx>

ABADA: <http://dhss.alaska.gov/abada/Pages/default.aspx>

Acting Executive Director: Stephanie Hopkins, (907) 465-4667, stephanie.hopkins@alaska.gov

- Quarterly Meeting (summer): July 17, 2024 / Virtual
- Quarterly Meeting (fall) – October 1-4, 2024 / Ketchikan
- Standing Advocacy Committee: Mondays from 12:00pm – 1:00pm
- Executive Committee: Second Monday at 9:00am

Governor’s Council on Disabilities and Special Education

GCDSE: <http://dhss.alaska.gov/gcdse/Pages/default.aspx>

Executive Director: Patrick Reinhart, (907)269-8990, patrick.reinhart@alaska.gov

- Triannual Meeting (summer): May 30-31, 2024 / Anchorage
- Triannual Meeting (fall): September 19-20, 2024 / Anchorage
- Triannual Meeting (winter): February 11-13, 2025 / Juneau

**The Trust's
Guiding Principles /
Mission Statement /
Trust Budget
Process Flowcharts**

Trust Guiding Principles

To improve the lives of Trust beneficiaries, The Trust is committed to:

Education of the public and policymakers on beneficiary needs;

Collaboration with consumers and partner advocates;

Maximizing beneficiary input into programs;

Continually improving results for beneficiaries;

Prioritizing services for beneficiaries at risk of institutionalization or needing long-term, intensive care;

Useful and timely data for evaluating program results;

Inclusion of early intervention and prevention components in programs;

Provision of reasonably necessary beneficiary services based on ability to pay.

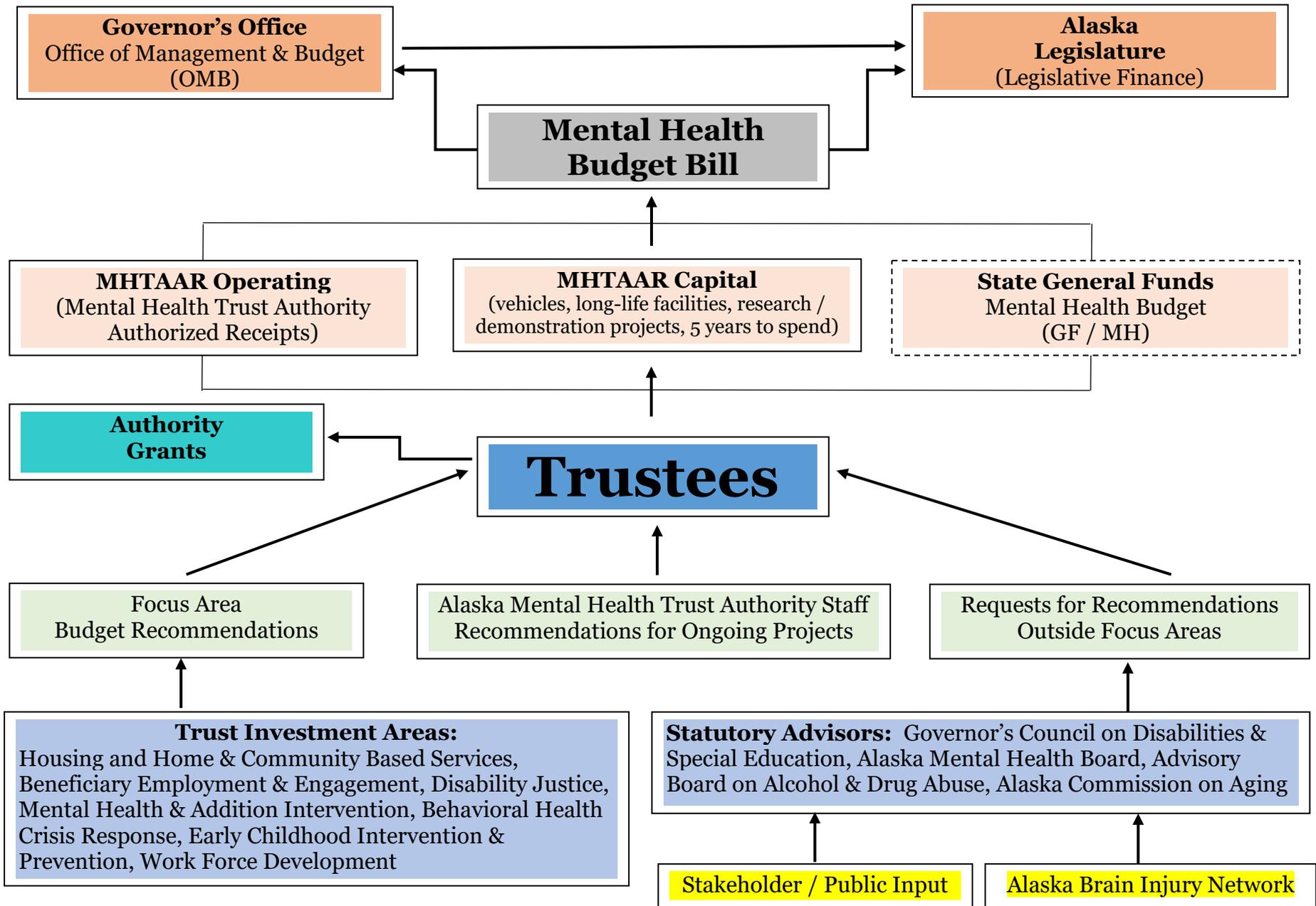
Approved 5-12-09, Board of Trustee meeting

Trust Mission Statement

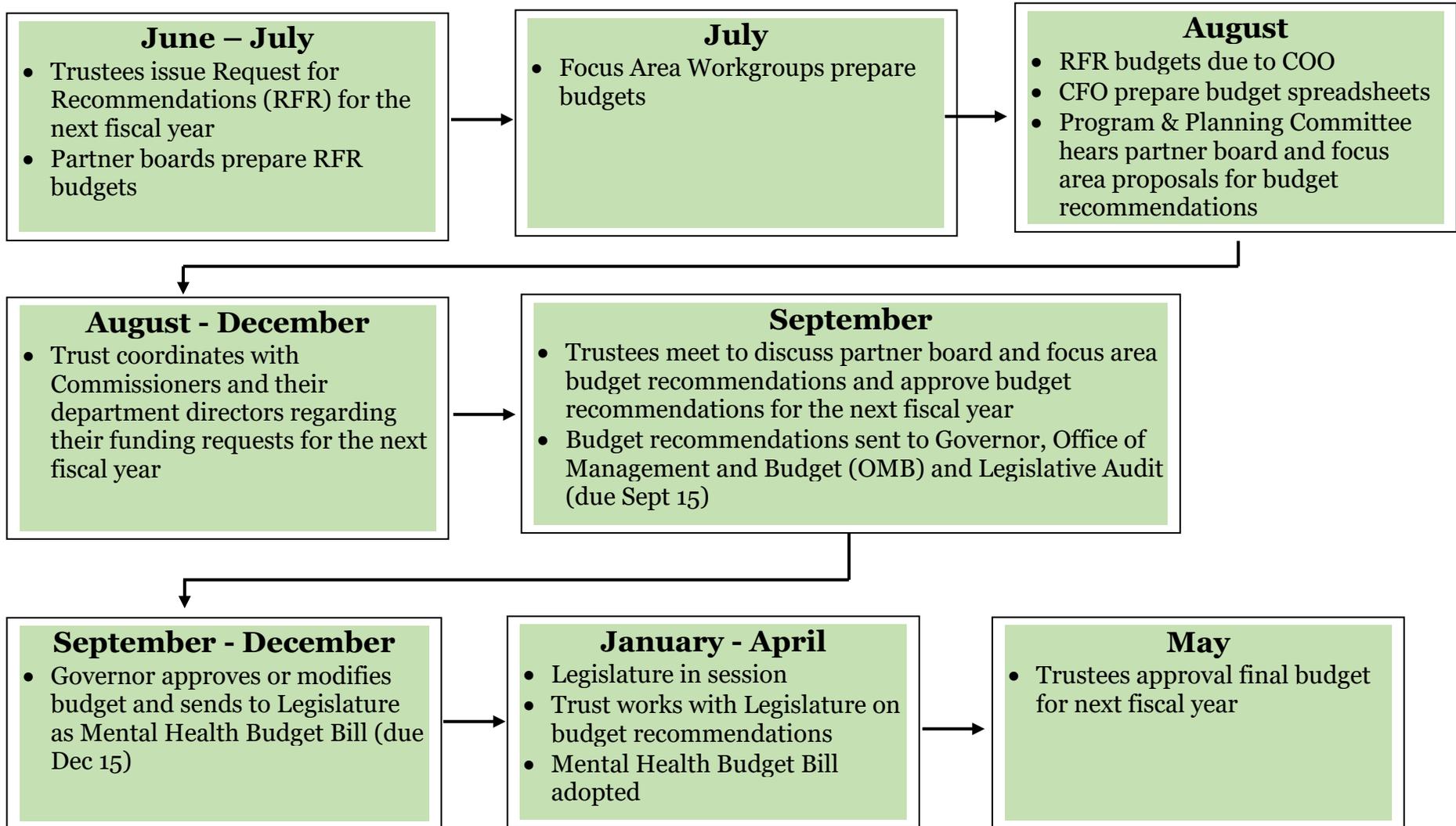
The Alaska Mental Health Trust Authority (The Trust) administers the Mental Health Trust to improve the lives of beneficiaries. Trustees have a fiduciary responsibility to protect and enhance trust assets in perpetuity for the beneficiaries. The Trust provides leadership in advocacy, planning, implementing and funding of the Comprehensive Integrated Mental Health Program; and acts as a catalyst for change.

Approved 5-12-09, Board of Trustee meeting

Alaska Mental Health Trust Authority Budget Process



Annual Mental Health Budget Bill Process

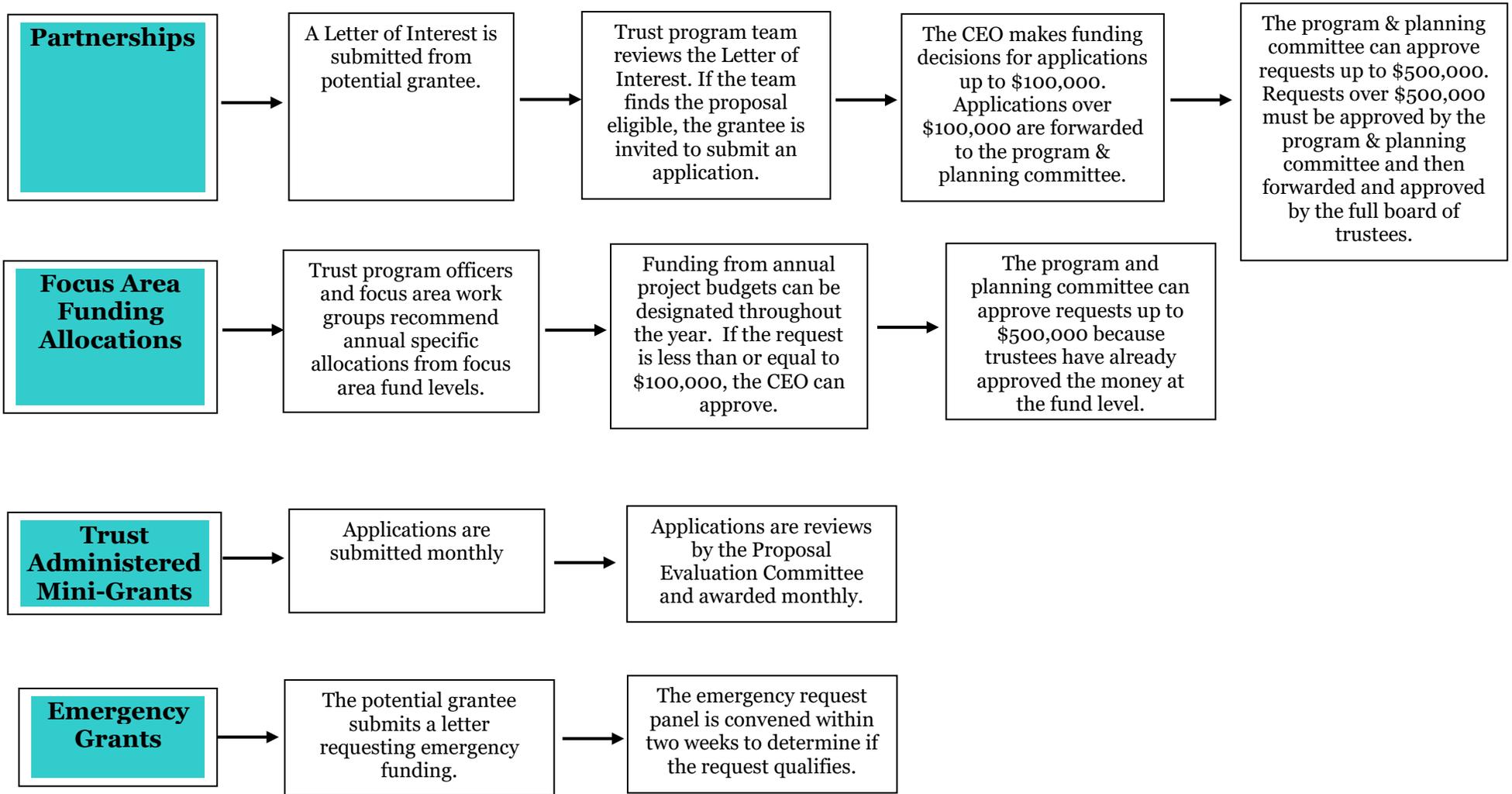


Note: timeline represents those items in the green boxes in the chart entitled “Alaska Mental Health Budget Process”

01/23/2019

Grant Approval Process for Authority Grant Funds

All annual budgets are approved by the full board of trustees at the September meeting



Note: this chart depicts those items included in the teal box labeled “Authority Grants” on the chart entitled “Alaska Mental Health Trust Authority Budget Process”

Revised: 01/23/2019

Alaska Mental Health Trust Annual Calendar

TRUSTEES	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Scheduled full board meeting & prep												
Scheduled committee meetings & prep												
APOC filing due 3/15												
Officer elections												
Board evaluations												
CEO evaluation												

LEGISLATURE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Budget finalization with departments												
Trust advocacy trainings												
House/Senate Finance budget presentation												
Legislative session												

PROGRAM	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Focus area budget updates, stakeholder mtg												
Request for recommendations (RFR) issued												
Statements of Intent / grant agreements												
Trust/DBH quarterly meetings												
Small projects												
Grant quarterly reports												
Rural Outreach (every 2yrs)												

LAND OFFICE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Resource field season												
Real estate BOV/appraisals												
Fall land sale												
Quarterly reports												
Ft. Knox audit (every 2yrs)												

ADMINISTRATION	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Fiscal year end & re-appropriation												
External audit												
Operating budget due 9/15												
Trust annual report												
Contract renewals												
OMB measures												
Asset allocation annual review												

ADVISORY BOARDS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Statutory Advisory Board - ACoA												
Statutory Advisory Board - AMHB/ABADA												
Statutory Advisory Board - GCDSE												

**Minutes for the
January 5, 2024
Full Board of Trustees
Meeting**

**ALASKA MENTAL HEALTH TRUST AUTHORITY
SPECIAL FULL BOARD COMMITTEE MEETING
January 5, 2024
9:45 a.m.**

Hybrid Meeting Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508

Trustees Present:

Anita Halterman, Chair (Virtual)
Brent Fisher
Kevin Fimon
Agnes Moran
John Sturgeon
John Morris (Virtual)
Rhonda Boyles

Trust Staff Present:

Steve Williams
Katie Baldwin-Johnson
Miri Smith-Coolidge
Michael Baldwin
Allison Biastock
Kelda Barstad
Valette Keller
Luke Lind
Debbie DeLong
Kat Roch
Heather Phelps

Trust Land Office staff present:

Jusdi Warner
Sarah Morrison

Also participating:

Gene Hickey; John Springsteen; Diane Fielden; Brenda Moore.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the Special Full Board meeting to order and began with a roll call. She stated that they had a quorum, and asked for any announcements. Hearing none, she asked for a motion to approve the agenda.

APPROVAL OF AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE MORAN; seconded by TRUSTEE FISHER.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Moran, yes; Trustee Morris, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

ETHICS DISCLOSURES

CHAIR HALTERMAN asked if there were any ethics disclosures. There being none, she moved into the governance discussion. She stated that there was the need to enter into an Executive Session, including Attorney Gene Hickey, initially. She entertained a motion to move into Executive Session.

MOTION: Per AS 44.62.310(c), a motion that the Alaska Mental Health Trust Authority Full Board of Trustees move into Executive Session to receive legal counsel regarding governance documents. No decisions will be made in the Executive Session. The motion was made by TRUSTEE FISHER; seconded by TRUSTEE FIMON.

MR. HICKEY wanted to make sure that it is clear that the statutory citation was AS 44.62.310(c) Section 2, as listed. It involves a personnel matter, and he wanted to make sure that is clear on the record. He stated that the vote on it would be as amended by counsel's comments.

The motion was amended from AS 44.62.310(c) to AS 44.62.310(c)2, pursuant to counsel's comments.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Moran, yes; Trustee Morris, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

CHAIR HALTERMAN stated that they would go into Executive Session with Gene Hickey and the entire board. She reserved the right to call the Trust Land Office executive director and CEO Williams into the session, if needed.

(Executive Session from 9:50 a.m. until 12:05 p.m.)

TRUSTEE FISHER stated that he would read the motion to return from Executive Session.

NOTICE OF RETURN FROM EXECUTIVE SESSION: Trustee Fisher stated, for the record, that he and his fellow trustees and members of the Trust Authority and Trust Land Office are returning to the Full Board of Trustees' Meeting from the Executive

Session. We did not make any decisions during the Executive Session other than to give directions to the counsel.

MR. HICKEY stated that there was no need for a motion to come out of it. It was just the fact that they were out of Executive Session and going back into the public portion of the meeting.

CHAIR HALTERMAN stated that they were in the public portion of the meeting, and that it was time for lunch.

(Lunch break.)

CHAIR HALTERMAN called the meeting back to order to continue the conversation of the governance discussion. She noted that Trustee Morris was back. She continued that they came back out of an Executive Session where there was a private conversation with regard to issues discussed with counsel. This was the time set aside to get staff feedback; the staff responses to the Trust charter revisions.

CEO WILLIAMS stated that this was the time which staff were looking forward to having the dialogue with the trustees about the current drafts of the revised charters. Staff has spent a significant amount of time looking, thinking, and having this opportunity for a conversation to understand some of the intent, some of the goals; are there things that need tweaking or fixing from the trustees' perspective; and also, for staff to be able to talk about recommendations; and also sharing and answering any questions that trustees might have about the recommendations. He continued that the goal is to have a collective understanding of what the intent and desires are with the current draft, and possibly coming up with the next iteration of a clean-version draft. He began with the org chart because it represents a typical model of how an organization is structured, particularly like the Trust. It has been around for close to 30 years; with 36 professional staff; with a highly skilled set of trustees in many areas. That combination is representative of a very kind of sophisticated professional organization that allows for effective and efficient management, as well as carrying out the mission and the activities of the organization.

The trustees requested a copy of the org chart.

CEO WILLIAMS stated that the roadmap is the memo, and the goal was to walk through it step by step, item by item. He began with the five different sets of recommendations that were described as universal that cross across different charters, and they were not just isolated to one. He continued that the first general comment was around committee structure -- committees of the whole versus some other committee structure. The current committee charters outline, for all the committees, that the Board is operating with committees of the whole. Recommendations of the current redline version shows the desire to move away from the smaller committee structure. He explained the different scenarios.

MR. HICKEY clarified and made sure that one person could never make a decision that binds the Board.

CEO WILLIAMS stated that, absolutely, no one person speaks for the Board or makes the decision of the Board. The consideration is for a minority number of trustees on a committee, as opposed to having the full voice of the trustees with the opportunity for all trustees to equally

participate, share, and ultimately take action via a vote on the topic. He backed up to pre-2017 when committees of the whole was institutionalized via the charter. That was a point in time when there were trustees making decisions that other trustees were not aware of, or were putting something together to bring back to the Board for adoption. That created a situation of not everyone having the same amount of information equally to understand what was being recommended. He added that it would be helpful for staff to understand what trustees are thinking about the change in committee number and membership.

CHAIR HALTERMAN stated that the main driving force behind the decision to look at the change in the committee structure had to do more with time commitment on behalf of the trustees. The directing decision behind making changes to the committee structure was to allow trustees to free up time and have faith in their fellow trustees that chair committees to bring forth and recommend issues independently. She continued, to have faith in their ability to make those informed decisions. She added that many issues would still rise to the Board level, and we have to go through that process. She envisioned, with the changes to the charters, that a lot of the process will remain the same; but it will give some authority to the committees to go forth with some smaller tasks and not bog down the entire Board in reviewing the smaller requests.

TRUSTEE BOYLES stated that she was the only one on the Board not assigned to any committee. Consequently, she could not and would not support the smaller committee structure. She continued, when that happened, she was quite surprised by it, and was surprised that nobody changed it. She appreciated all the notes. She added that sitting through a committee process and hearing what everyone else hears is an awesome educational process.

TRUSTEE MORAN stated that continuing with committees of the whole is redundant and should be gotten rid of because there is nothing being done in those four days that could not just be done in a regular board meeting. Another reason is that people interested in an issue log in for the board meeting and find that there is no discussion because the discussion all takes place in the program meetings. Even though we adhere to the Open Meetings Act, she did not think they were adhering to the spirit of it because a lot of decisions were buried in the committee meetings that the general public just does not know how to log in to.

TRUSTEE STURGEON stated that he thinks the committee process is pretty important. He specializes in resources, and when it comes to the programs, he does not feel adequate; but he does feel comfortable on the resource side. It allows the Board to have someone that kind of specializes in an area. When he comes to the Board as the committee chair, he can present his opinion that he had a chance to research in his area of expertise, and the same with Planning and Finance. He would not want to get rid of the committees all together. He does not agree with the committee of three because if all were not at the committee meeting, the program would have to be explained all over again, and we would be spending more time doing it. He also agreed with Trustee Moran that it was kind of redundant, but where the work is really done is with a full committee. He is not sure that a committee of three will work.

TRUSTEE FIMON stated that he did not think it necessary that the same number was the same for all. Being the current chair of the Audit Committee, he is not so sure that much that happens with all seven could not happen with three. He added, that is the only committee that he has ever chaired. His point was that he thinks that he would suffer from not learning enough if the Program Committee was not a full seven-member committee. There would be some things he may miss, and he then would be asking all the questions at the Board meeting.

CHAIR HALTERMAN added that she did not think the revisions would in any way limit any trustee from sitting in on any of the committee meetings. If a topic comes up on the agenda, even though they would not be a voting member, there is still the opportunity to sit in and listen to the topic. She has no doubt that if the committee chairs feel an issue needs to go to the Full Board after being at the committee level, and that it is more appropriate to be in front of the Full Board, they would make that recommendation.

TRUSTEE STURGEON asked CEO Williams what precipitated the move to the Full Board system.

CEO WILLIAMS replied, in looking at the history, the memberships of committees was the traditional three, but all of the trustees could join and vote if they wanted to. He reiterated the dynamic described in his opening statement of trustees on previous boards having more information and driving policy with other trustees not knowing. That was the issue. The solution was driven by staff, trustees, and the advisory boards back in 2017 when these charters were originally developed to go to the committee of the whole; the way that they are currently structured in the charters.

TRUSTEE BOYLES asked about the impact on staff time in advertising individual committee meetings as opposed to one committee of the whole in one day.

CEO WILLIAMS replied that the committees are blocked in two days, and typically use two-and-a-half to two days. If we are scheduling smaller committees versus committees of the whole, trustees will know the two days scheduled, and we still have to public-notice them whether it is three members or seven members. The meetings have to be public-noticed, even if the time commitment is not as much. He continued that scheduling meetings is staff time, and he explained that fully.

TRUSTEE STURGEON stated that he was struggling with how this would be saving time. The process now is that there is a presentation at the committee; the committee votes on it; and then it goes to the Full Board. There is not a lot of discussion at the Full Board because it has already been discussed at committee. With a three-person Resource committee, things will have to be discussed two or three times to bring the Full Board up to speed.

MR. HICKEY stated that the time constraint is the major component, and he explained the process.

TRUSTEE FISHER reflected on the committee work done on some of the other boards he was on. The committee work was primarily prep work, and there was no decision-making done in those committee meetings. When the presentation happened with the entire board, a decision could be made without a lot of extra time. He stated that they had a decision-making process in the current charter that includes the committee before it goes to the Full Board, and that maybe is what is tripping it up with regard to the amount of time it takes to do everything. The same discussion could be had in the Full Board meeting if all the prep work is done ahead of time.

The discussion continued on the process.

MR. HICKEY clarified that the committees' role is to make a recommendation to the Full Board,

to get the issue to the Board and to let the Board vote on it at that point in time. And to the extent that the Board gets that vote, the Full Board needs to have all the information available to it as trustees and fiduciaries so those determinations can be made. The Full Board is the ultimate decision-maker, and the committee can only make a recommendation.

CEO WILLIAMS stated that the way the committees are structured -- speaking of Program & Planning -- they have the authority to approve funds for between \$1 and \$500,000 for programs that are approved but not allocated to a grantee. The consideration is needed for how quickly to meet the needs of beneficiary-serving organizations and beneficiaries because the time between the decision-making process is spread out.

MS. WARNER stated that, under the current charters, the committee has approval authority, which saves staff time to only come to the committee and get that approval. The TLO operates more as a business. She continued that there is a lot of overlap on the commercial real estate from the Finance Committee, monitoring those as an investment with the TLO and Resource Committee, who are the asset managers of that.

MS. BALDWIN-JOHNSON stated, from the Program & Planning Committee structure, in terms of opportunities to bring projects forward to trustees, staff relies on the number of those that were covered throughout the year. If the committees were consolidated or we lose that additional time to bring projects forward, there will be more delays in getting the funds out, and also an increase in the number of projects looked at within the Full Board structure. She continued that there is also the programmatic element of the work and a cycle of life of things that needs to be done at certain times in order to meet requirements that are required to be met. She added that committees make motions, pass motions, and make approvals; and the Full Board generally does not reverse the committee decisions, which is an important distinction.

TRUSTEE MORRIS believed that committees of the whole are redundant, and we should move to smaller committees. He agreed with Trustee Moran.

MR. HICKEY made everyone aware that even if they go to a smaller committee, the authorizations of that committee would remain the same. He understood the concern that it would only be three board members versus seven authorizing that, but he likened that to the CEO's authority on grants. From a time-savings standpoint, regardless of which way the Board decides with the size of the committees, when advertising the committee meeting, maybe a meeting of the Full Board could be advertised at the conclusion. If it is a committee of the whole and a decision is needed on that particular day, you could move immediately into a Full Board public meeting and vote on that particular issue. That would require an agenda posted in advance. That is a possibility there. He added that every committee size could be a mix.

The discussion continued.

CEO WILLIAMS stated that the public notice of a board meeting and the public notice of the committee meetings are the same exact process. The one thing that is different is that for each regularly scheduled Board meeting, four times a year, there is a public-comment period. There is nothing that says a committee could not have a public -comment period.

CHAIR HALTERMAN asked to move forward to the next section.

CEO WILLIAMS stated the second item in the memo referenced the redline version of the Finance Committee. Staff's recommendation is under role, duties, and responsibilities of each of the charters that it is clear that the work would be done in conjunction with staff. He went through some sample language and noted that it clearly articulates that it is not the governing board's role to develop policies or procedures; that unless there is something very specific, it is the staff doing that under the direction of the Board. The recommendation for No. 2 is at the bottom of Page 47 of the memo, and the formatting needs to be an introductory statement.

A discussion ensued.

CEO WILLIAMS moved to the Executive Committee, which is redundant.

MR. HICKEY agreed, and noted that he did not have an issue with that.

CEO WILLIAMS moved to No. 4, Finance Committee. The new language is committee chairs having the opportunity to attend the annual performance evaluation between the CEO and the identified C-Suite staff: the CFO, COO, and TLO executive director. Currently, the charters have the CEO reaching out to all trustees for input on those three positions and on their performance over the past year with recommendations for improvement or setting goals that they would like to see. The CEO incorporates that feedback into the annual evaluation. He added that that makes sense and is a good thing. Now a chair could potentially be sitting in the evaluation between the CEO, and one of those positions is problematic from his perspective: the CEO is responsible for supervising those positions, and the Board hired the CEO to do that.

TRUSTEE BOYLES agreed with this and was really pleased about implementing an exit interview process because that exit interview is a good place for the committee chair to sit in and pick up on what had occurred.

TRUSTEES STURGEON AND FIMON agreed.

CEO WILLIAMS commented that supervision is not about one time a year. It is about meeting with an individual over the course of a year, and talking about what is driving a person and why they are there. The evaluation builds on that, which is really important.

A discussion followed.

MS. BALDWIN-JOHNSON added that the process of doing a comprehensive, thorough, and fair evaluation means being in tune with your team members and how they work together. We are small, and our leadership team meets regularly; our communication is very strong.

CHAIR HALTERMAN stated that a problem with the process is if an employee at an executive level has the perception that they have to go to the CEO. There is no ability for them to raise the concern above the CEO without feeling that they violated a chain of command. Frankly, the chain of command stops with the Board. There should not be a point in the process where an employee does not feel comfortable coming to the Board with an issue if they feel they are not getting the attention with the issue. That is something that is lacking in the process. She continued that there is a human environment changing rapidly that is beyond our control. She added that it would be nice to know the reasons why key people, especially, leave the organization. It is a critical change, and there is a need to figure out how to get that rub out of

the process.

MS. BALDWIN-JOHNSON pointed out that Valette is the HR representative, and if an employee is not comfortable going to their supervisor, they would approach Valette. This is another mechanism internally where she is both an advocate for the employees, and also is able to help work through issues when they arise. This has worked effectively.

MS. KELLER stated that she does believe that staff comes to her. She could not talk about specifics because of confidentiality, but staff have come to her in a number of instances to share concerns about their supervisor or how to communicate if maybe a trustee has a question or a supervisor was not understanding. She either acts as an advocate, or provides some support directly to them with some suggestions on how they could approach it. She added that it is rare that something comes up that is important enough that she needed to breach that confidentiality, but that is an option, depending on the level of severity.

CHAIR HALTERMAN stated that what Valette does is amazing, and she wanted to say that on the record. Valette has been an amazing HR resource as she has worked with issues, and she has even called on her. She is very sensitive to the need to keep information confidential. Her concern has nothing to do with Valette's performance; it has to do with the key position not having an ability to redirect in any other manner if they were engaged with the CEO. She added that a CFO, COO, and TLO executive director under the current structure would probably not say much on exit if they had issues with the CEO. It would not be in their best interest to do so. We do not get candid feedback if we do not involve ourselves in the process. There needs to be a process to reflect on the exit of key positions, and to get candid feedback on those exits so they can be responded to; and right now, that does not happen.

TRUSTEE MORRIS followed up and commented that the value of a committee chair attending an annual evaluation would be in listening, not in speaking. He stated that perhaps the language could be edited to say the committee chair "may attend the annual evaluation" between the CEO and CFO, and deleting the "participation in." It is incumbent to send the message that the buck stops with the trustees and not with the CEO. Second, there is an opportunity as trustees to make sure and check on how the relationship between the CEO and key staff members is going both ways. An annual evaluation is a very good way to do that. He continued that the language should read "may attend." It does not read "must" or "shall" attend. If the committee chairs that are responsible for that set of personnel feel comfortable in their understanding of how things are going, they may or may not elect to go to the evaluation. Having the ability to do so both sends a good message and creates an opportunity to gather very good information.

MS. KELLER added that the power dynamic of having the boss's boss sit in on a performance evaluation will not foster an open communication that the trustees are expecting. She continued, that is the same for all employees, not just the C-level. She stated that if her boss sat in on her staff's evaluation, she thinks it would hamper conversation and an open, back-and-forth feedback between the two.

CEO WILLIAMS also reminded trustees that we work within the Department of Revenue, and there are additional resources available to a staff person. They could use the Department HR relationship if there was discomfort.

TRUSTEE FISHER shared a personal experience as the vice president of business development
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for a large community hospital where he worked very closely with physicians. He was specifically hired to do some new things within the organization. A member of the board and the president of the medical staff contacted him and invited him to breakfast to talk about some things. He continued that his boss, the COO of the hospital, was not told of this meeting. He went to the meeting because he was invited. The COO did not like him going to the Board without his permission; and not just his informing him, but without his permission. He stated that care needs to be taken with whatever is put in place. From a cultural standpoint, we need to make sure that everyone feels comfortable coming to a resource within the organization all the way up to the Board level if they want to talk about anything.

CHAIR HALTERMAN appreciated the commentary and agreed. If ever there was an issue with the CEO, no key staff member should ever feel hindered in their ability to approach the Board. She continued that, right now, the structure does not allow that mechanism. She asked CEO Williams to move to the next section.

CEO WILLIAMS stated that No. 5 talked about communication, but not so much about the previous issues talked about. This is about the committee chair having direct access to staff, legal counsel, advisers, consultants, asset managers. Staff understands the need for access. The big concern is making sure there is a mechanism that the CEO and/or the TLO executive director is engaged and aware of what the communication is; the need, the request, or the topic to be able to engage and understand with the trustees what is needed. He thought that between the TLO executive director and the CEO, they have developed, instilled, and instituted that culture.

CHAIR HALTERMAN stated that was just a matter of clarifying the role and not necessarily in response to a particular issue.

A clarifying discussion ensued.

TRUSTEE MORRIS asked Mr. Hickey to clarify the nature of the Mental Health Trust Authority Board. He asked if they are only an advisory board; and if not, what are they.

MR. HICKEY replied that he thought everyone understood that the role of the trustee is that of a fiduciary. The ultimate responsibility of what happens belongs to the Board, and that is who would be responsible if something goes awry.

CHAIR HALTERMAN called a ten-minute break.

(Break.)

CHAIR HALTERMAN asked CEO Williams to address the next comment.

CEO WILLIAMS stated that they were getting ready to wrap up the universal concepts. The bottom of Page 49 talks about the committee chairs having to copy the board chair. It seems that that is not something that is necessary for the charters. He moved to Page 5 of the redline version of the charters, 4(b), talking about the Comp Plan. The current language says “provide,” and the Trust does not provide for a Comp Plan; that is the Department of Health and Family and Community Services. We work collaboratively in the development, but it is their responsibility. He recommended using the word “ensure.”

MR. HICKEY stated that they were trying to eliminate that word. He talked about the dilemma they have with the language. The statute specifically says “ensure,” and his concern is that the Trust does not have control of that entire process. He does not like “ensure” from a legal standpoint. He does not like to guarantee anything.

TRUSTEE MORRIS stated that we should make sure we have positive affirmation and discussion on each of these items as we go through them.

MR. HICKEY stated that no one was voting on a particular change or incorporating or not incorporating a comment; it was just a discussion.

CEO WILLIAMS moved to the second row on Page 9 that talks about the development program regarding trustee recruitment. The key thing is retention, and then training. Staff recommended the need to drop “retention,” which is based on forces of the individual outside the realm. He then moved to the interface between the statutory advisory boards and the Board of Trustees being the primary interface. The only commentary was about the operational aspect that the Trust Authority staff is the interface with the advisory boards on a day-to-day or weekly basis; and making sure that the advisory boards engage with the trustees, at least on a quarterly basis in the current structure, which is formal presentations at the board meetings. He moved on to Page 12, and the conversation going back to making sure that the staff are involved in the development of and working with the trustees to ensure that there is a personnel policy in place. The current language will be established by the Board. The suggestion is that the work identified is that staff will take the lead working with the Board to ensure that these things are developed -- without saying the word “ensure.” He moved to new language into the charters. He continued that there were a couple of other places where there was additional language where additional reporting needs to be made to the Board from the CEO. The reasoning in the bullets in the center column explains the recommendation for removing the added language and does not reference the additional staff time. He was getting down into the weeds, and if there is additional reporting that needs to happen, it could be talked about, and we can come up with other solutions rather than having it codified in a charter.

TRUSTEE BOYLES talked about the Board having annual goals, to take some time and see what is critical to them, and what would come forward in that process. That process has not been done. As a Board member, she would like to have more discussion on that based on establishing where the Mental Health Trust expects to be going in the next year or two. That exercise has not ever been done. Maybe the Board will see to it and agree that those goals align with what was asked to be done and what the staff does on an annual basis. Many of them may change annually.

TRUSTEE FISHER stated that this came up because there was a feeling among a number of trustees that whether a request was made at a board meeting, committee meeting, or just communication between a committee chair and whoever was contacted at the C-Suite, that the information was not being traced and the progress was not being tracked and reported on. So much time would go by without the completion of a question or something that needed to be done as far as the committee work. The idea was to put something someplace that says this stuff needs regular tracking. There is a need for a centralized place where those questions get identified. They are certainly in the minutes, but they are not pulled out and then tracked so that the people know that they are getting it.

MS. BALDWIN-JOHNSON responded that based on feedback received from trustees, meeting staff have implemented a new process where they internally log specific asks of staff that come forward in these meetings so that they track the date, the ask, the request, and when it needs to be provided. She stated that they utilize the minutes and verbatims to help with that. Usually, we are really good about tracing questions, and we try to be responsive so that information can be provided. She continued that this was a recommendation from Trustee Boyles that there needs to be a mechanism for looking and tracking that.

CEO WILLIAMS stated that they actually did a brief presentation on that for trustees.

MS. BALDWIN-JOHNSON added that staff discussed that that be included in any new trustee orientation so new trustees are aware that exists, and they would be able to see that.

CEO WILLIAMS stated that the next item was under the charter for the chair of the board. It speaks to the chair being a voting member of all committees.

MR. HICKEY asked if the committee structure does change from committee of the whole to whatever number the Board ultimately decides to go to, there was still the issue of the board chair. If it was less than committee of the whole, being an ex-officio member versus voting or not voting. He stated, that is a good point raised in the comments, and that issue needs to be thought about.

CEO WILLIAMS moved on to Packet Page 17, Item 3(i), adding language to create a board-approved travel policy. The trustees are considered State employees and follow the State travel policy. The recommendation is to remove the language “Board-approved travel policy.”

MR. HICKEY stated that he did not think that the State travel policy had been adopted as a policy and, as a board, they are not required to. One of the things to remember is that they may be part of the Department of Revenue; but the AMHTA is an independent public corporation and not an actual part of the Department. The Board could adopt their own travel policy, if they wanted, and they ought to adopt something so there is no confusion as to what policy actually applies. He added that a policy that affects the entire organization could be adopted.

CHAIR HALTERMAN opened up the possibility that trustees could adopt the State policy, which is what they had been doing. A travel policy was never adopted, or any policy related to what rules to follow in the boardroom. Typically, Robert’s Rules were followed, but we never officially took action as a board to adopt that process. She noted that they do have some flexibility.

MR. HICKEY clarified that the bylaws do adopt Robert’s Rules. The problem with the bylaws is that it does not say what edition of Robert’s Rules applies. The appropriate edition that is applicable needs to be reflected because there have been significant changes over the years as to what happens under certain circumstances. He stated that the reason they did not do any changes to the bylaws here is because whatever happens within the charter affects the bylaws. The bylaws changes will come once these documents get finalized so that they are current.

CEO WILLIAMS moved to the charter of the Finance Committee. It designates specific staff to assist with financial oversight. The recommendation is that the TLO executive director be added to that list, which makes sense given the commercial real estate and other land work that

happens. He moved to the add of a new item under “duties and responsibilities” relating to the RNC charter, making it the duty of the committee to assist the Finance Committee in defining the CRE, and we want to make sure that it reciprocates so that there is similar language in the Finance Committee charter that is in the RNC charter. In the charter of the Audit & Risk Committee, the recommendation is to add the TLO executive director into the identified place stated in the charter. He continued to the Resource Management Committee charter and stated that the TLO executive director is not named. We identified this as an oversight, and recommend that the trustees include it. The current language in No. 18 states “commercial real estate investment policy and procedure.” We want to make sure that this language actually reflects the current related documents. The procedure is being replaced with the CRE Investment Management Guidelines, which reflects the work done over the last year and then presented to the trustees. Then, No. 19, the recommendation is removing the word “investment,” and the revised language would read: Monitor commercial real estate activities and performance, so on and so forth. This makes sure the correct language is being used. He stated that there are no recommendations or comments on the charter of the Program & Planning Committee. He moved to the charter of the CEO and began with No. 5 which added new language requiring the CEO to provide all reports by the Trust or the CEO from the TLO, consultants, advisers, auditors and others within five days. He asked what were reports. He stated that he understands the intent behind this, and recommended that it be removed altogether.

MR. HICKEY stated that this needs to be defined. Coming up with a definition from the trustees’ perspective of what kind of reports they are looking for.

CHAIR HALTERMAN stated that none of the trustees would have known to ask for reports they did not know existed. We cannot revise the process if we are not aware. She continued that it would be worth the effort of going through what reports exist, which ones are provided to the trustees, and which ones they would like on a regular basis.

CEO WILLIAMS replied that that could be worked on to come up with the ones in the trustees’ interest. He stated that there are some reports received that, for confidentiality reasons, are maintained in that space because they could have implications for work at the TLO and TAO.

MS. WARNER stated that context should be provided. If reports are provided, there may be other associated details that should go with that report, context provided; and that report should not be read, interpreted, or analyzed without context.

CEO WILLIAMS noted the five-day time frame that we would like revisited. He stated that he would be happy to work with the trustees to make sure the reports provided by the CEO hit the mark on what is needed. He added that the CEO is already reporting quarterly. He moved to Page 43 of Packet No. 7, adding new language stating that the CEO can only act as an official spokesperson of the Trust when designated by the Board. The CEO of any organization is the primary spokesperson for that organization. The recommendation is to revise the language appropriately to reflect that. He moved to Page 44 which spoke to the reduction of the CEO’s approval authority from \$100,000 per agency per fiscal year down to \$25,000 per agency per fiscal year. The recommendation is to maintain what is currently in the CEO charter which was reviewed, revised, and clarified back in March. The trustees and staff spent a significant amount of time working through that.

TRUSTEE BOYLES talked about a flow chart that showed the grant process and how many

were released in the lower increments. She asked for that to be re-sent to the trustees.

MS. BALDWIN-JOHNSON clarified that on the grant process there were some graphs that showed the CEO-approved numbers compared to trustee-approved numbers, and we will pull that together.

A discussion and clarification ensued.

CEO WILLIAMS moved to Page 44, which is related to the CEO authority with brand-new language related to providing trustees 30 days' advanced written notice of any grant the CEO intends to award, with some information that needs to be included; and that without this notice, the grant becomes invalid.

CHAIR HALTERMAN stated that she had requested the change, and it had nothing to do with CEO Williams. She reflected on some historical perspectives and talked about risk. She added that more dialogue is needed on this one.

CEO WILLIAMS moved to Page 57, Packet Page 44, which adds the requirement that the CEO provide the Board with the terms and conditions of employment offers for the stated C-suite positions. The CEO operates within parameters, a budget established by the trustees, and is hired by the trustees to hire staff. Currently, the CEO comes to the trustees to advise them on the offer that will be made for any of those positions. It is recommended to keep that personnel stuff within the CEO, and his or her judgment to hire. He stated that he was finished, and he appreciated the trustees, the dialogue, and the trustees hanging in and getting through the document.

CHAIR HALTERMAN stated that her vision is that Mr. Hickey, CEO Williams and she have a meeting in follow-up from today, and work on getting that cleaned up, with the revised version readied for the end of January. The hope is to have a clean public version to present to the advisory boards and others, and to allow them the opportunity to weigh in on the more cleaned-up version of this document.

MR. HICKEY wanted to make sure that everyone understood that it will be difficult to present the cleaned-up version because there was no vote taken on any of these changes, and he sensed some disagreement on certain changes. What is needed is to get the document for review, and at the January board meeting to vote however you want to do it. The Board of Trustees needs to weigh in on which changes they want to move forward. His recommendation is to walk through each charter, vote up or down for the change, get it cleaned up; and then the ones that need additional work, we will work on those additions and try to get them finalized.

A discussion continued.

CHAIR HALTERMAN asked about the possibility of pulling together a special meeting to go over this with trustees before the January meeting to have a closer final version by the end of the month.

The discussion continued.

TRUSTEE BOYLES suggested that after February 1st they have nothing until April 24th, and

maybe a meeting in March could be a work session allocated to all of this.

CHAIR HALTERMAN asked for the will of the Board.

TRUSTEE FISHER was in favor of moving through in a reasonable manner of time and not delaying it.

TRUSTEE STURGEON agreed, and reminded them that if it was stretched out too far there could possibly be two more board members at the end of April.

TRUSTEE FIMON stated that a part of him was not fired up about carrying this down and doing it in Juneau. He did not like March either, but suggested something early in February.

TRUSTEE MORRIS stated that he thought governance work is some of the most important work being done, and to continue moving forward with all due speed.

The discussion continued.

CEO WILLIAMS clarified that they would not be talking about the larger issues like committee structure or CEO authorities, but this would be about the run-through to clean the things up with a general sense of what everyone was saying, getting those together, and voting those up and down.

TRUSTEE BOYLES stated on record that she was adamantly opposed to taking housekeeping governance work into the Capital when there is an opportunity to really talk to legislators and senators about what the Mental Health Trust does.

CHAIR HALTERMAN appreciated the comment and added that the time would be devoted to board work while in Juneau, and we will just make time for governance work while there. An agenda will be crafted that makes good use of two hours that does not interfere with committees and will not interfere with the other work that needs to be done while in Juneau. She asked for anything further. There being nothing, she entertained a motion for adjournment.

MOTION: A motion to adjourn the meeting was made by TRUSTEE MORRIS; seconded by TRUSTEE MORAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Moran, yes; Trustee Morris, yes; Trustee Sturgeon, yes.)

CHAIR HALTERMAN adjourned the meeting and thanked everyone for their time and attention.

CEO WILLIAMS thanked Trustees Halterman and Morris for hanging in there.

(AMHTA Special Full Board meeting adjourned at 4:08 p.m.)

**Minutes for the
Jan 31 – Feb 1, 2024
Full Board of Trustees
Meeting**

**ALASKA MENTAL HEALTH TRUST AUTHORITY
FULL BOARD COMMITTEE MEETING
January 31, 2024
9:00 a.m.**

**Hybrid Meeting Originating at:
Elizabeth Peratrovich Hall
320 West Willoughby Avenue
Juneau, Alaska**

Trustees Present:

Anita Halterman, Chair
Brent Fisher
Kevin Fimon
John Morris
Rhonda Boyles

Trust Staff Present:

Steve Williams
Katie Baldwin-Johnson
Miri Smith-Coolidge
Michael Baldwin
Allison Biastock
Kelda Barstad
Valette Keller
Carrie Predeger
Debbie DeLong
Heather Phelps
Luke Lind
Kat Roch

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Blain Alfonso
Chandler Long
Heather Weatherall
Karsten Eden
Katie Vachris
Tina Voelker-Ross
Marisol Miller
Pete Mueller

Also participating:

John Springsteen; Diane Fielden; Jeannie Monk; Kathy Craft; Marjie Hamburger; Charlene Tautfest; Steph Kings; Jennifer Motes; Jon Haghayeghi; Charity Lee; Stephanie Hopkins; Commissioner Kim Kovol; Deputy Commissioner Emily Ricci; Deputy Commissioner Clinton Lasley; Leah Van Kirk; Jorden Nigro; Max Blust.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the Full Board meeting to order and began with a roll call. She stated that Trustee Sturgeon would be joining for the Resource Committee, but was excused from the rest of the meeting. She asked CEO Williams for an overview of the meeting.

CEO WILLIAMS went through the logistics.

APPROVAL OF AGENDA

CHAIR HALTERMAN entertained a motion for the agenda, and requested any changes before approval.

MOTION: A motion to approve the agenda was made by TRUSTEE MORAN; seconded by TRUSTEE MORRIS.

There being no objection, the MOTION was APPROVED

REVIEW OF GUIDING PRINCIPLES

CHAIR HALTERMAN moved to the Guiding Principles in the packet and asked for any questions. There being none, she continued to ethics disclosures.

ETHICS DISCLOSURES

CHAIR HALTERMAN asked if there were any ethics disclosures. There being none, she moved to approval of minutes of November 15, 2023, and entertained a motion to approve them.

APPROVAL OF MINUTES

MOTION: A motion to approved the minutes from the November 15, 2023, meeting was made by TRUSTEE MORAN; seconded by TRUSTEE FISHER.

There being no objection, the MOTION was APPROVED.

CHAIR HALTERMAN stated that the current bylaws were included in the packet as a reference for trustees and the public.

MISSION MOMENT

CHAIR HALTERMAN moved to the Mission Moment, and asked Eric Boyer to introduce the next presentation.

MR. BOYER stated that it was his pleasure to introduce Max and Jorden. Jorden is the Director of the Zach Gordon Shelter and Activities Center, which is located about a half a block from where this meeting was taking place. He continued that several staff members were able to attend a site visit yesterday and got to meet Max. He added that it was a pleasure to have them here to represent that organization, and to talk about the work they do with Trust beneficiaries. He continued that it is an organization that the Trust has supported with resources in the past.

MS. NIGRO began with an overview of Zach Gordon and all of their programs. They recently opened some housing programs; so, things are a bit different than they have been in the past. She continued that there is a drop-in center across the parking lot, and she invited all to stop by.

The center opens at 11:00, but there is always someone there in the morning, and would be happy to show everybody around. She added that their busiest hours are after school, and they regularly have between 30 and 50 kids then. She explained that Zach Gordon has existed as a drop-in center for over 75 years, and it was originally a teen center started by Zach Gordon. The Friends of Zach Gordon still exist, and they were the original board for the Center when it was a nonprofit. They own the building, and all of the staff are city employees. She continued that they serve a lot of kids, and serve a ton of meals every day. At 6:00 at night it is turned back into a teen center, and the kids look forward to turning 14 so they can stay after 6:00. During the week, they close at 9:00, and at 10:00 on Friday and Saturday. She talked about the shelter, which has a four-bedroom apartment that is used for transitional living for 18- to 21-year-olds, and the shelter holds 10 to 17 people. They also do a rapid rehousing program in the community for 18- to 24-year-olds where they help young people get into apartments and keep them. She continued that all of the housing side of the programs, the shelter, the transitional living, and the rapid rehousing are partnerships with Tlingit Haida Regional Housing Authority, which has made this whole effort possible. The grant for rapid rehousing was a HUD grant that went through the housing authority. HUD sends the checks to the landlords and the rentals. The supported services to the youth and the building itself at Sheiyi Xaat Hit provide the property management. She added that everything they do is partnership-based. She introduced Max who is one of the staff members who grew up in Juneau.

MR. BLUST stated that he grew up and spent his entire childhood in Juneau, except for one year when he was an exchange student in Hungary. He graduated from JDHS in 2015, and from Portland State in 2020. After 2020, his life got very complicated with the pandemic and declining mental health. He continued that he was diagnosed with bipolar disorder two years ago, and has been experiencing symptoms his entire adult life. A way for him to move forward and cope is to write about it. He needed music behind it, and he turned to writing songs. The songs in his life have been about everything from things being terrible and not wanting to go on, to things getting better and being thankful for the role in his community, his family, friends and society as a whole playing in his recovery in Juneau. He added that the biggest things are the community, his family and friends, having access to quality and efficient mental health services, medication, psychiatrists and therapy. The biggest thing he found in the Zach and being back in the Juneau community is that the community itself is important in that the society you live in dictates how you feel about yourself. He stated that he is happy and very content at the Zach because those around him know who he is and know about his condition. He gets to go through his job without fear of stigma, without fear of discrimination, or being looked down upon because of his bipolar disorder. The first song he wrote down on paper was “The 988 Song” and he played it for the Alaska Suicide Prevention Conference last year in May in Anchorage, which was an amazing experience. He explained that the song was about the crisis line and him thinking about it and how it impacted him, and just knowing that there is someone out there thinking about you, and even though you cannot always see them, there are people working behind the scenes to provide resources, which is what the Trust does.

(Max Blust sang “The 988 Song.”)
(Applause)

MR. BLUST continued that he wrote that song after he had been discharged from a psyche ward in Portland earlier in the year and was looking for anything to be hopeful about. Going forward, he began writing songs about his life and how far he had come and the different barriers he had

to overcome. It was all confusing because none of it really made any sense. He introduced his next song which was “Still Alive.”

(Max Blust sang “Still Alive.”)
(Applause)

MR. BLUST then continued that he was well into his recovery and had his own housing, a full-time job, and living back in the community where he grew up. He was beyond grateful for all of these things, and added that it would not have been possible without the people around him. He explained that the next song, “The Moment,” was just written, and he hoped that all would make the connection to this Mission Moment. This song celebrates the people who made his recovery possible.

(Max Blust sang “The Moment.”)
(Applause)

MR. BLUST thanked all, and stated that he did not expect anything that happened to him in his mental-health journey. He did not expect to be living back at home with his parents, and he thanked his dad for coming. He continued that they had supported him through the whole things, as well as the community and the society here in Alaska. He thought recovery was impossible, and he tries not to worry too much about the future because he does not know what will happen next. He thanked everyone.

(Applause)

CHAIR HALTERMAN thanked Max and Jorden for the Mission Moment. She thanked Max for taking the time to tell his story. Music is therapeutic, and he found a way to heal and help others; and those sounds were amazing. She added that she is positive that he is making a difference in people’s lives, and she thanked him for what he does. She also thanked his family and the support in the community. She asked for any comments or questions from the trustees.

TRUSTEE BOYLES thanked them both, and stated that it was awesome.

CHAIR HALTERMAN recognized Ms. Baldwin-Johnson, and asked her to introduce the next speaker.

DEPARTMENT OF HEALTH/DEPARMENT OF FAMILY AND COMMUNITY SERVICES

MS. BALDWIN-JOHNSON introduced Commissioner Hedberg from the Department of Health, and Commissioner Koval from the Department of Family and Community Services.

COMMISSIONER HEDBERG stated that with her today was Deputy Commissioner Emily Ricci, and her policy adviser, Leah Van Kirk.

COMMISSIONER KOVAL stated that she had Deputy Commissioner Lasley with her, as well.

COMMISSIONER HEDBERG stated, on behalf of both departments, that they wanted to pause, reflect, and really appreciate Max and the Mission Moment. His songs were heartfelt, and he said that there was a lot of work that happens behind the scenes that not everyone is aware of. It

was a perfect Mission Moment, and she appreciated spending their time together with Max. She then talked about the reorganization that created both departments on July 1st, and they are thankful for the smaller departments. She talked about some updates on plans, beginning with the Youth Behavioral Health Roadmap, which was an eight-month journey. It was five regions, very time-intensive, and we are still reflecting back on everything that was heard. With contractual support, a 113-page document was created that is rich with information and feedback. She continued that the foundation was around data-sharing, looking at the data-driven informed decisions and metrics to know if the system is working, including navigation and care coordination that really supports crisis services, outpatient services, inpatient services and stepdown services. This Youth Behavioral Health Roadmap was a listening session, and it was a catalyst that brought a lot of people together. Many legislators across the state participated, which really elevated the youth mental health crisis and identifying the gaps. The statewide steering committee had reflected on the document and gave some good feedback. Some of the gaps identified was the need to get out to rural communities to hear their perspectives. The departments are both committed to that process. She added that it is not all figured out yet, and we will continue to update on that process, which tags into the next document, the Comp Plan. She continued that the Youth Behavioral Health Roadmap is focused on the youth, and the Comp Plan is focused on all Alaskans. State agencies we have partnered with and are working closely with are the Department of Corrections, Department of Education, Public Safety and Admin. It is really coming together with a lot of synergy and energy. There are multi-disciplinary teams that looked at the nine core areas, and broke one of those core topic areas in two; so, there are now ten. The objectives and strategies were updated, and we are now refining that draft before it is sent through an initial public comment. She shared that the Youth Behavioral Health Roadmap is near a more finalized draft, but we do not have exact dates on when it will go to public comment. We will continue updating the trustees on that process. She continued into childcare. The Department of Health has four major arcs of effort. The behavioral health and complex care are two major arcs of effort. The third is around childcare. She explained that last year the Governor issued an Administrative Order creating a task force which represents different types of childcare providers. Every meeting was open to the public, was very intentional, and reflected that Alaskans are looking for solutions to address the lack of access to quality childcare. She added that there were two reports that focus on background checks, licensing, and workforce; and 33 recommendations were made to the Governor. Some of those recommendations have already been implemented. The Governor is still evaluating the recommendations, and we look forward to how those will be implemented. The second plan focuses on access, quality and subsidies. She stated that they will be happy to share the first report with the 33 recommendations, and she welcomed all to participate in the task force meetings. The Legislature appropriated \$7.5 million for workforce stabilization through an organization called Thread. They reached out to all licensed childcare providers to apply for the ROOTS awards which will be going out in February. The remaining arc of funding that the childcare program office received was \$14 million for innovation grants. The remaining arc of funding, which is another \$14 million, will go out to all childcare facilities through an application process, which she described. She added that childcare facilities could use it to subsidize some of the parent rates, or to purchase equipment.

TRUSTEE MORAN stated that using ARPA funding is one-time funding. She asked if there were any plans to continue this type of work, or are you looking at the successes and trying to have funding for that.

COMMISSIONER HEDBERG replied that there is a lot of Federal funding sent out to childcare

providers, and she thought that it was concurrent planning, understanding how those funds are used and with the feedback from the childcare facilities or employees. She noted that is also the work of the task force. She moved to her last update. She wanted the trustees to be aware of a term coined called “transformation of care.” CMS has new waivers, and are encouraging states to apply for those. They are around health-related social needs. CMS focuses on housing supports, nutrition or food as medicine, and care coordination for those two areas. There is another waiver around the incarcerated population that helps the individual as they leave the incarcerated setting, going back into the community, to help reduce that individual’s recidivism. She continued that they are in the first stage of exploring, and are looking at how other states have implemented those waivers. There is no finalized decision on what this will look like, but there is a lot of encouragement and further exploration for this. She added that they will be happy to provide the updates as they continue exploring these different conversations around the transformation of care.

CHAIR HALTERMAN asked if there is an opportunity within the prison system to address some of the substance abuse treatment needs while the person is incarcerated. She asked if these waivers gave some latitude to allow certain folks in that setting, especially for substance-abuse treatment.

MS. VAN KIRK talked about the option 1115 reentry waiver and stated that there are some flexibilities around how long intervention can be started when incarcerated. She continued that there are some minimum requirements for a reentry waiver, but states can expand on that. For instance, the minimum is case management 30 days prior to release, and states have the option to increase that up to 90 days. She added that they are exploring that and thinking about the best practices when engaging with someone.

DEPUTY COMMISSIONER RICCI added that this waiver focuses on reentry services for individuals that are anticipated to be Medicaid-eligible when leaving incarceration. There are specific prohibitions that states are not leveraging the Medicaid program to cover healthcare costs for individuals with extended periods of incarcerations. The focus on reentry is important to understand in the context of what the purpose of the waiver is about.

CHAIR HALTERMAN commented on her experiences while working within the women’s program in the Midwest, and she thanked them for their candid answers. She recognized Commissioner Kovol.

COMMISSIONER KOVOL stated that she would touch on some areas in the Department of Family & Community Services. They have four divisions, all direct services, custodial care; and one of the first things tackled was workforce. The vast majority of staff are direct services and are on morning, evening and third shifts. They operate 24/7, which is one of their priorities. They are the only department working on a pilot program called the Talent Acquisition Team; a new recruitment process that they instituted, with some really great results, including reducing the referral-to-approval process from 34 days down to 10 days. There is more fluidity with staffing supervisors working with this team all the way to onboarding. She talked about their first job fair and stated that it was exciting to see three divisions get together, interviewing, and hiring the person who accepted. The workforce transition is going in the right direction, but it is still a challenge. The hope is that it will demonstrate some great best practices and be a model for other folks to try. We are focused on OCS, because we do not have the bandwidth to do all four divisions. A new division will be added as we move forward. She stated that they had 35

student practical placements in their department from 11 different colleges and universities from Alaska and the Lower 48. They range from pharmacy students, doctoral, clinical, BSW, MSW, public health and nursing -- 35 potential new hires. She spoke about technology, and the implementation of a lot of smaller projects.

TRUSTEE BOYLES asked about the new technology acquisition and how it was being funded.

COMMISSIONER KOVOL replied that this was within their established budget.

CHAIR HALTERMAN asked if there was still an increased Federal reimbursement for the systems work that the Departments were undertaking. She continued that her other question was about foster care and the new interest in it: are there enough foster families, and whether certain regions are still short.

COMMISSIONER KOVOL replied that there will never be enough foster families. One of the terms they are moving towards is “resource families.” There are many different families that want to play different roles in the lives of the children in need. There are kinship families that do not want to be licensed, and families that understand that the No. 1 priority is reunification as much as possible. When that cannot happen, we go a different route. The family has to be ready. There is a lot of education and terminology done with staff, and with the communities and partners. There are just over 1200 foster families, which is going in the right direction. There was a massive drop at COVID, and it is building back up slowly. There is a struggle with having Alaskan Native foster families versus non-Native foster families. There are more youth in foster care that are Alaska Native; but it is the opposite percentage in the number of foster homes for Alaska Native children.

CHAIR HALTERMAN asked about the major barrier to the tribal populations wanting to become foster families.

COMMISSIONER KOVAL replied that there are a variety of answers to that. A big piece are the finances of taking on another child. Background checks could also be an issue for licensing. Placing children through the tribes is part of the process. This is not a one-person OCS decision; it is a team decision along, with the tribes. She stated that there is also the challenge of if the family is getting involved because of the close ties with the families.

CHAIR HALTERMAN stated appreciation for the candid answer.

TRUSTEE FIMON asked if they were finding some congruence with the tribal network, if all were coming together where all want the same thing.

COMMISSIONER KOVAL replied that they are seeing a lot of synergy with the tribal partners. They have 20 tribes signed on, but they represent 170 of the tribes. There is momentum. She stated that the challenge is that geography plays a part in this. Second, the OCS is a responsive agency. Through the Tribal Compact there are funds put forward for prevention work, but we would like to see more prevention efforts. The funding mechanism and the workforce mechanism are both challenges. She moved on and addressed the Complex Care Unit, which is a really important arc of effort, and one of the first things she talked about when she was brought on to this job. Dr. Oswald is at the helm and works closely with API. There are two program coordinators in place; one based in Fairbanks, and the other based in Anchorage. They do cover

the whole state. They are also hiring two support staff now because the caseloads are growing. She talked about the transitional youth pilot program which focuses on youth discharging from API. This is a budget request for fiscal year '25. The goal was to start small. It will involve home-like settings with wraparound services with staff available for the youth. This will help with transition for the year as they go back to their community. This is one of the priorities. She asked DC Lasley to talk about some of the divisions.

DEPUTY COMMISSIONER LASLEY talked about some of the divisions and some of the work they are doing. He stated that all are aware of the challenges that API has had over the years. They are very proud of the work that they have done over the past few years. Last year they had, on average, a daily census of about 62 of an 80-bed facility. That was upped to 73. A huge change was made there. One of the challenges was finding appropriate levels of care for discharging. The Chilkat Unit, the youth unit, is a 10-bed unit, and the census has been capped at six. These are really complex youth, which is why a focus with the complex care team was put on those efforts and how to find stepdown placement for those youth so that they will find success back in the community and not end up back in API. He then spent some time talking about the community- and jail-based restoration program, which is also a big focus. He was pleased to announce that the program launched and was funded with the support from the Trust. This program provides up to 10 seats for individuals that had been found incompetent to stand trial to make sure that they can go through the program, understand the core process as of their hearing, and participate in their trial. They also do the outpatient restoration program that also provides 10 seats. He stated that API received the 2023 Beacon Award from Alaska Hospital and Healthcare Association, which identifies facilities doing innovative things to serve individuals.

TRUSTEE FIMON stated that it was good to hear about the positive momentum at API after some of the lows a few years ago. He asked what the Trust could do to keep the momentum going.

DEPUTY COMMISSIONER LASLEY replied that it comes from a focus from the Administration, and the dedication of the Trust and trustees. It brought on staff and changed the way of thinking at the hospital. It is a restorative hospital, and we are there to serve individuals while in crisis, and to try to bring them back to their community. This took a shift in thinking and being willing to think outside of the box. He asked for continuing support. Staffing in the state of Alaska is always a challenge, and finding ways to increase that will help and support API. He continued that they offer tours, and he encouraged the public to come in to see and understand the program and process.

TRUSTEE MORRIS complimented the work that the Deputy Commissioner and his colleagues have done at API. His colleagues at Alaska Regional had an opportunity to visit the facility, and they were very impressed. They commented about how it was much easier to refer patients who are in need than it had been in the past. He thinks that the word is getting out among a lot of stakeholders, and not just in Juneau.

CHAIR HALTERMAN thanked Deputy Commissioner Lasley for the report, and the acknowledgment that the staff are safe within API. If staff are safer, the beneficiaries are safer. That is a positive sign, and it was clear that some positive change was introduced into that setting.

CEO WILLIAMS commented on the leaps forward from where API was in terms of being able to meet the needs of folks in a behavioral health crisis five years ago. API itself was in a crisis five years ago. A number of things have happened since, and one was the focus of Departments, this leadership and other leadership, on trying to get at the root of what was going on to ensure that staff were safe. He continued, that translated in high quality care, safe individuals, and a community that trusts and understands the role and importance of that level of care for someone in a behavioral health crisis. His point was that they are working to really make communities and provider systems have the capacity and high-quality treatment available to intervene earlier. Regarding workforce, the trustees had approved funding for SHARP, and he asked for an update on that and how it has played into building workforce within API and the types of positions that were provided.

DEPUTY COMMISSIONER LASLEY replied that the Trust had supported API with some funding for the SHARP program. That funding is being utilized to currently look at those highest, hard-to-fill positions, the psychiatrists' and psychologists' positions. They are also looking into expanding some of the nursing positions. He has asked for a report, and will make sure that whenever the Trust provides funding that is intended to be one-time or short-term funding, to come up with the mechanisms to ensure that is ongoing work within the hospital. He asked for the hospital to give him a cost analysis. He stated appreciation for the funding.

CHAIR HALTERMAN stated that there is a Nursing Compact opportunity and asked if that would help API if that legislation passed and allowed nurses to cross borders to serve in Alaska.

COMMISSIONER KOVAL replied that it will not just help API, but will also solve it for APH, OCS, DJJ. It affects all of the Divisions. She talked about how they build their messaging looking at two things: First, the community ambassadors are built. The trustees are community ambassadors, as well as the families. They also look at how they story-tell with the recruitment process and are developing a new way of doing this. They will be talking about the relationships that staff have with the clients, and also asked the residents to talk about their experiences with the staff; not the API clients because of HIPAA. She added that they are looking at it from many angles that refer to how the improvements are being messaged and sustained.

CHAIR HALTERMAN thanked the panelists from the Department and added that in order to improve the system they had to think outside the box. She stated appreciation for all the work they do, and for making time to bring the issues to the Trust. She called a break.

(Break.)

CHAIR HALTERMAN called the meeting back to order, and asked Ms. Baldwin-Johnson to introduce the statutory advisors.

STATUTORY ADVISOR UPDATE

MS. BALDWIN-JOHNSON stated that in the room were Patrick Reinhart, executive director of the Governor's Council on Disabilities and Special Education; Stephanie Hopkins, the acting executive director for the Alaska Mental Health Board, the Advisory Board on Alcoholism and Drug Abuse, and the State Suicide Prevention Council. She continued that on the phone was Jon Haghayeghi, executive director on the Alaska Commission on Aging. She asked Mr. Reinhart to begin.

GOVERNOR’S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

MR. REINHART introduced himself and began his presentation for the winter Trust meeting. His theme was adaptive skiing and sports, and he shared the story of his start in the disability advocacy world as a disabled ski racer for Challenge Alaska, and then as the Director of Challenge Alaska. He addressed a few budgetary issues for persons with intellectual and developmental disabilities, the Council’s priorities for the 2024 legislative session. He added they were still working on their drafts. He then mentioned the Early Intervention Infant Learning Program budget within the Department of Health, Senior and Disability Services, which they always keep track of. This program of prevention is so important for children with developmental disabilities at a young age. The sooner they are identified and get involved in services, the better off they will be in their young adult life. This is found to be true across the board.

TRUSTEE MORAN asked that since a lot of these kids did not get services during COVID, were they seeing higher incidences.

MR. REINHART replied that it was back to normal compared to when it went down during COVID. One of the biggest issues being faced is hiring a contractor. They are looking at the opportunity to lower the threshold on developmental delays. There is a contractor working with the program involved in that with the Interagency Coordinating Council to see what lowering the percentage of delay would do in terms of the pressure on the program financially; how much that would cost. The sooner getting the smaller kids involved in programs and services, the better off they will be. The more invested at this level, the less it will cost the State and their families in the future. He moved to the budget which was quite a bit lower than it had been in the past. They are getting back to what is normal for them, and have given money back to the Trust when some of the funding was not used. The Council has been in a situation where it had been very fortunate to have very large Federal grants on top of the grant received as a developmental disabilities’ council. He talked about the situation and the shortfall when the grant ends September 30, 2024, and the need in the Governor’s budget to make their budget whole. He stated that they have a full staff. There is a current vacancy which will be left vacant for a while. He continued through the budget and the community and public transportation, and then the need for home modifications and upgrades.

A brief discussion on Senior and Disability Services ensued.

He thanked the Trust for including one of his staff to go to the Housing First conference in March. They will be looking at what the Council can do for their beneficiary group in terms of housing and home mods. He stated that the Deaf and Hard of Hearing Bill of Rights is legislation that came out of the Special Education Advisory Panel and the Deaf Education Board last year. It was rolled into SB 140 on the House side. He continued through the issues, explaining as he went through. He then went through news and events that were coming up. He invited the trustees to the awards ceremony at the Special Ed conference in February. There was also an Inclusive Practice Awards breakfast where they honor a teacher, a special education assistant, and a program in special education and distribute some awards. This year they are all coming from very rural sites. The Council meeting is February 13th-15th. There is an opportunity to do a social event at the Governor’s house with the Lieutenant Governor on the 15th. They also requested an opportunity to present some of these ideas to the House Health and Social Services Committee, also on the 15th. The Key Campaign is February 27th to 29th. There will be a smaller group, and the Council does support and provides funding for people that

participate in that. The National Disability Policy Seminar is April 8th to 10th. This is where they get all the national issues impacting people with intellectual developmental disabilities, send teams to congressional delegations' offices, and do advocacy around that and education. The Full Lives Conference is April 11th-12th, and he invited Max Blust to come to that to present. With the Supported Decision-Making Workgroup and activities, he thanked the Trust for the support of a contractor to keep that going. The founder of Project SEARCH Employment Training and Program will be coming in March. They will go around the state at three different sites and do a technical assistance trip with her. He invited any of the trustees to join them for one of those. It is quite an educational experience with these kids learning really good job skills. He moved to the Alaska ABLE account update and stated it has really grown since this started. They have the support of the Department of Revenue in this, and the Treasurer's office. The Council does a lot of the education.

CHAIR HALTERMAN thanked Mr. Reinhart and looked forward to hearing about the rate-setting impact on the home improvements for those providers; and especially when talking about home modifications. She also looked forward to seeing where the Departments go with the rate-setting review and where Senior and Disability Services would go with recruiting the home modification providers to get back to doing business with the State of Alaska.

TRUSTEE FIMON thanked Mr. Reinhart and stated appreciation for all the information provided. He thanked him for his 40 years. He enjoyed the presentations, and getting to know him over the last two years.

CHAIR HALTERMAN recognized Stephanie Hopkins.

ALASKA MENTAL HEALTH BOARD/ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE

MS. HOPKINS stated that she is the acting executive director of the Alaska Mental Health Board, the Advisory Board on Alcohol and Drug Abuse, and the Statewide Suicide Prevention Council. She welcomed Chair Halterman and the trustees to Juneau, and apologized for the rain. She introduced Charity Lee, the Health and Social Services Planner II, to kick off with some updates about what they had been doing with the boards lately.

MS. LEE explained that the boards had been engaged in a thorough strategic planning process where they were evaluating their governing statutes: looking at historical work; current work; seeing how they were fulfilling their roles and responsibilities; where they had seen greater efficacy in the past, et cetera. She continued that the 2024 action plan is a direct product of this work, and it was recently approved at their January board meeting. A huge component of the strategic planning process that went into this action plan was a survey-type work done with board members going through the statutes, the areas identifying as high priority and areas identified as needing improvement and utilizing them. This was translated, evaluated qualitatively and quantitatively, pulling out the top areas and thematically analyzing open-ended questions, and then concluded as the board priorities for the year. The intention behind all this work was to develop a five-year improvement plan for the boards. She went through the identified board priorities for this year which were evaluation, consumer engagement, and empathy and understanding, which they call their three Es: evaluation, engagement and empathy. She went through the goal statement for these areas, beginning with evaluation. The boards have a statutory role in evaluating state-funded behavioral health services. The survey with board members consistently identified evaluation as the No. 1 area of needed improvement. It is a

primary focus for the board work going forward. The goal statement for evaluation is Alaska's behavioral health services are routinely evaluated for efficacy through a comprehensive process, which includes input from persons with lived experience; and the last component is reflected in the activities they do to ensure the how they evaluate behavioral health services. The behavioral health continuum of care in Alaska is informed by the people accessing these services. She went through some of the activities within this area which include increasing the engagement with the mental health block grant in the substance use prevention, treatment and recovery services, SUPTRS, and improving public comment and the analysis and use of that public comment. Also making sure that public comment is accessible, advertised and utilized to inform the block grant. She continued through a number of other activities. Some were hosting listening sessions on main topics that providers want more information on and continue to inform services. The overall statement for empathy and understanding is: All Alaskans are provided with dignity and respect and are viewed as valued members of their families and communities. Some activities include behavioral health awareness campaigns; developing guidelines and toolkits. She concluded her brief summation of the 2024 action plan.

MS. HOPKINS thanked Ms. Lee and moved to a brief overview of the legislative priorities. She stated that two years ago they had three full-time people working on the advocacy work, and this year she is the only one. The work has scaled down quite a bit, but we are still keeping a major list of every bill and budget item that impacts their population and Trust beneficiaries. Currently, they are working on just three bills. She added that all the information is available on the Friday 12:15 p.m. calls. HB 119 will change the tax structure on cannabis products, in part to decrease the tax burden on cannabis cultivators and to possibly preempt Federal legalization if there was a product that was grown outside of Alaska. It would not be taxed in Alaska based on the current tax structure. The boards are concerned and interested on the impacts that will have on the programs funded by the Marijuana Education and Treatment Fund. She stated that funding money goes to the Council on Domestic Violence and Sexual Assault; to the Department of Corrections for domestic violence and reentry programming. The next bill is SB 89, and it is a companion to HB 176. She explained that this will put Alaska into compliance with the Federal tobacco age of 21. She continued that the rule for the same tobacco age was tied to the Synar amendment which impacts the ability to receive mental health and substance use, SUPTRS, block grant money. As long as Alaska continues to stay out of compliance, the ability to fund these programs is in jeopardy. She stated that the next bill was SB 103, and its companion, HB 15. This would create an infrastructure for peer support counseling within the Department of Corrections and law enforcement agencies within the state. It also would create a confidentiality provision for people receiving peer support through that system. The Senate version of that bill had passed over to the House, and it is likely to see some movement on that going forward.

CHAIR HALTERMAN asked what caused the Governor's Office to veto it and keep it from being passed, and if that was removed from the current version of the bill.

MS. HOPKINS replied that the reason given for the veto was the tax added to the cigarettes. The Governor said he was not interested in a new tax at that time. She invited all to the Advocacy Committee meeting every Monday at noon, available on the same Zoom link. She also shared her email at advocacy.coordinator@alaska.gov. They are open to the public. She stated that the Joint Advocacy teleconference is every Friday. They have all the bills and budget items that impact Trust beneficiaries that they go through weekly. Signing up for that network gives access to the assorted master spreadsheets that have all the bills and budget items they track, and also that had moved that week. It also gives the meeting schedule every week and action alerts

coming forward. She also added the info sheets that the Trust has for the Joint Advocacy Network legislative priorities for the year. She then talked about what happened and what could be improved on the perception of what had happened recently. The boards went through a lot of Open Meetings Act stuff last year and had a lot of time with the Department of Law. Something that was brought up many times in that Open Meetings education was keeping in mind that there are beneficiaries that were following along. The Trust puts a lot of time and effort into making sure that beneficiaries can follow along with their processes. When the Trust is doing the governance decisions, she reminded the Board that when people are volunteers or are not paid, to pay attention to things like reiterating the motions and making sure that the public is aware of the steps that have to be taken to notify the person that is the subject of an Executive Session. One notification is that the public notice and Executive Session could be done in the public session if the person so chooses. She explained that they had to redo actions because they were not clear that the person could have the hearing in public. Also suggested was putting time limits on their agenda. A set time indicates to the public that only that one item would be talked about, and not skewing away from the motion that was passed there. She pitched the Department of Commerce that has a fantastic website on the Open Meetings Act. It is more of a resource than the Boards and Commissions Open Meetings Act documents. There are tabs, resources, and suggested motions there. She invited the trustees to the Advocacy Committee on Mondays at noon, February 5th; presentation from Origin on February 26th. She explained that Origin does the infrastructure for the technology that goes into tablets to the Department of Corrections should a bill be introduced and passed that would allow that. There is also an Advocacy Committee that meets every second Monday at 10:00 o'clock. She also invited all to their next full board meeting in Wasilla at the Mat-Su Resort on April 17th – 18th, with a public comment at the public library on the 17th. She stated that any participation or promotion for that is appreciated. She added that she was excited about going to their next meeting in Ketchikan. She also asked for any specific requests about data. They have a data guru who is fantastic and can help get some information about the people served and the programs being looked at.

CHAIR HALTERMAN asked for any questions or comments from the trustees. There being none, she thanked Ms. Hopkins and Ms. Lee for their presentation, and recognized Mr. Hagheyeghi.

ALASKA COMMISSION ON AGING

MR. HAGHAYEGHI thanked the Trust for their continued support of ACoA, for both the special projects and the critical PCN. In past presentations they had been focused on the State Plan, talking about demographics, looking at surveys. Today he wanted to talk about the critical role that the Commission on Aging takes towards senior issues as an advocacy group; a very informative discussion. He continued that the critical support services that underpin the independence and well-being of the senior citizens having to do more with less. For that reason, funding continues to be a high priority for the Commission. He moved to the critical issues of housing in Alaska and addressed the scarcity of affordable homes. This shortage led to long waitlists and, in some cases, seniors living in substandard conditions. The Senior Citizens' Housing Development Fund has been instrumental in providing over 1000 senior housing units through programs like the Greater Opportunities for Affordable Living, GOAL, and the Senior Access Program. He stated that the Commission on Aging is a big proponent of increasing funding for senior housing because it directly affects seniors across the state, and the stark reality is the need to increase capacity by at least 320 units annually to keep pace with the growth of the senior population. He continued to the importance of the senior benefits program and the State-funded initiative in Alaska that provides essentially financial assistance to low-income seniors

that are 65 and older. He added that Senate bills 170 and 172 extend the senior benefits program. The program is crucial in helping seniors meet basic living expenses such as food, heating and healthcare costs. Eligibility is based on gross annual income, with different tiers offering varying monthly payments. He stated that the Nurse Licensure Compact Bill, Senate Bill 130, presents a solution to the nursing shortage being experienced in Alaska. This bill will facilitate the practice of nursing in Alaska by nurses licensed in other Compact states; significantly increasing the ability to fill vacancies. He talked about enhancing senior mobility and stated that transportation is also on the priority list. He explained that Senate Bill 189 will extend the Commission on Aging sunset to June 30, 2032. The audit is complete, and the findings were published in December. Copies are available on the Legislative Website. He thanked everyone for their time, and hoped that the presentation was useful to the Trust. Coming up in the near future, the annual report will be on the Website and the Senior Snapshot should also be online next week. The February meeting is scheduled for the 21st of February. He thanked all for their time.

TRUSTEE BOYLES thanked him for his presentation and asked if there was anything specifically going on for the dementia population.

MR. HAGHEYEGHI replied that it had not been the focus of recent discussions, but will be a big focus area during the February meeting. There is a huge area of overlap for the Trust and the Commission, and we will do proper due diligence in that regard.

CEO WILLIAMS thanked Mr. Hagheyeghi for the presentation and wanted to clarify that the census data in there was the senior population as a whole; and seniors that have ADRD are Trust beneficiaries.

MR. HAGHEYEGHI clarified that it is the population 60 and older by census area.

CHAIR HALTERMAN stated that they would recess, break for lunch, and start assembling at the Capitol at 1:10.

(Alaska Mental Health Trust Authority Board of Trustees meeting recessed at 12:04 p.m.)

**ALASKA MENTAL HEALTH TRUST AUTHORITY
FULL BOARD COMMITTEE MEETING
February 1, 2024
11:30 a.m.**

**Hybrid Meeting Originating at:
Elizabeth Peratrovich Hall
320 West Willoughby Avenue
Juneau, Alaska**

Trustees Present:

Anita Halterman, Chair
Brent Fisher
Kevin Fimon
John Morris
Rhonda Boyles
John Sturgeon (Virtual)

Trust Staff Present:

Steve Williams
Katie Baldwin-Johnson
Miri Smith-Coolidge
Michael Baldwin
Allison Biastock
Kelda Barstad
Valette Keller
Carrie Predeger
Debbie Delong
Heather Phelps
Luke Lind
Kat Roch

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison
Blain Alfonso
Chandler Long
Heather Weatherall
Karsten Eden
Katie Vachris
Tina Voelker-Ross
Marisol Miller
Pete Mueller

Also participating:

John Springsteen; Diane Fielden; Jeannie Monk; Kathy Craft; Marjie Hamburger; Charlene Tautfest; Steph Kings; Jennifer Motes; Jon Haghayeghi; Charity Lee; Stephanie Hopkins;

Commissioner Kim Kovol; Deputy Commissioner Emily Ricci; Deputy Commissioner Clinton Lasley; Leah Van Kirk; Jordan Nigro; Max Blust; Maggie Winston; Mary Katasse: Julia Luey; Carmen Wenger; Kim Champney; Don Habeger; Brenda Stanfill; Becky Kirian.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the meeting back to order and began with a roll call. She stated that there was a quorum. She added that Trustee Sturgeon will be joining later, and was excused. She moved to the CEO update, and introduced CEO Williams.

CEO UPDATE

CEO WILLIAMS thanked the trustees and staff for their patience regarding the schedule adjustments, weather, and hotel accommodations. He began by updating the FY25 budget and working with OMB in regard to the GF/MH items not included in the Governor's proposed budget. He will continue tracking and working that through the legislative process. He continued to the annual report and the investment report. He stated that it was a wonderful report and was in a different format than it has been historically. We tried to find a balance between the graphics and narrative. He added that it is a great resource for information or details of the projects when trustees need answers to different questions. He also shared some fact sheets on housing and Crisis Now. His next update was on partner engagement. There were two new program officers on board: Heather Phelps and Tina Voelker-Ross. It is really important for the program officers to start meeting some of the community partners both in focus area work and with the advisory boards. A lot of time was being spent on setting up meetings, doing introductions for those relationships to start being established. That is one piece of partner engagement; and the other piece is that some of the funding partners, the Rasmuson Foundation, Mat-Su Health Foundation, have also been going through some changes within their organizations, both at the CEO level and at the C-suite level. He has been engaging with those folks to ensure that our relationships are maintained, and they grow with the new folks that are part of their organizations. Those are key partnerships for the Trust, and we have a long history of working with them involving the beneficiaries. He continued that the evaluation and planning officer position was filled by Eliza Muse. She will be starting at the Trust toward the end of February. He stated that all the positions are filled, and we have moved through the transitions at various positions within the organization. He stated that he began some outreach which went back to partnership and relationship-building with the CEO from ANCSA Regional Association. That association is made up of the 12 regional for-profit tribal corporations, and follows up on conversations from previous meetings on the opportunities to generate relationships and partnerships with for-profit corporations that have not existed in the past, and how to identify areas of common interest and issues that can address the needs of the beneficiaries. He briefly talked about the continuing work on the governance charters in terms of ideas and recommendations for updates to the charters. Once the charters are revised and updated, the work on the bylaws will be short-order work. He added that the Asset Management Policy Statement is also up for a review, and we will be working with Trustee Morris on that. He continued that the next item was the FY26-27 budget and development. He had connected with Trustee Moran and talked through that process and the direction they were heading, and also got some good feedback on how that would be tailored. The next step would be updating and circulating to the couple hundred partners who completed the survey on the current budget

structure. He will continue to provide updates to the trustees and let them know about the meetings so they could participate if they have the time.

TRUSTEE MORAN stated that she thought it would be valuable for the trustees to take a look at the survey before sending it out to the partners to see how they will be approached. She also encouraged the trustees, if they had an area of interest or concern, to try to get it into the process.

CEO WILLIAMS looked forward to some of the key dates for folks to have on their calendars. He stated that a Behavioral Health Crisis Response statewide meeting will be convened on May 3rd. It is statewide, in-person and virtual. It will include many of the State, tribal, and community partners. The goal of this is to provide a more detailed update on where they are since 2018, and to start identifying the areas that need continued work to make sure the system is moving without any bumps in the road.

TRUSTEE MORAN asked, in response to the Senator's concerns about expanding this to rural Alaska, were there any plans to provide scholarships for the meeting for some of the partners in rural Alaska.

MS. BALDWIN-JOHNSON replied that those details have not been figured out yet, but it is definitely something that needs to be considered because folks are very interested.

CHAIR HALTERMAN stated that Senator Hoffman made a couple of comments regarding trustees representing rural Alaska, and we are serving rural Alaska. Those are two different issues. She had observed that we do not get many applications from people living in rural Alaska to serve on our board, and that is a challenge. It is also challenging to put services into rural Alaska, and we need to find new ways to partner with the rural communities. She continued that she thought in the process of reaching out to rural Alaska to encourage grant applications from rural communities, it may be needed to increase the number of trustees in serving from rural Alaska to be able to represent rural communities. Rightfully, we need to serve statewide. She added that it is a challenging assignment, and we have to do better. Different ways to get out there are needed, and we have to reach out to the partners and begin having conversations.

MS. BALDWIN-JOHNSON noted that staff tried to work on that more effectively, and the survey was one avenue. We did have some input from some of the tribal partners on some of the questions as to whether or not that would be helpful. She continued that they also looked at some other innovative ways of engaging some of the partners. For example, GCI does rural suicide prevention grants, and they get more applications than they could possibly fund. Staff determined that they are making connections in communities with some partners that want to do something, but they have not formed those connection relationships. Staff has also reached out to see if there were ways of understanding the needs of those communities better.

TRUSTEE FIMON stated that there may be a way to design a grant that may be driven by location over and above the subject, giving the opportunity for those regions to learn how the process works and to learn about it; perhaps suggesting that the best grant idea that comes forward would get one. If nothing else, the knowledge will be shared with them.

TRUSTEE BOYLES stated that she and Trustee Fimon talked to Senator Olson suggesting the

same thing. They got the message. She wondered if the stressfulness of the message from Senator Hoffman was justified. It is very hard to know if the grants benefits were statewide. She understood that the northern part of the state has Internet challenges on a good day. She suggested a bit of different outreach and maybe more compassion in maybe accepting something handwritten would make the issue more realistic. She also talked about looking at the composition of the board and possibly having an unofficial seat that is able to take part in discussion, but not to vote. She suggested looking outside of the box on this, and trying to make the board better, which will make the organization better.

CEO WILLIAMS referred to: “How to engage in rural communities?” How to engage with individuals that represent beneficiaries, whether they be Alaska Native or some other demographic. We will continue improving the outreach and education, and when a seat is known to be coming available, using those networks to try and spread the word. We will also continue to look for different ways of improving that process so that a very robust pool of applications from which a panel could go through the process and submit nominations for consideration. He moved to the Improving Lives Conference and stated that because of the trustees’ support and because of the success of the inaugural conference, we are moving forward to do it again. The planning process has already begun for the fall conference, and we have a contractor on board to support us with logistics and IT stuff; the same contractor that was used in the fall of ’22. He stated that the last thing was the CEI quarterly report which was just finalized and put on today’s agenda. He asked for any questions or comments. He stated that trustees were supposed to have a site visit this afternoon at Bartlett Hospital. Last year this site visit was when it was under construction. Their behavioral health unit that uses the Crisis Now model has been serving adolescents since they opened about a month ago. Unfortunately, because the weather has impacted their staffing, they requested postponing and rescheduling the site visit.

CHAIR HALTERMAN called a lunch break.

(Lunch Break.)

CHAIR HALTERMAN called the meeting back to order and stated that public comment was next on the agenda. The public comment period was from 12:30 until 1:00 o’clock. The public comment period allows individuals to inform and advise the Board of Trustees about issues, problems, or concerns. It is not a hearing. Individuals are invited to speak for up to three minutes and may be granted the latitude to speak more than the time limit only by the Chair or by a motion adopted by the Full Board of Trustees. Participants addressing issues related to Trust beneficiaries will have priority order. The Chair maintains the right to stop the public comment period if it contains inappropriate or inflammatory language or behavior. She first addressed the fact that there was one written comment from Faith Myers and Dorrance Collins in the packet, provided to trustees for their review. She stated that there were five members in the room associated with one of the beneficiary organizations. She introduced Rebecca Kirian with Alaska Eating Disorders Alliance and asked her to begin.

MS. KIRIAN stated that she is a registered dietician and the executive director of the Alaska Eating Disorders Alliance. It is the only nonprofit organization in Alaska Focused on improving the lives of Alaskans impacted by eating disorders. She thanked the trustees for the opportunity to share more about how Alaskans are impacted by these life-threatening illnesses, which are much more common than most people think. Eating disorders is not a new disease, and about

65,000 Alaskans will experience an eating disorder at some point in their life. Eating disorders are the second highest mortality rate among behavioral health conditions, surpassed only by opioid abuse. The high mortality rate is due to the physical impact eating disorder behaviors have on the body, as well as the substantial elevated risk for suicide. Due to shame and stigma, many avoid seeking necessary care. Currently, there is only one contracted Medicaid facility, and it only accepts females ages 13 to 21. If a person is an adolescent male or child under 13 and requires a high level of care, there are no options. These youth do not receive the standard of care that is desperately needed. She continued that the local supply of outpatient eating disorder services is also insufficient for all Alaskans, and the shortage is especially severe for Medicaid beneficiaries. AKEDA prioritizes professional development training designed to expand healthcare capacity to effectively treat eating disorders; but there is still a gap even greater for providers accepting Medicaid. Medicaid beneficiaries are particularly negatively impacted by regulations that cut off coverage for dietitians at age 21. She stated that AKEDA envisions a future where no one has to walk alone; where all Alaskans have access to the appropriate levels of care they need to receive high-quality, culturally appropriate eating disorder care in their home communities. She stated appreciation for the support the Trust has provided to AKEDA so far, and looks forward to working with all in continuing to address this life-threatening issue that affects Trust beneficiaries in need of recognition and care.

TRUSTEE MORAN asked if they were seeing an increase in the number of youths.

MS. KIRIAN replied they have, especially since the pandemic. The rates have significantly increased for youth affected by eating disorders.

TRUSTEE MORRIS asked if they had a feeling for how many youths and adults are leaving the state to receive care for these issues.

MS. KIRIAN replied that they do not have a hard number. She stated that it was really challenging because some people are not able to access the care.

CHAIR HALTERMAN thanked Ms. Kirian, and recognized Brenda Stanfill.

MS. STANFILL stated that she is with the Alaska Network on Domestic Violence and Sexual Assaults, and has been there for two-and-a-half years. Prior to that she was the executive director of the Interior for the Alaska Center for Nonviolent Living in Fairbanks for 25 years, and has had a lot of opportunities to engage with the Trust also. She reminded all of the high number of beneficiaries that all of the shelter programs across the state serve. The Alaska Victimization Study that was done showed that one in three of the individuals impacted by domestic violence would have qualified as a Trust beneficiary, and she truly believes that is probably low because that survey is often done by phone. She talked about the program in Fairbanks that is looking at the 75 to 78 percent range of individuals staying in shelters qualifying as Trust beneficiaries. Because of that, they built permanent supportive housing and different things. That is what all of their programs are doing, and they have been recognizing that they are serving a high number. She was proud to say that their shelter network is a screen-in network, and they do everything to make sure that individuals who are Trust beneficiaries could come into the shelter and stay. The staff of these programs work very hard to make sure that the right services and right connections are provided, and that people are housed. She stated appreciation for Trustee Moran talking about the ability to connect with us and having a lot of

connections into the rural areas; 24 regional centers. They all network well, and we look forward to being able to partner with the Trust in whatever way to make this better. She thanked the trustees for recognizing the housing need through the programs. There are additional funds coming into next year's budget. Statewide means that it will be getting out into rural programs, and we can prioritize that.

CHAIR HALTERMAN thanked Ms. Stanfill, and recognized Don Habeger.

MR. HABEGER stated that he felt like he was at a legislative hearing. He introduced himself as the Juneau Reentry Coalition coordinator. He pointed out that the joint report to the Legislature from the Department of Health, as well as the Department of Corrections, on Page 2, is a graph that shows the lowest recidivism rate Alaska has yet achieved. It is 54.32 percent, and is heading in the right direction. He then addressed digital technology inside the prison facilities. He stated that one of the things COVID taught all is that community access inside the facilities could be interrupted. During the COVID event, no community member was allowed access into facilities and, therefore, no reentry preplanning was achieved. One of the things that could be done better is having preplanning through safe and secure digital technology. One of the concepts is something as simple as a tablet that folks could use inside their dorms so that they have access to Telehealth, to reentry planning, to additional education. All of those things improve the reentry process. He referenced Statute 33.30.015, the no frills law. It says that the Commissioner of Corrections is prohibited from letting folks inside dormitories to have access to essentially modems, which gives an idea of how old that law is. He continued, that needs to be amended so that safe and secure access with some kind of insulation so someone does not have direct access to the Internet. We have advanced enough to achieve that kind of access to technology inside the facilities. He added that they are going around the Legislature as coalitions asking for a change in this law.

CHAIR HALTERMAN asked if there is a piece of legislation that they are currently floating around and, if so, what bill number.

MR. HABEGER replied they were told that one senator and one representative are working on a bill, but we have not seen anything that has dropped.

CHAIR HALTERMAN thanked Mr. Habeger, and asked for anyone in the room to testify. She recognized Kim Champney.

MS. CHAMPNEY stated that she is the executive director of the Alaska Association on Developmental Disabilities. She continued that a year ago she had shared a presentation as part of Mr. Reinhart's report from the Council. The title was "A System in Crisis." A lot has happened since then, which has not changed anything on the ground, but there is a light at the end of a long, dark tunnel. The Legislature allocated funding to launch the development of the Intertie, which will allocate services in a different way that should fix some of the issues with the system. There was also a Medicaid increase last legislative session that bumped up the rates a little bit. She added that they were engaged in the RFP process to do that rate study, and wanted to share that. They are really looking at how to support more access to affordable housing, and some people are living in group settings because they could not find affordable, accessible housing. She stated that, with childcare, the workforce is still incredibly short of where it needs to be. With transportation, the more people can get to places independently, the less they rely on

human support and technology. They want to get in a place where they can have self-directed budget authority, participant-directed services, but also not to overwhelm the people at SDS who are trying to fix so many things right now. She stated appreciation for the program officers talking about how to come together in solving this issue. It is an incredibly important part of the safety net.

CHAIR HALTERMAN thanked Ms. Champney, and recognized Carmen Wenger.

MS. WENGER stated that she is the director of programs for the All Alaska Pediatric Partnership. She continued that one of their programs, Help Me Grow Alaska, received funding from the Mental Health Trust. She was there to thank the trustees for the support of their program and offered them AAPP as a resource for the Trust for data or information on any of the participants they work with. She added that they are seeing increased utilization of the system by the Trust beneficiaries; the large and growing component of those that utilize the Help Me Grow system. She explained that one of the things they do when talking with people as part of strengthening the system of care for children, is advocating for the use of the well-designed plans already in the state for how to make things better, including the Comp Plan. Help Me Grow Alaska is a system that works to improve all three objectives under Goal 1 of the Comp Plan. One of the things the program does is to use data generated by the program to feed back into communities to improve both the program and the system of care. She stated that they had some data about the program over the last year, and will distribute it digitally for all Trust members. She thanked the Trust for the ongoing support. She also talked about a system called Golden Care that was implemented over the last year. It is one of the processes used with families to understand their goals for their family, and to help tailor the service around how they were helped to navigate the system using that frame of mind. It links the families' goals to one of the five protective factors using the Strengthening Families framework, and that helps ensure the longevity of connection to service. It is one of the ways they help families move towards durable connection, and to help reduce the barrier of long-term access to care.

CHAIR HALTERMAN thanked Ms. Wenger, and asked for anyone online interested in giving public testimony.

MS. LUEY stated that she is with VOA Alaska and was interested in providing public comment. She continued that she has been a president and CEO of the VOA Alaska. She explained that they are a behavioral health organization with over 40 years' experience specializing in therapeutic services and supports for young Alaskans and their families. At their core, they exist to end the suffering for young people, especially that which was exacerbated by substance use and mental health challenges. The Alaska Mental Health Trust is a vital partner in VOA's efforts. Thanks to the Trust's incredible support and technical assistance, they have implemented new home-based services and expanded critical community-based assessments used in mental health services. Most recently, there were integrated vocational services at the IPS model with the transitional-aged youth. She added that they are deeply grateful for the support of the Trust, and they know the impact of that investment will be felt by beneficiaries for generations. She stated that while great work is being done, help is still needed in combatting the youth mental health crisis in Alaska through statewide attention and investment. Alaskans' current continued care for children, adolescents and families is incredibly fragmented. A United States Department of Justice-Civil Rights Division investigation of the State behavioral health system for children found that there is reasonable cause to believe that the State is violating the

Americans with Disabilities Act by failing to provide appropriate treatment options. Furthermore, the investigation found that Alaskan children experience unnecessarily long stays in in-patient psychiatric and residential psychiatric facilities due to the lack of community-based treatment options. She added that, thanks to the Alaska Mental Health Trust Authority, a comprehensive assessment and report was conducted by the Alaska Healthcare Association. This critical system was picked apart, dissected, and solutions developed with key stakeholders to address this critical gap and the critical issues impacting so many Alaskan children and families. She stated that the report identified specific acts of care, the need to address behavioral health providers and upstream prevention services to prevent suffering later in life. Unfortunately, there has been little or no action on these recommendations. The State of Alaska continues to lead the country in youth suicide. The need is paralyzing, and we must do better. The kids, the next generation, deserves better. With the Alaska Mental Health Trust Authority leading the state through Crisis Now implementation, and other incredibly innovative approaches to improving the quality of care for beneficiaries, the hope is that similar attention be given to the system of care that supports the youngest beneficiaries.

CHAIR HALTERMAN thanked Ms. Luey, and asked for anyone else online to give public testimony.

MS. WINSTON stated that she lives in Kenai. She thanked all for the opportunity for the public comment. She talked about the importance of self-direction and participant-directed services, and options for individuals with disabilities like herself. She experiences a developmental disability and works closely professionally, and volunteers with people with disabilities. She continued that she would like to see more options for individuals that use home- and community-based services. She added that self-direction for participant-directed services will enable the option of using the Medicaid budget in a way that she could control. She would have the ability to hire whomever she wanted and not have to utilize a provider agency which often takes weeks to get hired. She would also be able to do her own training. She stated that this is really important for individuals that use home- and community-based services. It would also be great for the senior population who are a majority of waiver and Medicaid participants. She asked that the Trust and the Legislature prioritize this issue.

CHAIR HALTERMAN thanked Ms. Winston, and asked for anyone else online to give public testimony. Hearing no one, she went back to the room and recognized Mary Katasse.

MS. KATASSE stated that she used to be part of the Juneau FASD Community Board of Directors when it was active. She was also part of the Juneau Community FASD working groups where she would go into the district and support kids with FASD and kids with other disabilities. She added that she is now a board member for the Alaska Center for FASD. She stated that she was here speaking on her own behalf. She is the adopted mother of three children on the spectrum, full siblings, and fourth generation. She has dedicated the last 14 years, since Julian was diagnosed, to learn as much as she could about FASD and how to properly raise him. She recently found something called “Robotripping” which has been here since the 1980s. It is Robitussin cold medicine, and they also use Benadryl and Mucinex. Needing to please for his disability, her 16-year-old started using the Mucinex and Benadryl, and ended up in the hospital a couple of times. She has come to find out that in Juneau it has been quite regular where kids have been hospitalized, and this last time her son was in CCU for several days. This is done easily because these drugs and something called bitters have a high-alcohol content, and they are

on the store shelves. Her son was told to just steal this off the shelves. She continued that she went to the local Fred Meyer and told them what happened and showed them it was on the shelf. The person in charge moved the bitters to the liquor store right then. Her goal is to get them off the shelves, and put them under lock and key. She will be going to the legislators and is looking for support and for people to help her. The first step is what is needed to be done to protect our kids. She added that she had gathered a lot of information and shares it with as many people as possible. This is for all of the kids and all of the people with special needs.

CHAIR HALTERMAN thanked Ms. Katasse for taking in the children and stated that fetal alcohol syndrome is probably one of the most under-diagnosed issues that are experienced in this state. She continued that she had never heard about these particular substances being misused, and hoped that she finds some success. We will be watching the legislative process.

TRUSTEE MORAN stated that they had this issue in Ketchikan, and she thought that there was a local ordinance that required that these be put under lock and key. She suggested that Ms. Katasse contact them to get a comparable ordinance that could be walked in front of the Legislature.

CHAIR HALTERMAN thanked Trustee Moran for sharing that and wished Ms. Katasse well. She asked for anyone else online or in the room that had an interest in giving public testimony. Hearing and seeing none, it was 1:07, and she ended the public comment period on the agenda. She stated that if anyone wished to give public comment and had not yet been heard, written comments are always welcome and may be submitted to the trustees at any time. She called a short break.

(Break.)

RESOURCE MANAGEMENT COMMITTEE REPORT/UPDATE

CHAIR HALTERMAN called the meeting back to order and stated that Trustee Sturgeon was on the line to talk about the Resource Management Committee report and update. She asked for a motion.

MOTION: The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the seven commercial real estate properties and return to the Board and recommend disposal of any of those properties when the TLO determines, pursuant to its statutory and regulatory directives, that those disposals will be in the best interests of the Trust and its beneficiaries. The motion was made by TRUSTEE MORAN; seconded by TRUSTEE FIMON.

MS. WARNER stated that this was brought to the Resource Management Committee and now here at the Board. She continued that there are seven commercial real estate properties in the commercial real estate portfolio. The TLO does a wholesale analysis on a regular basis, and if adopted or approved, the TLO hopes to bring a disposal in the near term.

TRUSTEE BOYLES asked if the motion would allow addressing each of the real estate properties individually regarding the impacted cash flow, or will we be looking at disposal as a block.

MS. WARNER replied that they are looking at all options. Typically, the current strategy is that one building will be coming up for disposal in the near term.

CHAIR HALTERMAN asked for anything further. There being nothing further, she called the roll.

After the roll-call vote, the MOTION was APPROVED. (Trustee Sturgeon, yes; Trustee Boyles, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Moran, yes; Trustee Fisher, yes; Chair Halterman, yes.)

CHAIR HALTERMAN moved to the next item, and entertained a motion.

MOTION: The Alaska Mental Health Trust Authority Board of Trustees approves the annual lease rent of \$30,000 for a 30-year lease with a 10 percent rent increase every five years of Lot 1, South Fairbanks Subdivision, according to Plat No. 2007-198 in the Fairbanks recording district, Trust Parcel F1002, in Fairbanks, Alaska, to Tanana Chiefs Conference. The motion was made by TRUSTEE BOYLES; seconded by TRUSTEE MORAN.

MS. WARNER reminded all that this was heard at the committee level. This is about 1.84 acres at 650 Younker Court in Fairbanks. It is an 8600-square foot building and is referred to as the Fairbanks Detox Center and operated by the Fairbanks Native Corporation. It is a 30-year lease. As a reminder on this lease, the Trust would be foregoing \$8.3 million potentially as uncompensated income due to the fair-market rent typically being \$317,000. The appraisal came in at about \$2.9 million.

MR. BOYER reminded all that the director of Health Services from Tanana Chiefs Conference co-presented at the October presentation. The Fairbanks Gateway Recovery Detox program is currently operated by Tanana Chiefs Conference. That is who this below-market fair lease deal is extended to. They have been operating that facility there for a lot of years, and it is seen as a real positive support to the community and the continuum. There are not enough of these kinds of services in the state. This is a step to solidify Tanana Chiefs Conference operating that, and having the ability to expand their services through this below-market lease deal.

TRUSTEE FIMON stated that this is about a rather large area in the state that the services are being provided for, and not just restricted to just that area. This is about much more than Fairbanks.

MR. BOYER stated when the Interior region is referred to, and where Fairbanks is considered the hub, it involves a total population of well over 100,000 people. The hub it serves, villages in that Interior region, is north of 50 villages. There is a wide network of support that the different organizations, tribal and nontribal, working together provide for the Interior. He added that this is one of those key services, part of an array, that helps keep people in their community of residence, and really gives them that best chance.

CHAIR HALTERMAN explained that this had been in front of the Board in the October committee, in front of the Full Board in November, then public-noticed, and it came back to the Full Board after feedback was received. She asked Mr. Boyer to talk about the process so that

the public understands.

MR. BOYER stated that the Trust owns lands in a lot of regions and areas. This one is property that the Trust owns in the southern part of the Fairbanks region. An opportunity like this supports an organization being able to operate in that facility at less-than-fair-market-value, which allows them to put more resources into the treatment continuum. He continued that it is critical that the general public understands that the Trust Board really has opportunities to not only generate a lot of revenue from Trust lands around the state, but also to use it to support the beneficiaries in a way that really helps with that.

MS. WARNER put together a flow chart that explained the same thing, and she walked through it for clarity. It was shared with the trustees for reference.

CHAIR HALTERMAN asked for anything further. There being nothing further, she called the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Sturgeon, yes; Trustee Boyles, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Moran, yes; Trustee Fisher, yes; Chair Halterman, yes.)

CHAIR HALTERMAN continued to Trustee Comments.

TRUSTEE COMMENTS

TRUSTEE STURGEON apologized again for not making the meeting and stated that it sounds like it was a pretty good meeting. He gave his best to everybody.

TRUSTEE FISHER thanked staff for everything. In spite of the challenges with accommodations and things, it all went off without a hitch. He also appreciated all the work that went on behind the scenes with staff here and staff in Anchorage, as well. He stated appreciation for being present at the presentations at the House and Senate Finance Committees, and added that that was well done and received by members of both of the committees. Thank you very much and good job.

TRUSTEE MORAN thanked staff for getting this all together and being adaptable to the changes. She stated that one of the things she enjoyed in coming to Juneau is having such excellent public comment. She appreciates the folks that came to speak today, and for those who hung in there online to speak for the public comments. Thank you. You were heard and appreciated. She continued that it was good to hear from Jordan and the work they are doing, and from Max, and understanding someone who walked that path in Alaska and continues walking it; his difficulties, and how he managed to overcome. She also stated appreciation for the comments of the Senate meeting about the rural outreach. It continues to be a struggle, and she is very hopeful and confident that we will be able to move through that and come out with some good ideas on how to contact folks.

TRUSTEE FIMON echoed some of the same comments and sent a big thank you to staff for the accommodations and the changes, and a shout-out to staff back in Anchorage working behind the scenes. He also thanked all for the reports that were very well done, well intentioned, and good information. He stated that the Mission Moment was well received by all. When someone is

coming through a hard thing and brings it forth in the form of music, it will be stuck in his mind for a long time. He added that he was very appreciative of that. At the site visit he was very impressed with the building that the Trust kind of helped partner with, and the offices and how they put it together. The cumulative total of all of the years of experience of the people that are there and speaking; the word “passion” comes out. Once again, he thanked his fellow trustees for the various discussions and insight.

TRUSTEE MORRIS first echoed the thanks to the staff, his fellow trustees, and in particular, he singled out Jeff for some remarkable driving in poor conditions last night with a bunch of VIPs. He also appreciated Kelda making a midnight run to the airport. He thanked the folks who came for the Mission Moment, and for those who came through the weather to make public comments. The comments were heard, and, in one case, read. He stated that one of the unique parts of coming to Juneau was sitting for the legislative hearings and seeing what the partners in the Legislature are thinking about and what is important to them. There was a lot of common ground there that all could work together for the beneficiaries.

TRUSTEE BOYLES echoed all of the compliments of the Mission Moment, which is always a highlight of the meetings. She asked if a two-day date was set for the governance work.

CEO WILLIAMS replied that a date has not been set.

TRUSTEE BOYLES stated that there were a couple of new items based on what they did, and she knows that everything looked at for change had to be reviewed based on the original settlement and the statutes that govern the structure, composition, the direction, including predetermined focus areas. There is a need to look outside of who and what we are, and for ways to do things better, and more inclusively. There is a need to be receptive to that. She continued that the Trust has gifts in Jusdi, John Sturgeon and Steve, and the TLO is a diamond in the state of Alaska. She formally requested that CEO Williams, utilizing Ms. Warner to help next year, or, in the interim, to make reports to the House and Senate, because what she does is critically important, and it is obvious that they have an interest in the TLO office. She would like to know for sure, statutorily, if the trustees have any flexibility in the composition of this board. The size may not be able to be increased, but we may be able to work through a system of inviting one person to represent the rural and advisory councils at every meeting. She has heard about this same issue of concern for five years. Other than that, she thanked all for the back and forth, and added that Juneau is exciting.

CHAIR HALTERMAN wrapped up by mirroring a lot of the same comments that had been made by her fellow trustees. She thanked the staff for the amount of work that they do and wants to make sure they get recognized for that work that gets done behind the scenes and after hours. She stated appreciation for the Mission Moment, and this particular one really hit home. It was nice to hear a story of success; a beneficiary that made his way through the system and was paying it back through his music. It was very therapeutic. She also appreciated the public comments and all of the people that came to give public comments in Juneau. It is rewarding to hear from the people that they impact. The beneficiary-serving agencies are representative of the populations, and she appreciated the comments. She also stated appreciation for Faith Myers and her partner for always being advocates for the beneficiaries. They have been a voice that is not always heard, but they continue to charge on with their mission, and they never falter. She added that CEO Williams did a great job, as always, and appreciated all of her fellow trustees and the

contributions to the communication. She pointed out some additional documents in the packets: the Audit & Risk Committee report, the Finance Committee report, and the Program & Planning Committee report. There is nothing for discussion because those issues were resolved at the committee level, and are there for reference. She asked for a motion for adjournment.

MOTION: A motion to adjourn the meeting was made by TRUSTEE MORRIS; seconded by TRUSTEE MORAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Moran, yes; Trustee Fisher, yes; Chair Halterman, yes.)

CHAIR HALTERMAN adjourned the meeting and thanked all.

(Alaska Mental Health Trust Authority Board of Trustees meeting recessed at 1:51 p.m.)

**Minutes for the
February 16, 2024
Full Board of Trustees
Meeting**

**ALASKA MENTAL HEALTH TRUST AUTHORITY
SPECIAL FULL BOARD OF TRUSTEES MEETING
February 16, 2024
9:00 a.m.**

Hybrid Meeting Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508

Trustees Present:

Anita Halterman, Chair
John Morris
Kevin Fimon
Brent Fisher
Rhonda Boyles
John Sturgeon

Trust Staff Present:

Steve Williams
Julee Farley
Miri Smith-Coolidge
Michael Baldwin
Allison Biastock

Trust Land Office staff present:

Jusdi Warner
Jeff Green
David MacDonald
Blain Alfonso
Sarah Morrison
Marisol Miller

Others present:

John Springsteen; Jon Haghayeghi.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the meeting to order and began with a roll call. She asked for any announcements. Hearing none, she asked for a motion to approve the agenda.

APPROVAL OF THE AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE STURGEON; seconded by TRUSTEE FIMON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

CHAIR HALTERMAN called for any ethics disclosures. Hearing none, she introduced the discussion of commercial real estate items, starting first with the CRE performance update. She turned the floor over to David MacDonald and the TLO Staff.

CRE PERFORMANCE UPDATE

MR. MacDONALD shared the results for the portfolio for the first half of the year, and the most recent quarter. The portfolio brought in over \$2 million in net cashflow. He stated that it was notable that in December they had the first CFF draw related to North Park, for 273,000. There was no CFF draw in January. Showing a chart for the second fiscal quarter, he continued that the NCREIF benchmark was beaten for our peer group comparison across the board. On income, the NCREIF performed at a 1.62 percent return, on a quarterly return; not an annual return. The benchmark did 1.26. We came in at 2.4, and beat it by 1.17. For appreciation, our portfolio declined in value a little less than 1 percent, which isn't great; but he noted that it is significantly better compared to our peer group. The NCREIF benchmark showed a loss in value of slightly over 6 percent, adding that we came in over 5 percent better than our peer group comparison benchmark. Add those two together, and we achieved a 1.57 in total return, which is over 6.5 percent higher than our benchmark.

TRUSTEE FIMON asked what was driving the minus 6 percent for a quarter for the NCREIF.

MR. MacDONALD stated it was due to distress in the office market. The 6.72 percent is the decrease in office valuation. The 3.2 is the decrease in industrial valuations. 6.22 is the weighted average used for our overall comparison. Industrial is struggling in select markets. Phoenix is a bloodbath because they have been overbuilding. Inland Empire, California, is still holding up fairly well. The office market is going through struggles recovering from the pandemic and the work-from-home issue. Companies are mostly bringing back employees on a hybrid schedule. They are also rightsizing, meaning that we are seeing slight decreases in square footage. We are seeing bifurcation between Class A space, with amenities doing very well. Class B space is kind of in a swing; and Class C and below is really doing well. He heard it phrased as rather than the typical oversupply, there is an under-demolition issue. A lot of obsolete products are no longer competitive, and that is where there is a lot of distress. Class A, in major markets, wants to hand the keys back to lenders, which makes the headlines. The implication is that the market has fallen off a cliff, when in reality, it is hard-ball negotiations with a lender to reset their debt. He said that this is, to a degree, an absorption and fundamental office market issue. To a maybe even larger issue, this is a debt issue where lenders were too aggressive, and now they are realizing that they got in over their skis. It is not so much the

leasing side; it is the capital market side. It has not shaken out to the point where we are seeing the opportunistic buying coming in and taking over. Lenders are doing an “extend and pretend” kind of model where they try to work out with owners rather than doing foreclosures or distressed sales. All of that in conjunction is making the buying pool conservative and cautious. Smaller deals are gone before they hit the market. Groups like Blackstone will have early conversations and snatch deals up before they hit the street. So, it’s the perception and the sentiment that is really driving those values.

CHAIR HALTERMAN asked if there were any questions. Hearing and seeing none, she asked Mr. MacDonald to continue.

MR. MacDONALD continued that the motion is to bring to the board of trustees any situations that we see that warrant disposing of assets. The specific recommendation is the Ogden, Utah, property, 1973 Rulon White. The asset is 103,000 square feet on a 13-acre site. It is fully occupied by the IRS, which is essentially a AAA government bond because of who it is. It is a GSA deal, government-backed, which is as good credit as you can get. They have been a tenant since 2002. The Trust has owned the property for ten years. We have determined that it has met all our investment objectives, so we think it is an appropriate time to dispose of the asset.

MS. WARNER noted that it would be appropriate for trustees to move into an Executive Session to discuss the disposal recommendation more.

CHAIR HALTERMAN requested a motion to move into Executive Session.

MOTION: Per AS 44.62.310(c), a motion that the Alaska Mental Health Trust Authority Full Board of Trustees move into Executive Session to discuss confidential matters pertaining to commercial real estate, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the public entity. No decisions will be made in the Executive Session. The motion was made by TRUSTEE FISHER; seconded by TRUSTEE STURGEON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Morris, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

(Executive Session from 9:22 a.m. until 10:02 a.m.)

CHAIR HALTERMAN requested a motion to come out of the Executive Session.

MOTION: For the record, myself, fellow trustees and members of the Trust Authority and Trust Land Office are returning to the Special Full Board of Trustees’ Meeting from the Executive Session. We did not make any decisions during the Executive Session. The motion was made by TRUSTEE FISHER; seconded by TRUSTEE STURGEON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Morris, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

COMMERCIAL REAL ESTATE ASSET DISPOSITION

MOTION: A motion that The Alaska Mental Health Trust Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 1973 North Rulon White Boulevard, Ogden, Utah, at terms acceptable to the executive director, with a minimum price at or above fair-market value as determined via appraisal. The motion was made by TRUSTEE STURGEON; seconded by TRUSTEE FIMON.

CHAIR HALTERMAN asked the TLO staff to continue.

MR. MacDONALD restated prior points regarding 1973 North Rulon White Boulevard in Ogden, Utah, and noted that this is an opportune time to dispose of the asset and to lock in the gains which was the rationale for the motion put in front of the trustees today. He added that if the motion is approved, we will be going through a very exhaustive marketing process in order to generate competition for the asset and maximize the sale price. He clarified that the TLO recommendation is to dispose of the asset through a negotiated sale at terms acceptable to the executive director, not just of sale price, but also closing dates, deposits, due diligence periods, et cetera. In no event will that be less than the fair-market value that we will determine by hiring an appraiser to give us an appraised value that will set the floor as the fair-market value.

CHAIR HALTERMAN asked if there were any questions from trustees. Hearing none, she called the roll-call vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Morris, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

CHAIR HALTERMAN continued to the next section.

MOTION: A motion that The Alaska Mental Health Trust Board of Trustees approves increasing the fiscal year '24 incremental building expenditure budget of the CRE properties by \$544,166 to facilitate capital improvement necessary to secure a long-term lease at North Park Corporate Center. This will be paid from the Central Facilities Fund 3322. The Board of Trustees directs the CFO to transfer \$544,166 to the Central Facility Fund for this purpose and distribute these funds to the third-party property manager at the request of the Trust Land Office. These funds do not lapse. The motion was made by TRUSTEE STURGEON; seconded by TRUSTEE FISHER.

MS. WARNER turned the discussion over to Ms. Miller to walk through the request.

MS. MILLER noted that this will require the board to approve \$544,166 in expenditures from the Central Facility Fund. A long-standing tenant at our North Park property in San Antonio, Texas, has submitted an early lease renewal request. Their lease expires in April 2025. They are interested in a five-year extension through April 2030. The pros of this extension include removing the uncertainty with a prospective rollover in 2025, and replacing it with stability; eliminating the potential for lost income during any down time should they vacate; avoiding lease-up costs associated with a new deal, which would likely triple the costs associated based on the current Circle K deal that was just executed; making the asset more marketable for sale by eliminating one of three primary risk attributes, the other two being the July 2025 True Source lease expiration – which is another tenant at the asset – and negative sentiment in the capital

markets towards office products. The higher valuation due to reduced risk and approved income stream are all positives by executing the renewal. We have considered accelerating deal costs from the fiscal year to the current fiscal year. The TLO is confident that we will overcome the deficit with spendable income, and there will not be a shortfall at the end of the year. Downsizing the tenant's currently leased area from 27,000 square feet to 19,738 square feet, during the renewal, will commence marketing so that we can begin marketing it, and relet it now. The TLO recommends that it is in our best interest to lock this deal down and focus on the True Source space that will vacate in 2025 and improve marketability at the asset for a future disposal. The extension terms, still in negotiation, will provide \$2.7 million gross value, or \$2.2 million net value after deducting deal costs. The deal is prompted by the tenant who is responsible for maintaining the HVAC units on top of their building, which are old and failing. They are currently considering negotiating early extension with us, or vacating completely to another space elsewhere in town. North Park is situated in the suburban Hollywood Park area of San Antonio. Over the last four years, North Park has experienced a constant vacancy rate of 48 percent. Due to diligent leasing efforts, the vacancy has been reduced to 9 percent, or 91 percent occupancy. In contrast, the San Antonio market has a vacancy rate of 18.7 percent, higher than in 2019 when the rate was 13.5 percent. More tenants are leaving to better quality, lower-priced spaces in the area. In conclusion, the TLO recommends the approval of the \$544,166, which will be utilized to cover leasing commissions, HVAC replacement, and tenant improvement allowances.

CHAIR HALTERMAN thanked Ms. Miller, and recognized Trustee Morris.

TRUSTEE MORRIS stated that this may be better addressed in Executive Session, but what is the broker opinion of value for this property? Would it be better to try and sell it without improvements?

MS. MILLER noted that they have spoken to investment brokers in the area, and sales are not closing. It would be considered a distressed asset. Current vacancy rate is 9 percent. If we lose this tenant, the vacancy rate will skyrocket back up. Negotiating the execution of the deal now would poise us for a near-term sale in the future; not necessarily this year, per se. We need to lock down this renewal and stabilize occupancy in this building. The \$544,000 is, in part, to replace several large-tonnage rooftop units on the building, which is what is eating up that cost. Replacing it now will poise it for a future higher-value appraisal with higher stability. The building is beautifully situated in a nice corridor in Texas; close to shopping, eating, and we have put in an outdoor amenity area. The tenants are loving that – which is part of the reason the tenants want to stay versus vacating. The issue is a competitive market oversaturated with both sublease space and current space on the market. If we put it on the market today, left it as it is, we would potentially be selling it as a distressed asset versus a stabilized higher-value asset with locked-in leases and a stabilized occupancy.

TRUSTEE MORRIS noted that the renovations are for one tenant. Based solely on the cash flow rents of that one tenant, how many years would it take us to recoup the half-million dollar CFF distribution?

MS. MILLER stated that the lease alone is anticipated to bring in \$2.2 million over the five-year renewal period. So, roughly a year-ish, depending on stability and timing of those replacements. For perspective, if they were to vacate and we were trying to re-lease the whole 27,000 square feet, we would be looking at more than triple the cost to relet the space. The Circle K deal came

in at 1.5 million; 1.4 to execute the deal. If we were to have to do that, we would be looking at three times that \$500,000.

CHAIR HALTERMAN recognized Trustee Fimon.

TRUSTEE FIMON asked if we are getting a commitment from the tenant prior to the expenditure of the half million.

MS. MILLER stated that we would not expend any dollars until the deal is fully executed. We are in negotiations now. The goal is to come forward with information on the front end, and to give the board the opportunity to approve this before we continue with negotiations. We never want to negotiate with a tenant in bad faith.

CHAIR HALTERMAN recognized Trustee Boyles.

TRUSTEE BOYLES assumed that there is money in the Central Facility Fund. Her opinion is that this is an appropriate use of that particular fund. She asked Mr. MacDonald and Ms. Miller if they believe that this is going to turn around in the near future, or is it going to get worse in San Antonio.

MS. MILLER stated that, right now, the market is oversaturated with space. There is a possibility that it could turn around, but it is still too early to say. We are still in Q1 of '24, but this is definitely an asset that needs to be poised for a future sale.

MS. WARNER noted, for clarification, that there is adequate funding to pay for this in the CFF, but we are still working toward building that CFF. We have the spendable income right now because of the TLO performance that we can continue to put this money into the CFF and then draw it back out.

CHAIR HALTERMAN asked if there were any further questions.

MS. WARNER clarified that this is for the HVAC units at the building, not necessarily specific to this tenant.

MS. FARLEY noted that we will have to wait until we receive a few more distributions from the commercial real estate properties in order to fund this. So there will be a lag on this funding.

TRUSTEE FIMON asked if we anticipate that lag will be completed before the end of this fiscal year.

MS. WARNER replied that we do anticipate that that will be within this fiscal year.

CHAIR HALTERMAN called for the vote.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Morris, yes; Trustee Sturgeon, yes; Chair Halterman, yes.)

CHAIR HALTERMAN asked for a motion to adjourn.

MOTION: A motion to adjourn the Special Full Board of Trustees meeting was made by TRUSTEE STURGEON; seconded by TRUSTEE MORRIS.

After the roll-call vote, the MOTION was APPROVED. (Trustee Morris, yes; Trustee Sturgeon, yes; Trustee Fisher, yes; Trustee Fimon, yes; Trustee Boyles, yes; Chair Halterman, yes.)

CHAIR HALTERMAN adjourned the meeting.

(Special Full Board of Trustees meeting adjourned at 10:29 a.m.)

**Minutes for the
March 27, 2024
Full Board of Trustees
Meeting**

**ALASKA MENTAL HEALTH TRUST AUTHORITY
SPECIAL FULL BOARD OF TRUSTEES MEETING
March 27, 2024
8:30 a.m.**

**Hybrid Meeting
Alaska Mental Health Trust Authority
3745 Community Park Loop, #200
Anchorage, Alaska 99508**

Trustees Present:

Anita Halterman, Chair
Brent Fisher
Kevin Fimon
Agnes Moran (Virtual)
John Sturgeon
John Morris
Rhonda Boyles

Trust Staff Present:

Steve Williams
Katie Baldwin-Johnson
Miri Smith-Coolidge
Michael Baldwin
Julee Farley
Allison Biastock
Valette Keller
Kelda Barstad
Luke Lind
Debbie DeLong
Carrie Predeger
Janie Ferguson
Eliza Muse
Eric Boyer

Trust Land Office staff present:

Jusdi Warner
Sarah Morrison
Jeff Green

Also Participating:

Gene Hickey; Katie Hegland; Ian Casey; Emily Ricci; John Springsteen; Kim Champney; Lynne Keilman-Cruz; Patrick Reinhart; Jimael Johnson; Bryce Coryell; Heather Maidl.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the meeting to order and began with a roll call. She asked for any announcements. Hearing none, she asked for a motion to approve the agenda.

APPROVAL OF THE AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE STURGEON; seconded by TRUSTEE FIMON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Sturgeon, yes; Trustee Fisher, yes; Chair Halterman, yes).

CHAIR HALTERMAN asked for any ethics disclosures. Hearing none, she turned the floor over to Steve Williams for The Arc of Anchorage discussion.

ARC OF ANCHORAGE

MR. WILLIAMS began with an introductory narrative related to The Arc's request for some short-term financial support explaining where we are, how we got here, and the situation surrounding The Arc. He said that it is not uncommon for organizations to go through periods of financial, staffing and service challenges. The Trust tries to work with our partners to "weather the storm." We have done this for almost 30 years in different ways. Today's request is from The Arc which sits to our west, directly behind the Whaley School, on a Trust parcel, which includes their main administration office buildings, as well as some of their buildings that are used for the rec center. He continued that today's request has a time sensitivity to it. The Arc has been engaged for the last few years looking at the way they provide services; how they provide them; how to make themselves more financially stable through revenue generation that involves changing the types of services that they provide; and to whom they provide those services. Right now, The Arc is in a cash-flow gap. The request in front of the trustees is a way to close that gap while The Arc awaits a payment through the Employee Retention Tax Credit program that is expected to arrive in the next six to eight months. This will allow The Arc to continue the changes that they have already implemented, and other changes that are going to happen to increase their cash flow and improve their financial stability into the future. The Arc is committed to repaying this grant in full for the amount of money that they expend, up to a million dollars, through that Employee Retention Tax Credit payment that they receive. If there is some other way to do it, they will do it that way. He turned the presentation over to Mr. Boyer.

MR. BOYER stated that he would give just the highlights of the timeline so trustees can see how we got here, and the role that we played in working with The Arc. Our work with The Arc is the shared vision that developmental disabilities and ID providers have maintained to support Trust beneficiaries; and through that work, we have looked at how to enhance the services they provide. Part of that enhanced support is with the 1115 waiver for behavioral health services. One of those services is adult mental health residential. We have supported the organization for SUD treatment by really enhancing that ability for somebody coming in with co-occurring symptoms, who are really struggling with something on the mental health spectrum and adding in, potentially, SUD. We are short of mental health beds across our state, and that is where The Arc has really taken some of the work from contactors to build into their system, their services,

and their business model. Over half of those beds now exist right over on The Arc campus, which is a pivotal part to this. Seven to nine years ago when the State looked at Medicaid expansion, part of the expansion plan was to fall in line with the Federal Government in terms of moving away from those grants to DD providers to provide those services, and going to home- and community-based waiver services through Medicaid. That plan took several years to enact. In the process, larger organizations like The Arc began to see deficits in terms of being able to meet their operational needs. They looked at how they could eliminate any overhead administratively; but that still did not meet the need. They had a pretty healthy endowment, which covered those operational losses month by month. Back in 2019, I was a program officer here at the Trust, and I had conversations with their chief finance officer as to how the Trust could work with them see how to change things. We were able to provide support, financial resources for TA contractor, Agnew::Beck, to do some strategic planning. That came to fruition in 2020 with changes in the business plan; and that is when we started looking at those services. Then in March of 2020, our world came to kind of a halt with COVID, and plans got put on hold. The majority of operational cost is in staff, and the issue became how to keep their core staff employed when they could not provide much of those daily services. They were able to keep some of their homes open because the people being served there didn't have anywhere to go, and the Federal Government provided payroll protection funding. Keeping staff is an issue with our providers and COVID just exacerbated that. Agnew::Beck came back later in 2020 with an addendum to the plan. The ability to move forward with some of the expansion of services into the 1115 waiver really got held up. The board and senior leadership at The Arc looked at how to stay viable and continue to provide these services. We brought in technical support with Laurie Wolf from the Foraker Group to look at realignment possibilities; potentially merging with another like-minded organization to keep a couple organizations moving in the right direction. This aspect of the merger did not seem to come up with a plan that would move either organization in a viable way to be more financially robust, or to meet their bottom lines. Moving forward to 2021, research through Agnew::Beck showed that the need for those adult mental health beds was profound. There is one organization that is providing less than 30 percent of the community's need. They needed to move in that direction, and those discussions between the Trust and Agnew::Beck and The Arc continued through 2021; and that is when we put together a proposal. They brought in Adam Rutherford, the deputy director of Health and Rehabilitative Services, who looked at The Arc opening some of those beds as a pipeline for some of our reentrants coming out of the Department of Corrections that have co-occurring disorders; not only mental health and substance-use needs, but developmental disabilities, which The Arc has expertise in. The Arc brought forward a proposal to the Trust in January of 2022, and that is when trustees considered a grant for \$216,000 to expand treatment access to remodel three homes to meet the need for either three- or five-bed units. But because of city code issues, it took 18 months to get to the point where they could look at actually getting those opened up and providing services. There were also supply issues in this country due to COVID. The last of those units opened up last month, and they continue to provide services with habitation, rehabilitations, day hab, and group hab to our DD beneficiaries. Expanding and getting those 13 beds increased the capacity in Anchorage by about 30 percent over what we had; and there are plans to open another five-bed unit down the road, which was not part of the original expansion. Coming from the Trust perspective for programs, one of the dire needs is having somebody to be able to get the mental health treatment they need through a short-term, concise, intense treatment model to get them stabilized and then stepped down into a less restrictive setting even at the community level. Those beds are a critical part of that process. One of the hallmarks for the 1115 waiver and being able to expand those services, were because of constant conversations. This proposal to cover the gap came to me in February; so it has been a short turnaround that the

critical nature of this need has come forward. Even though those 13 beds are full now, they are still months away from being reimbursed for each day of those beds being full. So this ask is for funding of a recoverable grant to bridge that reimbursement gap.

CHAIR HALTERMAN asked if there were any questions from trustees.

MR. WILLIAMS noted that the expansion of beds and capacity as part of The Arc's re-visioning and retooling of their operations is not just about increasing capacity; it is also about increasing their cash flow and their revenue. Right now, they are changing the trajectory of their cash flow going into the future to increase where they are in terms of generating revenue for their overall operating expenses. The other thing is that if the gap is not filled, there is the high likelihood that The Arc would go down a different path of giving notice to individual clients, families, and others, as well as staff. At that point, they will not be able to turn that back around.

CHAIR HALTERMAN stated that needing to bridge this gap are similar words to what she heard in the Legislature as they rolled out the Medicaid expansion years ago. We had similar problems at a statewide level over an entire population that got left behind until legislation passed that swept them into coverage. She noted that she was concerned about one issue: The Arc is going to be dependent on these fee-for-service rate changes, and they take years to get through. If they are depending on those rate changes, those funds are not going to be coming for a while. She then asked if anyone had a question or wanted to make a comment.

TRUSTEE FIMON asked if they participated in the Payroll Protection Plan that was out there starting somewhere in late 2020.

MR. CASEY stated that, yes, they did. They received the first payroll protection loan in April 2020. He continued that it is a refund on payroll taxes that were paid; and, because of the program, we overpaid those taxes, in a sense, we will get it as a tax refund. Because this grant is repayable, the way that the costs are broken out for this grant reflects a percentage of our general funds. So, that million dollars, as a bridge fund, will go to our regular costs. But there is no restriction on that ERC money that would prevent us from paying either one.

The discussion continued.

TRUSTEE FIMON stated that he was seeing what happened from approximately mid-2015 to mid-2019 where there was a rapid decline with some numbers that were not as favorable as we would like. But the third party was not engaged until January 31st of 2020. He asked why it took five years to address that.

MR. CASEY stated that there were a lot of programs taking up a lot of our time and energy from the finance teams, like the PPP, some HRSA grants, as well. In the meantime, we were going over the Agnew::Beck modeling and started to lay the groundwork.

TRUSTEE FIMON asked if 2015 and 2016 saw a real major trend, why the question was not addressed in 2017. He asked why they waited until 2020.

MR. CORYELL noted that his tenure on the Board started in 2016, and it was eye-opening to see how much money the organization was losing. At the time, we were fixing compliance issues and billing. Then we did a deficit reduction plan and management: if we lay off these key

positions, we will be at break-even cash flow; or perhaps negative income from an earnings standpoint. We thought that if we dealt with the cash-flow issues, we would extend The Arc's runway, so to speak, very, very far into the future. So we had some layoffs and the revenues dropped commensurately. The Board had questions about confidence in management. There was disagreement with the PFO and CFO at the time. We did more layoffs, and then we engaged with Agnew::Beck. The next step was to look at outside expertise. Intermediary layoffs would bring us to a break-even, according to the best information that the Board had. Revenues kept dropping, due to the difficulty of getting new people approved for services, and then some of the people that were easiest to care for moved to home-based help.

TRUSTEE FIMON stated that the Board's decision-making was probably trying to make an attempt to adjust to what was happening, but some of those adjustments may have actually accelerated what was happening. He stated his appreciation for the candidness, and noted that who knew what was to come in 2020.

CHAIR HALTERMAN stated that it is important to remember that The Arc was suffering through some massive changes, and she thanked Ian Casey for stepping up into leadership to try to correct the ship. She noted that one factor that has not been thrown out is the fact that SDS was in the process of settling several class-action litigation cases, probably about the same time that everything came to a head for The Arc years ago. History probably complicated some of their reimbursement processes as the State started to force compliance with new regulations that got developed and adopted during that time period, or shortly before.

MR. CASEY noted that the population that the larger agencies have served has changed as the smaller providers, one-home providers, came onto the scene and cherry-picked the folks. These reimbursement rates are the same.

TRUSTEE FISHER stated that health-care organizations were not required to shut down during COVID. They could stay open the entire time. We did have a decline in patients coming in for studies, but with the PPP, we actually did better financially during COVID because the amount of money we were able to get with PPP did not actually exceed our expenses. He thought that The Arc would not have lost a lot of clients; that people would want to use your services, but you could still claim PPP. He thought that The Arc would have done better financially during COVID.

MR. CASEY replied that we did do better during COVID. In 2021, we were in the black about a million dollars. In 2022, we were in the black about a half a million dollars. Some service lines were shut down; so, day habilitation was curtailed immensely, because that is supposed to be provided in the community. The main services that continued were our group-home services. We did have some increased costs, especially when there was COVID found in the homes. We did hazard pay, shift bonuses, things like that, in order to retain staff. Staff retention was really a big problem, and that has continued. After the PPP monies, we retained enough staff that it was fine. We did pay the staff that were doing those services, even though they were not actually working. We did do better to extend our timeline going forward.

MR. CORYELL noted that the COVID monies did improve cash flow, but he did not think that they made a lot of positive progress during that time towards solving the operational structure issues outlined by Agnew::Beck. He stated that what really seems to have accelerated our progress towards this is when Mr. Casey became the interim CEO, and then CEO. Since we

have had this change in management, things have picked up in terms of billable activities, our transition that was agreed upon three or four years ago, and then also the actual billings to Medicaid.

TRUSTEE FISHER noted that his businesses did not qualify for the ERC because we did not lose enough money. You have to lose a significant amount of money, like 30 percent, to qualify for the ERC. He asked of The Arc is able to show that they lost that much during that time period.

MR. CASEY responded, yes.

TRUSTEE FISHER noted that he has been in healthcare for over 30 years, and knows the landscape changes quite a bit. Those who make the changes quick enough do really well, because they are able to make significant cost changes. He asked what took The Arc so long to finally realize the need to change the way you operate.

MR. CASEY answered that there are limitations. We bill a limited CPT code set; and they are very strict through the home- and community-based waiver about how the services can be provided. Strict adherence is important, and it takes a lot of staff hours, which is our main cost. There are some pushes in our state association, AEDD, to look at technologies to help reduce staff hours and increase independence; but right now those are not reimbursable.

TRUSTEE FISHER asked for the total dollar value of grants the Trust has given to The Arc since 2015.

MR. BOYER stated that it totals close to about \$300,000. The grant that the Board approved in January of 2022 is \$216,000 to remodel three units and operationalize the staffing pattern. Approximately \$30,000 was approved for Agnew::Beck for contractual support, and a similar amount for Foraker Group. There may have been two different grants in there for Agnew::Beck at a smaller amount. During COVID, when the original outbreak happened, the Trust approved giving grants up to \$25,000 to help them.

TRUSTEE FISHER noted that if The Arc has been losing money pretty regularly since 2015, that kind of information was not highlighted for us as the trustees as we were making decisions to grant money, and possibly to come up with some ideas to help the supporting organizations to be more financially viable. We have charts that show a revenue increase that happened December 2022 through January 2024. The revenue graph does not tell me if The Arc actually made money from that increased revenue.

MR. CASEY stated, no, we are still operating at a loss; not at break-even. One of the scenarios has us losing around \$10,000 a month by midsummer, which is much more stable with what we have left in our savings. We have a foundation to do more tweaking to work around that. He continued, losing \$10,000 a month with \$800,000 left; then we will have the 2 million from the ERC so that we can continue to tweak. There is no single bullet. But we are seeing marked improvement with the work that we are doing under all of the different scenarios.

MR. WILLIAMS noted that one thing not mentioned today is working with the Division on identifying clients that serve for higher acuity rates. That is another piece of changing the modeling and increasing the cash that is coming into The Arc.

MR. CASEY stated that he actually worked with the Department to make a path forward for modified acuity rates. So, 8-, 16-hour acuity rates, which is a lot more doable with the staffing that we have. We are still short on staff, and we have had to increase wages through the last few years. So, working with acuity, we have two people identified that have been getting one-on-one, 24 hours a day for years; and we are working with the Department to get those acuities established or reestablished in one case.

CHAIR HALTERMAN noted that Senate Bill 74 mandated the State go forth and look at these 1115 demonstration waivers, which allowed the State to exercise the exploration of 1915 (k) and (i) options, to identify some of the hardest-to-service beneficiaries. She asked if The Arc has seen any movement from the State SDS programs on some possible flexibilities that the Federal law allowed for those populations to explore additional funding that might be available to keep people independent and out of a more institutional setting.

MR. CASEY stated that they have. He had been working directly with Tony Newman at SDS to identify costs. There was a survey sent out recently, and we have been talking about environmental modifications like the true staffing costs for some of these harder-to-serve individuals.

TRUSTEE FISHER noted that with regard to Medicaid payments, that he worked in the hospice industry, and the prospective payment system was a great boon to getting end-of-life care for those in hospice. Maybe that is the kind of thing we need for mental health. He stated that the Federal Government is looking at prospective care for other areas besides hospice. Perhaps we at the State need to look at this to provide a limited number of providers what they need to continue to function. He asked if The Arc has looked at Chapter 7 or Chapter 11 to deal with cash-flow issues until additional funds come in.

MR. CASEY noted that they do not have lenders. All of our real estate is owned outright. We looked at the possibility of liquidation; but the group homes are our biggest revenue source, so that would just accelerate the downslide.

TRUSTEE STURGEON stated that one of the things he is concerned about is postponing the inevitable. People that are in financial crisis make assumptions that they are going to get out of this hole, and sometimes it is hard for a trustee to judge how valid those assumptions are. The money that you will be paying us back with is a one-time shot; so that is a bit of concern. A grant loan was discussed, but there is no such thing. It is either a grant or a loan. If it is a grant, you do not have to pay us back. If it is a loan, then normally you have to pay it back, and put up some collateral. That is kind of the business terms for grants and loans, and that is not the case in this situation. If it is inevitable and The Arc really cannot solve these problems, maybe we are better off spending that million dollars transitioning to something else to help the people. The Arc is not the only beneficiary that the Trust has. If we spend a million dollars, that means that is money that other beneficiaries are not going to get. I would like to understand better or really believe that if we go ahead with this grant/loan that The Arc is going to be able to dig itself out of the hole, and what kind of confidence you have that all the assumptions that have been made are really going to come to fruition.

MR. CASEY noted that the pro forma has an additional adult mental health residential opening with a larger chunk of additional revenue. We have opened three, and have learned quite a few

lessons. The timeline of three to four months is doable for opening one more project, and we have a waitlist of six people. We are looking at four beds for one scenario, and nine for the other. And one of the scenarios is an additional residence. Another scenario is an additional residence plus a group home that we already have that meets all the codes for the Municipality of Anchorage. Also, the additional ASD and DVR partnership started last week in our building.

TRUSTEE STURGEON noted that he did not understand some of these funding sources. He asked what confidence level The Arc can give the Board that the scenario that The Arc has laid out to get themselves on their feet will actually happen.

MR. WILLIAMS stated that he has high confidence. The Board is committed to doing this; we will be monitoring this; and if we get some sort of warning sign from The Arc directly or see something, we will be talking to The Arc and trustees directly. In terms of the repayment or the recoverable aspect of the grant, the million dollars, if things go south, for whatever reason, they are committed to still repaying that million dollars. There are just a number of variables out there that are beyond The Arc's control, that are beyond our control. Their board is paying attention to it. It will be on us to make sure that we are working closely with The Arc through this process to prevent those left-field balls from turning them sideways, or making sure we know soon enough that we are aware of it, that the trustees are aware of it, and then we move forward.

TRUSTEE STURGEON asked if this a loan or a grant. If it is a loan, is the money going to be one big check, or will it be metered.

MR. WILLIAMS stated that it is a grant. If approved by the trustees, the million dollars would not go out in one lump-sum grant payment. The first grant payment would be \$500,000 in April to The Arc; the second grant, \$250,000 in July; and another one in October. If the ERC payment comes back in between April and July, then we would be repaid by The Arc for the amount of \$500,000 that they expended of those funds. We will be working closely with The Arc, and we will pull Ms. Farley in and use her expertise to monitor their operational situation.

CHAIR HALTERMAN called for a five-minute break.

(Break)

CHAIR HALTERMAN called the meeting to order and turned the floor over to John Morris.

TRUSTEE MORRIS asked how many residents there are at The Arc complex.

MR. CASEY stated that is all the new adult mental health residential.

TRUSTEE MORRIS asked about how many people are in each group home.

MR. CASEY stated that you would think that would be a simple answer, but we have some duplexes that are licensed separately. We have 15 homes that we own outright. Some of those are duplexes, and are licensed. So licensed homes, we have more than that. We are the sponsoring agency for an 811 project that has two additional fourplexes and one duplex. We have 31 filled beds, and a capacity of 47.

TRUSTEE MORRIS stated that he saw that the plan is that if the money is not received by The Arc, a 45-day notice will be given to staff and clients. He asked what plans have been made for the clients if these group homes close in 45 days.

MR. CASEY explained that a plan has been established for the most difficult to care for.

TRUSTEE MORRIS asked if the Trust has come up with plans for what to do with our beneficiaries if the doors close.

MR. WILLIAMS stated that the ultimate responsibility for placement of individuals that receive notice is for the individual, the public guardian, the family member who is the legal guardian, or conservator, to start to coordinate in looking at services for that individual. That does not mean that The Arc would not be working with those individuals' care teams to help identify places to receive similar services in the least amount of time possible with the least impact.

TRUSTEE MORRIS stated that he is hearing that it is not actually The Arc's or the staff's responsibility to come up with a plan.

CHAIR HALTERMAN called for a quick break for a technical resolution.

(Break.)

CHAIR HALTERMAN called the meeting back to order, and asked Steve Williams to answer Trustee Morris' question.

MR. WILLIAMS continued that the second part to Trustee Morris' question was about the coordination of care should The Arc not be around and how to make sure that transition is as seamless as possible. We will be working closely with The Arc to identify if there is any role the Trust can play to make sure whatever transition there is happens smoothly and does not result in someone ending in a higher level of care than they currently are receiving.

TRUSTEE MORRIS asked if any Trust staff have looked at balance sheets, cash-flow statements from The Arc, or if we have been relying entirely on the consultants.

MR. WILLIAMS stated that we have been working with The Arc staff.

TRUSTEE MORRIS noted that Agnew::Beck was involved in the 2019-2020 plan for solvency by 2023, and they have not been involved since then.

MR. CASEY stated that that is correct.

TRUSTEE MORRIS asked if our CFO has seen their cash flows, balance sheets, and so forth.

CFO FARLEY stated that she has had a chance to look through their audited financial statements from BDO.

TRUSTEE MORRIS asked who generated the table of revenues and expenses on Page 16.

MR. CASEY answered that it is The Arc staff. That is pro forma for scenario 2.

TRUSTEE MORRIS noted that the majority of revenue comes from Medicaid. The plan for solvency would require a 32 percent increase in revenue in about six months, which is extraordinary for any line of work. The chart's findings indicate The Arc would still be operating at a loss at the last available date on the chart. He asked about the optimism for being able to grow revenue by a third, and how that leads to solvency when The Arc is still operating at a net loss.

MR. CASEY stated that this is a relatively short-term projection. We have increased revenue by 37 percent since February of last year, due to the opening of the AMHR programs, which was the main revenue generation. If we give an acuity for someone, our staff costs go up to zero. We have also been pushing additional folks in the group homes without any additional staff hours. That is a bottom-line net revenue of \$150,000 a year. Someone moved in last month, and we are scheduled to have someone move in in April, with no additional staffing. Then the acuities are a little bit more than double. So, it is an additional \$150,000 a year with no additional cost.

TRUSTEE MORRIS asked if they were taking out mortgages to handle this cash-flow issue that could be paid back with the ERC money.

MR. CASEY stated that they have looked into that, and are continuing to as an alternate method.

TRUSTEE MORRIS asked if they own clean titles to all the buildings here on the Trust lands that are right near us.

MR. CASEY stated that they do have clean titles, and that they lease the land from the Trust.

TRUSTEE MORRIS asked why they were asking for a million dollars when they think they are going to get 2 million in six months.

MR. CASEY responded that it is the timing of the ERC money. We do not want to come back and do this again and waste your time if the timelines are extended. Our fiscal year is July 1. We have some annual cash-heavy expenses coming up that are recognized. So June and July are insurance renewals; a big cash-spend time for us.

TRUSTEE MORRIS stated that he understood that they used to maintain a line of credit with a lending institution here in town and asked when and why that ended.

MR. CASEY replied that it ended two years ago because of their continued losses.

TRUSTEE MORRIS asked if the bank required his board members to personally sign for the line of credit.

MR. CASEY replied that he did not believe so.

TRUSTEE FISHER noted that Jeremiah was a member of ASRC, and until recently ASRC owned Alaska Growth Capital, which is a lender of last resort, or a lender to small businesses. He asked if The Arc had ever approached Alaska Growth Capital for opportunities for lending.

MR. CASEY stated that they have not.

CHAIR HALTERMAN asked how much was your endowment in 2015, and who funds that endowment.

MR. CASEY replied that it was around \$10 million, funded by The Arc of Anchorage.

CHAIR HALTERMAN entertained a motion to move into Executive Session.

MOTION: Per AS 44.62.310(c) (1), (c) (2), a motion that the Alaska Mental Health Trust Authority Full Board of Trustees move into Executive Session to discuss financial issues that will have a material effect on the finances of the Trust and that could harm or effect the character of The Arc of Anchorage. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE MORRIS.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, excused; Trustee Moran, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Sturgeon, yes; Trustee Fisher, yes; Chair Halterman, yes.)

CHAIR HALTERMAN noted that our CFO, COO, CEO, Eric Boyer, and our Trust Land Office executive director are the people that are staying in the room besides Gene Hickey. Otherwise, it is only trustees.

(Executive Session from 10:35 a.m. until 11:41 a.m.)

CHAIR HALTERMAN asked for a motion to come out of the Executive Session.

NOTICE OF RETURN FROM EXECUTIVE SESSION: For the record, myself, fellow trustees and members of the Trust Authority and Trust Land Office are returning to the Full Board of Trustees' Meeting from the Executive Session. We did not make any decisions during the Executive Session. The statement was made by TRUSTEE FIMON.

CHAIR HALTERMAN asked a trustee to read the motion on Page 4 of our packet.

MOTION: The Board of Trustees approves a \$1 million fiscal year '24 Mental Health and Addiction Intervention focus area allocation to the Arc of Anchorage for the Bridge Funding project. These funds will come from the fiscal year '24 Crisis Continuum of Care budget line. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE FISHER.

After the roll-call vote, the MOTION was DENIED. (Trustee Moran, no; Trustee Morris, no; Trustee Fimon, no; Trustee Sturgeon, no; Trustee Fisher, no; Chair Halterman, no.)

CHAIR HALTERMAN understood that there has been an offer made by a member of our Board to put you in contact with someone that might be able to help you with some financial decisions, and I suspect CEO Williams and staff will have some good dialogue with you after our Executive Session. She asked if any trustees had anything to add. Hearing none, she moved to the CEO performance evaluation discussion. We do need to go back into another Executive

Session on this matter. She added that we are at a point where trustees are trying to collect feedback in order to conduct our performance evaluation of our CEO; so, this is not a decision that we are ready to present in any other form except in an Executive Session.

CHAIR HALTERMAN asked for a motion to move into Executive Session.

MOTION: In accordance with the Open Meetings Act, I move that the Alaska Mental Health Trust Authority Full Board of Trustees convene into Executive Session for the purpose of discussing confidential information pertaining to the annual performance evaluation of the Trust Authority’s Chief Executive Officer. This motion is made pursuant to the Open Meetings Act, AS 44.62.310(b), AS 44.62.310(c)(2). Under applicable law, this discussion should take place in Executive Session unless the Chief Executive Officer requests a public discussion. During the Executive Session, the Board of Trustees may also discuss information related to the Chief Executive Officer that is required to be kept confidential pursuant to AS 44.62.310(c)(3), and that is auxiliary to the Chief Executive Officer annual performance evaluation. This motion was made by TRUSTEE FIMON; seconded by TRUSTEE MORRIS.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Sturgeon, yes; Trustee Fisher, yes; Chair Halterman, yes.)

(Executive Session from 11:50 a.m. until 12:40 p.m.)

NOTICE OF RETURN FROM EXECUTIVE SESSION: For the record, myself, fellow trustees and members of the Trust Authority are returning to the Full Board of Trustees’ Meeting from the Executive Session. During the Executive Session, the Board of Trustees only discussed the items identified in the motion to move into Executive Session. The Board of Trustees did not take any action while in Executive Session. The statement was made by TRUSTEE FIMON.

CHAIR HALTERMAN called for a motion to adjourn.

MOTION: A motion to adjourn the Special Full Board of Trustees meeting was made by TRUSTEE MORRIS; seconded by TRUSTEE MORAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, yes; Trustee Morris, yes; Trustee Fimon, yes; Trustee Sturgeon, yes; Trustee Fisher, yes; Chair Halterman, yes.)

CHAIR HALTERMAN stated that the meeting was adjourned.

(AMHTA Special Full Board of Trustees meeting adjourned at 12:43 p.m.)

Current Trust Bylaws

1
2
3 ALASKA MENTAL HEALTH TRUST AUTHORITY
4 BYLAWS
5

6
7 ARTICLE I
8 NAME
9

10 The name of this organization is the Alaska Mental Health Trust Authority.
11

12
13 ARTICLE II
14 PURPOSE OF THE AUTHORITY
15

16 The Alaska Mental Health Trust Authority acts in the best interest of the beneficiaries
17 of the trust. It is accountable to:

- 18 (a) Provide for sound governance, fiduciary oversight and direction in achieving the
19 mission of the Trust Authority;
20 (b) Ensure an integrated, comprehensive mental health program for the State of Alaska
21 in partnership with Department of Health and Social Services (DHSS); and
22 (c) Preserve, protect, and grow the trust corpus and administer trust assets.
23
24

25 ARTICLE III
26 BOARD OF TRUSTEE MEMBERSHIP AND TERMS OF OFFICE
27

28 Section 1. Trust Authority board of trustees composition:

- 29 (a) The Trust Authority shall be governed by its board of trustees.
30 (b) The Trust Authority board of trustees, hereafter referred to as the board, consists of
31 seven members appointed by the governor in accordance with AS 47.30.016 and
32 confirmed by the legislature.
33

34 Section 2. Term of office, vacancies, and removal:

- 35 (a) The members of the board serve staggered five-year terms. A member shall continue
36 to serve until the member's successor is appointed and confirmed by the legislature.
37 (b) A vacancy occurring in the membership of the board shall be filled within 60 days by
38 appointment of the governor for the unexpired portion of the vacated term.
39 (c) The governor may remove a member of the board only for cause per AS 47.30.021.
40 (d) Except for a trustee who has served two consecutive five-year terms, a member of
41 the board may be reappointed. A member of the board who has served two
42 consecutive five-year terms is not eligible for reappointment to the board until one
43 year has intervened as per AS 47.30.021(d).
44
45

ARTICLE IV
BOARD OF TRUSTEE DUTIES

Section 1: The role of the board is to:

- (a) Set the vision for the organization;
- (b) Set policies for the organization, including adoption of regulations as appropriate under AS 47.30.031;
- (c) Adopt charters that define the role, authority, operating procedures, duties, and responsibilities of the board and standing committees; and
- (d) Approve contractual agreements with advisors as defined in statute and the settlement agreement, specifically Alaska Permanent Fund Corporation (APFC), Department of Natural Resources (DNR), and Statutory Advisory Boards.
- (e) Fulfill the duties listed in AS 37.14.007(b)(1)-(12).

Section 2: The board will conduct business in accordance with AS 47.30.036.

ARTICLE V
OFFICERS AND DUTIES

Section 1. The board, by a majority vote of its membership, shall annually elect a Chair, Vice Chair, and Secretary from its membership.

Section 2. The officers will be elected by a majority vote at the annual budget approval meeting, and officers' terms of office commence upon adjournment of that meeting. Officers' terms of office end effective at adjournment of the meeting in which new officers are elected.

Section 3. Officers may be re-elected to the office in which they serve by vote of the membership of the board as above. The board's intention is to allow board members the opportunity to serve in officer roles in support of ongoing board development. To that end, no member may serve more than 2 consecutive terms in the same office except as provided for by affirmative vote of 5 board members.

Section 4. If the office of the Chair becomes vacant, the Vice Chair succeeds to the office of the Chair and serves until an election held at the next board meeting. The newly elected Chair will serve until the next annual election.

Section 5. Except for the office of Chair, if an office of the board becomes vacant, an election shall be held to fill the vacancy at the next regular meeting following the vacancy. The officer will serve until the next annual election.

Section 6. The duties of the officers shall be as follows:

- (a) Chair
 - 1. Call all meetings. Preside at all meetings.
 - 2. Appoint chairs of committees and committee members.

- 1 3. Serve as ex-officio (voting) member of all committees, but may not
- 2 concurrently serve as board Chair and chair of any standing committee, with
- 3 the exception of the Executive Committee.
- 4 4. Act as primary spokesperson for the board.
- 5 5. Act as one of the official spokespersons for the Trust Authority, together with
- 6 the Chief Executive Officer (CEO), when requested by the Chief
- 7 Communications Officer.

8
9 (b) Vice Chair

- 10 1. Assist the Chair in the discharge of his/her duties.
- 11 2. Perform the duties of the Chair in the absence or incapacity of the Chair.
- 12 3. Perform other duties as assigned by the board.

13
14 (c) Secretary

- 15 1. Assume duties of the Chair when Chair and Vice Chair are unavailable.
- 16 2. Perform other duties as assigned by the board.
- 17 3. Assure that the records of board proceedings are maintained in accordance
- 18 with these bylaws and in accordance with AS 37.14.007(b)(2) and the Records
- 19 Management Act (AS 40.21).

20
21
22 ARTICLE VI

23 MEETINGS

24
25 Section 1. The board will hold four regular meetings each fiscal year. Committees will meet

26 as necessary to accomplish their responsibilities.

27
28 Section 2. Special or emergency meetings of the board may be held at such time and place

29 as the Chair may order; or upon the written request to the Chair of any four

30 trustees.

31
32 Section 3. Reasonable public notice of board and committee meetings shall be provided in

33 accordance with AS 44.62.310. Meetings of the board and its committees are

34 subject to the Open Meetings Act, AS 44.62.310 and 44.62.312.

35
36 Section 4. A quorum at all board meetings shall consist of four board members. A quorum at

37 committee meetings is a majority of the committee's members.

38
39 Section 5. No member of the board may designate a proxy.

40
41 Section 6. The board will schedule at least one period for public comment during each

42 regularly scheduled board meeting.

43
44 Section 7. Formal actions by the board are accomplished through adoption of

45 motions.

ARTICLE VII
COMMITTEES OF THE BOARD

There will be five standing committees of the board. Standing committee chairs and members will be appointed by the Chair after polling the board regarding individual trustee's interest and ability to serve. A member may serve as chair of only one standing committee at any time except as a stand-in until the next regularly scheduled board meeting. Standing committees will have a minimum of 3 committee members. The board chair may designate ad hoc committees to accomplish special purposes. Persons other than board members may serve on the board's ad hoc committees; however, such persons may not be voting members of such committees, only appointed board members may vote on committee actions. Committee recommendations will be reported to the board for action at the next regular board meeting.

Section 1. The Executive Committee of the board is composed of three board officers, the Chair, the Vice Chair, and the Secretary. The Executive Committee will:

- (a) Ensure development of policies for governing the Trust Authority for approval by the board.
- (b) Oversee implementation of governance policies at the direction of and on behalf of the board in accordance with law and the committee charter adopted by the board.
- (c) The Executive Committee will meet only as needed.

Section 2. The Resource Management Committee will, in consultation with the CEO and Executive Director (ED) of the TLO:

- (a) Ensure development of policies for protecting, enhancing, and managing the trust's non-cash resources in the best interests of the beneficiaries for approval by the board.
- (b) Oversee implementation of plans at the direction of and on behalf of the board in accordance with law and the committee charter adopted by the board.

Section 3. The Program and Planning Committee will, in consultation with the CEO and Executive Director (ED) of Mental Health Policy and Programs.:

- (a) Ensure development of policies to meet needs and improve the circumstances of beneficiaries; and recommends to the board for approval.
- (b) Oversee implementation of plans at the direction of and on behalf of the board in accordance with Trust Authority statutes and regulations and the committee charter adopted by the board.

Section 4. The Finance Committee will, in consultation with the CEO and Chief Financial Officer (CFO):

- (a) Ensure development of policies for investment and fiscal management for approval by the board.
- (b) Oversee implementation of approved investment and fiscal management policies on behalf of the board in accordance with Trust Authority statutes and regulations and the committee charter adopted by the board.

- 1 Section 5. The Audit and Risk Committee will, in consultation with the CEO and CFO:
2 (a) Ensure development of policies for managing the annual audit process and
3 identifying and addressing organizational risk for approval by the board.
4 (b) Oversee implementation of approved audit and risk management policies on behalf
5 of the board in accordance with Trust Authority statutes and regulations and the
6 committee charter adopted by the board.

7
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9 ARTICLE VIII
10 CHIEF EXECUTIVE OFFICER

11
12 Section 1. The board shall select and employ a Chief Executive Officer as provided by law.

13
14 Section 2. The Chief Executive Officer is responsible for day-to-day operations of the Trust
15 Authority including planning, organizing, coordinating, and directing all activities
16 necessary to enable the Trust Authority to exercise its powers and duties, and
17 fulfill the purpose of the Trust Authority. The CEO will operate and conduct the
18 business and affairs of the Trust Authority according to the statutes, regulations,
19 bylaws, policies, and charters adopted by the board. The CEO duties and
20 responsibilities shall be set forth in a CEO Job description to be adopted by the
21 board.

22
23 Section 3. The Chief Executive Officer shall oversee administration of the contract with the
24 Trust Land Office on behalf of the Trust Authority to ensure compliance with
25 AS 37.14.009(a)(2).

26
27
28 Section 4. The board will evaluate the Chief Executive Officer's performance annually in
29 writing. The board will define the process for conducting annual reviews and
30 include it in the Board Operations Manual.

31
32 Section 5. Termination of employment of the Chief Executive Officer is by majority vote of
33 the board.

34
35
36 ARTICLE IX
37 PARLIAMENTARY AUTHORITY

38
39 Unless otherwise provided by law or these bylaws, the board's procedures shall be
40 governed by Robert's Rules of Order Newly Revised. The Chair may appoint an appropriate
41 person to serve as parliamentarian.

42
43
44 ARTICLE X
45 ETHICS

46
47 Board members are required to comply with the Alaska Executive Branch Ethics Act
48 (AS 39.52) and AS 47.30.016(c)(2).

1
2
3 ARTICLE XI
4 AMENDMENT OF BYLAWS
5

6 These bylaws may be amended at any meeting of the board. Amendment of these
7 bylaws requires 5 affirmative votes of board members provided that written notice and
8 copies of the proposed amendment have been submitted to the members 30 days prior to
9 the meeting, or by unanimous vote without notice.
10

11
12 ARTICLE XII
13 DEFINITIONS
14

15 In these bylaws,
16

17 **The Alaska Mental Health Trust** means the sum of all assets owned by the Alaska
18 Mental Health Trust as established by the Alaska Mental Health Trust Enabling Act, P.L. 84-
19 830, 70 Stat. 709 (1956) and the Mental Health Settlement Agreement (June 10, 1994),
20 including cash and non-cash assets.
21

22 **The Alaska Mental Health Trust Authority (the Trust Authority)** means the entity
23 charged with administering the trust, as trustee, is governed by a seven-member board. (AS
24 37.14.007, AS 47.30.011, AS 47.30.016)
25

26 **The Trust Land Office (TLO)** means the unit of the Alaska Department of Natural
27 Resources that is charged with managing the trust's natural resources, land, and other fixed
28 assets. (AS 44.37.050)
29

30 **Regular Meeting** means a board meeting that is scheduled at the annual budget
31 meeting to occur during the succeeding year, provided that a regular meeting that is
32 rescheduled on reasonable notice to the public is still a regular board meeting.
33

34 **Special Meeting** means any board meeting other than a regular meeting, including
35 an emergency meeting.
36

37 **Emergency Meeting** means any board meeting conducted for the purpose of
38 addressing time sensitive matters that may not be capable of resolution within the statutory
39 or delegated authority of the Executive Committee or the CEO. If an emergency meeting is
40 conducted on less than the customary public notice, public notice shall be published as
41 soon as practicable. If the agenda of an emergency meeting is not available in advance, the
42 agenda will be published as soon as practicable after the emergency meeting.

Mary Jane Michael, Chair

Laraine Derr, Secretary

Resource Management Committee Report / Update

Memorandum



To: Anita Halterman, Chair of the Board of Trustees
Through: Steve Williams, Chief Executive Officer
From: Jusdi Warner, Executive Director
Date: April 24 & 25, 2024
Subject: April 24 & 25, 2024 – Resource Management Committee Meeting Summary

The Resource Management Committee met on April 24 & 25, 2024, received an update of key TLO activities from the Executive Director Report, current updates on the Icy Cape Project in public and executive session, an update from Commission Boyle from the Department of Natural Resources, and a Subdivision Development Program Update on the Boyd Road Project. Additionally, the committee received two (2) approval requests and seven (7) consultations. The approval requests along with three (3) consultations require full board of trustee motions and move to the full board of trustees for approval/concurrence.

Board Action Required: *The following proposed actions requiring full board of trustees’ approval were recommended to the full board of trustees at the April 24th and April 25th RMC Meeting:*

Meeting Summary:

1. Approval – Commercial Real Estate Asset Reclassification

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees approve the proposed action removing 2600 Cordova Street, Anchorage, Alaska from the Investment Portfolio and reclassifying the asset into the Program Related Real Estate Portfolio.”*

Anticipated Revenues/Benefits: Though described as an investment property, the Cordova building is a non-financially oriented asset similar to the Trust Authority Building (also partially owner-occupied and produces some income from other tenants), which resides in the Program Related Real Estate Portfolio. As a partially owner-occupied property, the income is held down in a way that makes performance benchmarking an incompatible exercise (in this case an asset with ¼ of the building non-income producing versus other assets that are 100% income producing).

2. Consultation – Commercial Real Estate Asset Dispositions

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 2618 Commercial Drive, Anchorage, Alaska at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”*

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 1111 Israel Road S.E., Tumwater,*

Washington at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 2420 & 2500 Ridgepoint Drive, Austin, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”*

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 17319 San Pedro Avenue, Hollywood Park, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”*

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 9601 Amberglen Boulevard, Austin, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”*

Anticipated Revenues/Benefits: These motions are being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of these motions because it will provide TLO with the flexibility it needs to complete sales in the commercial office building market; flexibility that TLO needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

3. Consultation – FY2025 – 2030 Parcel Inventory for Statewide Land Sale Programs

MOTION: *“The Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 19 subdivision lots and small to large tract parcels to be subdivided that may be disposed of through the TLO’s Statewide Land Sale Programs.”*

Anticipated Revenues/Benefits: By having an inventory of parcels to select from that has been through the TLO’s administrative process, the TLO can consolidate costs such as appraisals and parcel inspections over multiple land sale years, have more flexibility to respond timely to public interest, market trends, and more effectively sell the parcels, thereby increasing overall land sales revenue generated through the TLO land sale programs. The TLO’s goal is to generate up to \$6 million during the five-year sale period. Land sales have performed very well over the last two years, and it is possible for this trend to continue with the TLO’s ability to provide inventory in areas where demand is high.

4. Consultation/Approval – Trust Carbon Offset Program

CONSULTATION MOTION: *“The Alaska Mental Health Trust Authority board of trustees concur with the management of up to 63,000 acres of forested lands in Southeast Alaska for the development of a Carbon Offset Program with the development of carbon credits from those lands at terms acceptable to the Executive Director.”*

APPROVAL MOTION: *“The Alaska Mental Health Trust Authority board of trustees approve the proposed action to fund the Carbon Offset Program from the Trust Land Office Development Account (TLODA) with \$IMM from the Trust Reserve Account. These funds do not lapse.”*

Anticipated Revenues/Benefits: This proposal provides the executive director with an opportunity to complete management of Trust land for the generation of carbon credits resulting in an estimated \$32MM in revenue. In addition, this activity will maintain the Trust's road system to be used in future developments.

5. Other Business:

Below are two additional motion(s) offered by trustee Halterman and approved by the Committee.

Motion 1: I, therefore, move that the board ask our counsel for a legal opinion regarding the proper treatment of the TLO from an organizational standpoint and to identify how the trust settlement agreement and state law has designed the structure.

Motion 2: I move that the board of trustees change that reporting requirement so that the Trust Land Office executive director report directly to the Alaska Mental Health Trust Authority board of trustees. This change will result in a change with the Trust's hierarchy whereby the CEO and Trust Land Office executive director will be placed as direct reports to the board of trustees. This change will become effective immediately, and the board of trustees will continue to review this issue as part of our work on our governance documents.

**There may be technical edits to the above motions included in the official minutes of the meeting to be approved at the committee's next regularly scheduled meeting.*



To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 24, 2024
Re: Investment Portfolio Asset Reclassification
2600 Cordova Street, Anchorage, AK
Fiscal Year: 2024

Approval

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the proposed action removing 2600 Cordova Street, Anchorage, Alaska from the Investment Portfolio and reclassifying the asset into the Program Related Real Estate Portfolio.”

Background:

Introduction: In 2011, the Trust acquired 2600 Cordova Street for the purpose of serving as the main office for staff of the TLO with additional tenants subsidizing the occupancy costs of the TLO. Occupying 24% of the building (6,829 rentable square feet out of 28,217 rentable square feet), the TLO does not pay rent or cover operating expenses. The building typically provides positive net cashflow.

Though described as an investment property, the Cordova building is a non-financially oriented asset similar to the Trust Authority Building (also partially owner-occupied and produces some income from other tenants), which resides in the Program Related Real Estate Portfolio.

Reclassifying the Cordova property into the Program Related Real Estate Portfolio clarifies that the asset is intended for long-term ownership, in contrast to the other Investment Portfolio assets which were purchased for limited holding periods with, ultimately, the intent to liquidate.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9200503 - 2600 Cordova Street, Anchorage, AK

Trust Land Office Recommendation: The TLO recommends removing the Cordova Street building from the Trust’s Investment Portfolio and reclassifying the asset into the Program Related Real Estate Portfolio.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Cordova was purchased in 2011 for utilization as the main office for staff of the TLO. As a partially owner-occupied asset, it is not a financially oriented property; the income derived from other tenants primarily serves to subsidize the TLO office’s occupancy cost.

In addition to being partially owner-occupied, three other features of Cordova are noteworthy. First, the asset is directly owned by the Trust rather than an LLC. Second, unlike all of the other Investment Portfolio assets, Cordova is owned free and clear with no mortgage (incidentally, this is similar to the Program Related Real Estate assets, none of which have debt). Lastly, Cordova was acquired by the Trust prior to creation of the Real Estate Management Plan (REMP) and would not have met REMP’s return requirements. Ownership is intended over the long term rather than a set holding period after which the asset will be disposed.

A further rationale for reclassification into the Program Related Real Estate Portfolio is that, as a partially owner-occupied property, the income is held down in a way that makes performance benchmarking an incompatible exercise (in this case an asset with ¼ of the building non-income producing versus other assets that are 100% income producing).

In light of the preceding, it is more appropriate that Cordova be a part of the Program Related Real Estate Portfolio and not within the Investment Portfolio.

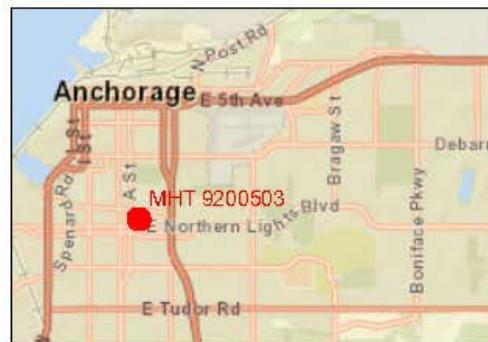
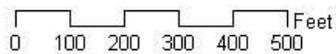
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



Cordova Street

Located in Anchorage, Alaska

 MHT 9200503





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
2618 Commercial Drive, Anchorage, AK
Fiscal Year: 2025 - 2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 2618 Commercial Drive, Anchorage, Alaska at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2012, the TLO expanded the Trust’s investment portfolio with the acquisition of 2618 Commercial Drive, Anchorage, Alaska. Leased in its entirety to Cummins Inc., the asset comprises a 15,120-square foot facility on a 1.78-acre site. Having now held the asset in excess of ten years, and with all its investment objectives met, the TLO has determined that the rationale originally justifying the acquisition has been accomplished and it is therefore an appropriate time to exit the investment and sell the asset.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500002 - 2618 Commercial Drive, Anchorage, AK

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The Commercial Drive property has now been held twelve years and has provided solid returns and appreciated materially.

The Board of Trustees approved the following motion on February 1st, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee's February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in a position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

The property is leased in its entirety to Cummins Inc., a Fortune 500 company (#146 in 2023). Cummins Inc. is listed on the NYSE (CMI) and a component of the S&P 500. The lease has a rent escalation set to occur July 1, 2024, providing an opportune time to dispose of the asset and lock in the gains achieved to date.

Consistency with the Resource Management Strategy: The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition,

11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.

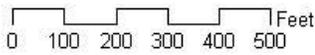
Committee Took Action April 24-25, 2024

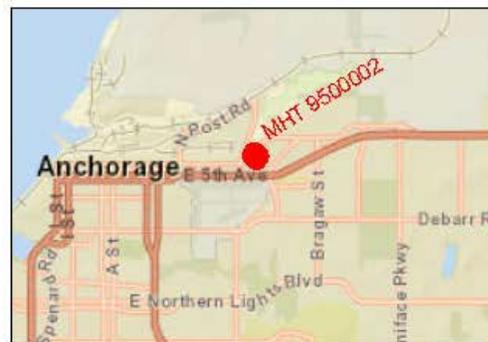


Commercial Drive

Located in Anchorage, Alaska

 MHT 9500002

 Feet
0 100 200 300 400 500





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
1111 Israel Road S.E., Tumwater, WA
Fiscal Year: 2025 – 2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 1111 Israel Road S.E., Tumwater, Washington at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2014, the TLO expanded the Trust’s investment portfolio with the acquisition of 1111 Israel Road S.E., Tumwater, Washington. The asset is a three-story office building occupied by two tenants, the state of Washington Parks and Recreation Commission and the state of Washington Environmental & Land Use Hearings Office. The Parks and Recreation Commission is the primary tenant, occupying 45,700 rentable square feet out of the building’s 53,484 rentable square feet. The property has a land area totaling approximately 2.3 acres.

The TLO is in the process of negotiating a lease extension with the Parks and Recreation Commission. However, the TLO has received interest from multiple parties potentially interested in purchasing the property. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

While the purchase interest is only prospective at this time, the process involved in securing board concurrence – including RMC concurrence, Full Board concurrence, Best Interest Decision and the Public Notice period – is too lengthy to leave until after the interest is validated and mutually acceptable terms are secured. We are therefore requesting approval of this motion in order to put ourselves in a position to accept satisfactory terms, should they materialize, without the transaction closing being jeopardized by undue administrative delay or excessive timeframes.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500004 - 1111 Israel Road S.E., Tumwater, Washington

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The Israel Road property has now been held ten years. As the Trust's acquisition of the asset in 2014 was financed through a 15-year, fully amortizing loan, Trust returns have predominantly been in the form of equity buildup, which has been significant in the case of this asset.

The Board of Trustees approved the following motion on February 1st, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee's February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

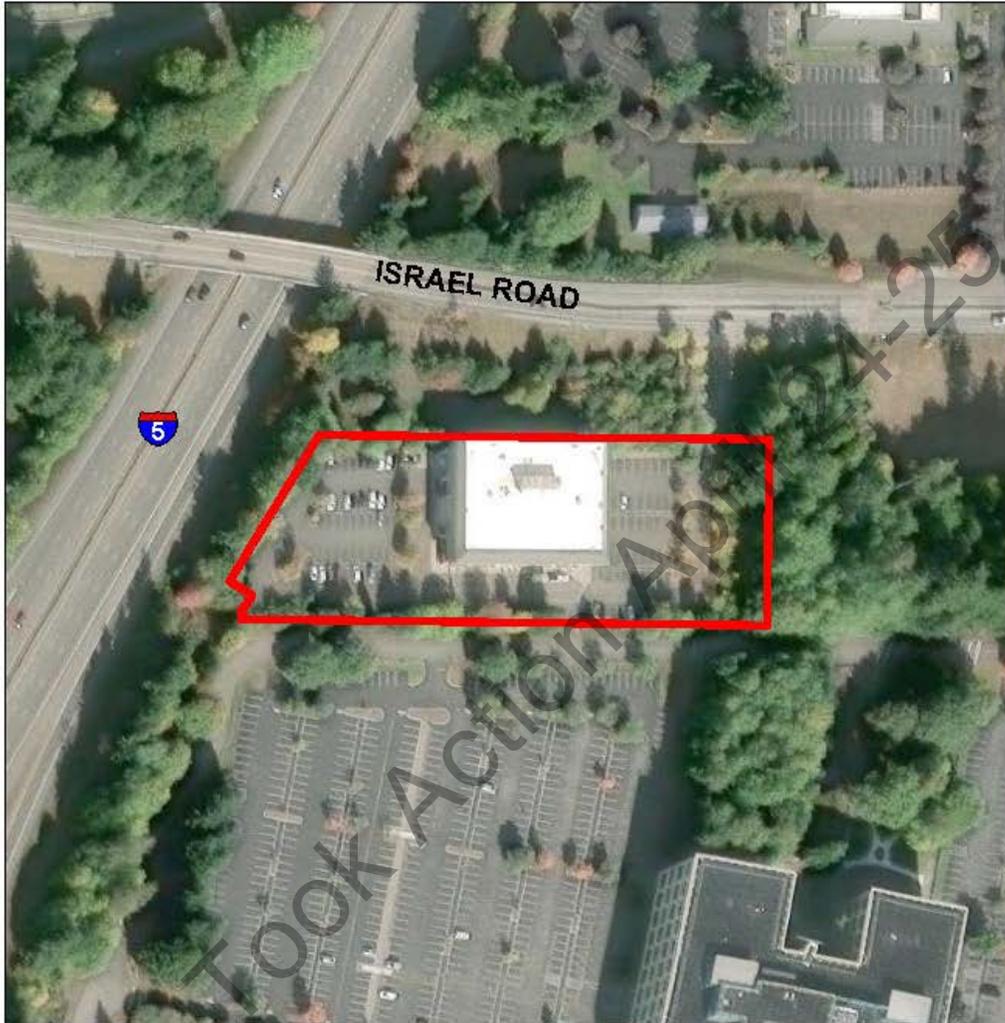
First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.

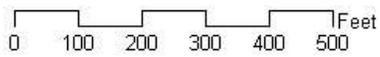
Committee Took Action April 24-25, 2024



Israel Road

Located in Olympia, Washington

 MHT 9500004





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
2420 & 2500 Ridgpoint Drive, Austin, TX
Fiscal Year: 2025-2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 2420 & 2500 Ridgpoint Drive, Austin, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2014, the TLO expanded the Trust’s investment portfolio with the acquisition of 2420 & 2500 Ridgpoint Drive, Austin, Texas. The asset comprises two single-story office buildings containing a combined total of 97,102 rentable square feet. The property has a land area totaling approximately 11.36 acres.

The property in its entirety is leased to the Texas Department of Transportation. Expiring June 30, 2025, the lease has two renewal and three purchase options (corresponding with the end of the initial lease term and the two renewal options). Up to this point, the uncertainty surrounding whether the renewals or purchase options would be exercised has detrimentally affected the marketability of the property. However, we have recently been told that the Texas Department of Transportation will not be exercising the renewal option, nor the purchase option (they will instead relocate to a larger campus owned by the Texas Department of Transportation). Although we are losing a strong tenant, the impediment precluding disposition of the asset is going away.

As the Texas Department of Transportation will be vacating the property in mid-2025, it is imperative that we start marketing the property proactively to minimize the consequences and use to our benefit the remaining time we will be receiving rent and expense reimbursements. It is our intention at this point to market the property for lease with the goal of securing a replacement tenant (or tenants). At the same time, it is also our intention to market the property for sale with the goal of finding either an

owner-user or investor who finds the property attractive. It should be noted that, should we end up leasing the property, our objective would be to position the asset for sale once stabilized occupancy is achieved.

In regard to the asset sale scenario, should we find a prospective buyer with serious interest, the process involved in securing board concurrence – including RMC concurrence, Full Board concurrence, Best Interest Decision and the Public Notice period – is too lengthy to leave until after the interest is validated and mutually acceptable terms are secured. We are therefore requesting approval of this motion in order to put ourselves in a position to accept a purchase offer with satisfactory terms, should one materialize, without the transaction closing being jeopardized by undue administrative delay or excessive timeframes.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500005 - 2420 & 2500 Ridgpoint Drive, Austin, Texas

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The Ridgpoint Drive property has now been held ten years and has provided solid returns and significant equity buildup.

The Board of Trustees approved the following motion on February 1st, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee's February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

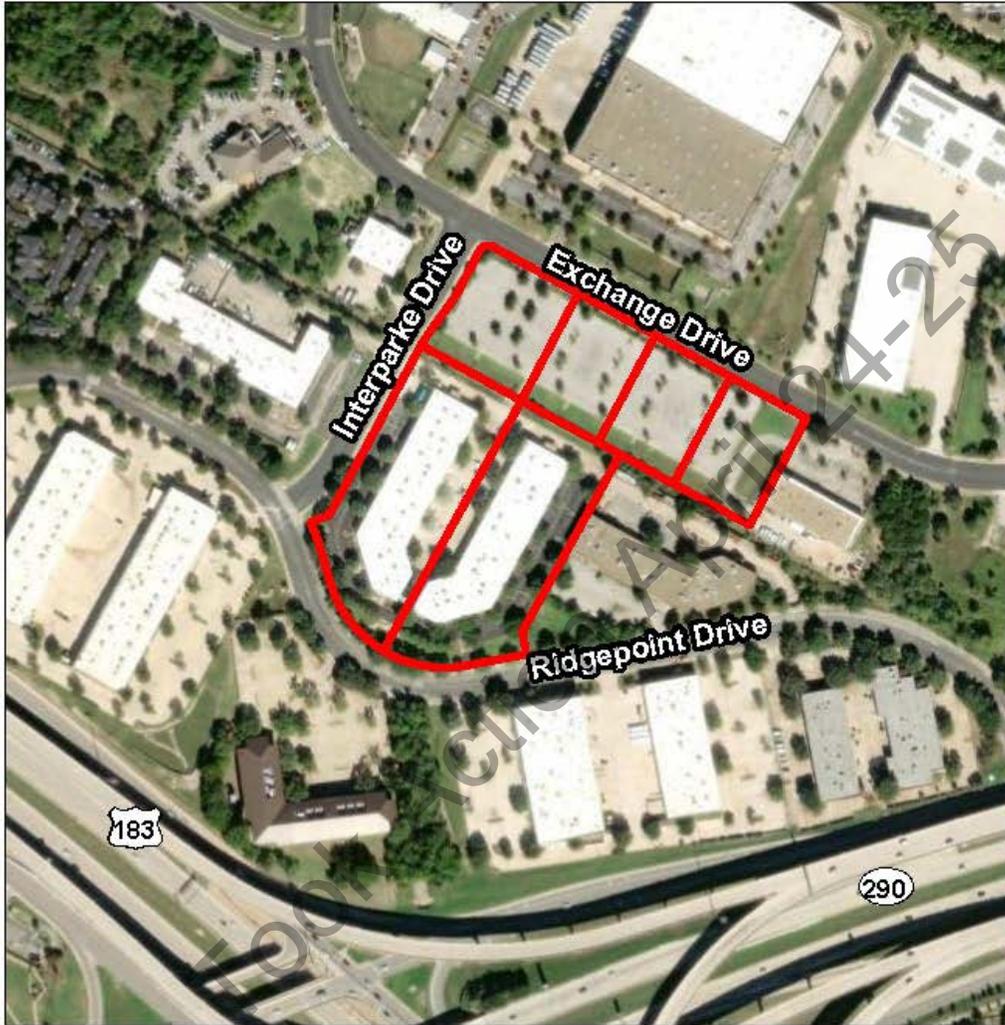
The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

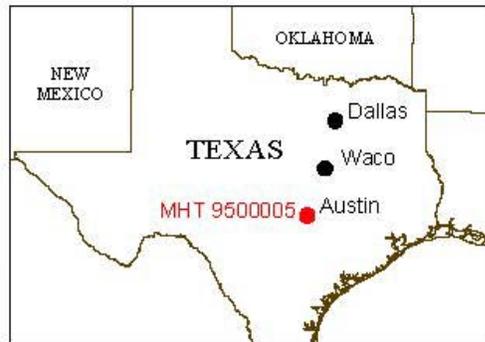
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



Promontory Point

Located in Austin, Texas

 MHT 9500005





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
17319 San Pedro Avenue, San Antonio, TX
Fiscal Year: 2025-2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 17319 San Pedro Avenue, San Antonio, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2015, the TLO expanded the Trust’s investment portfolio with the acquisition of 17319 San Pedro Avenue, San Antonio, Texas. The asset comprises three single-story office buildings containing a combined total of 86,402 rentable square feet. The property has a land area totaling approximately 7.39 acres.

Eighty-three percent of the property is leased to five tenants, leaving seventeen percent of the property unleased. The two smaller tenants have lease expirations four-plus years out while two of the primary tenants have lease expirations six-plus years out; these tenancies provide the project strong cash flow stability, a key attribute factor in a property’s marketability in today’s financial marketplace climate. However, in order to be perceived as an attractive investment worthy of premium pricing, at least one of the two vacancies (7,742 and 7,262 rentable square feet), would need to be leased. Even more so, the 18,147 rentable square feet occupied by the third primary tenant must be re-leased; with a current expiration of July 31, 2025, the space is presently available for sublease. We are presently working with the tenant and its broker to find a replacement tenant that would sign a new, long-term deal directly (rather than a sublease). Once we have successfully accomplished these leasing requirements and stabilized occupancy has been achieved, the asset will be positioned for disposition.

While the leasing efforts described above may take time to accomplish, it is not out of the question that tenants may be secured sooner. Should this happen, or should an aggressive buyer materialize prior to

reaching stabilized occupancy, our concern would be shifted to the ability to close on a sale within a normal transaction timeline. The process involves securing board concurrence – including RMC concurrence -- Full Board concurrence, a Best Interest Decision, and the Public Notice period for the Best Interest Decision. That process is too long and lacks the flexibility necessary for the TLO to negotiate the various market dynamics at issue here; dynamics where a longer process could significantly affect the fiscal return. We are requesting approval of this motion in order to put ourselves in a position to accept a purchase offer with satisfactory terms that does not jeopardize the transaction closing due to undue administrative delay or excessive timeframes.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500006 - 17319 San Pedro Avenue, San Antonio, Texas

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The San Pedro Avenue property has now been held nine years and has provided solid returns, appreciation, and equity buildup.

The Board of Trustees approved the following motion on February 1, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

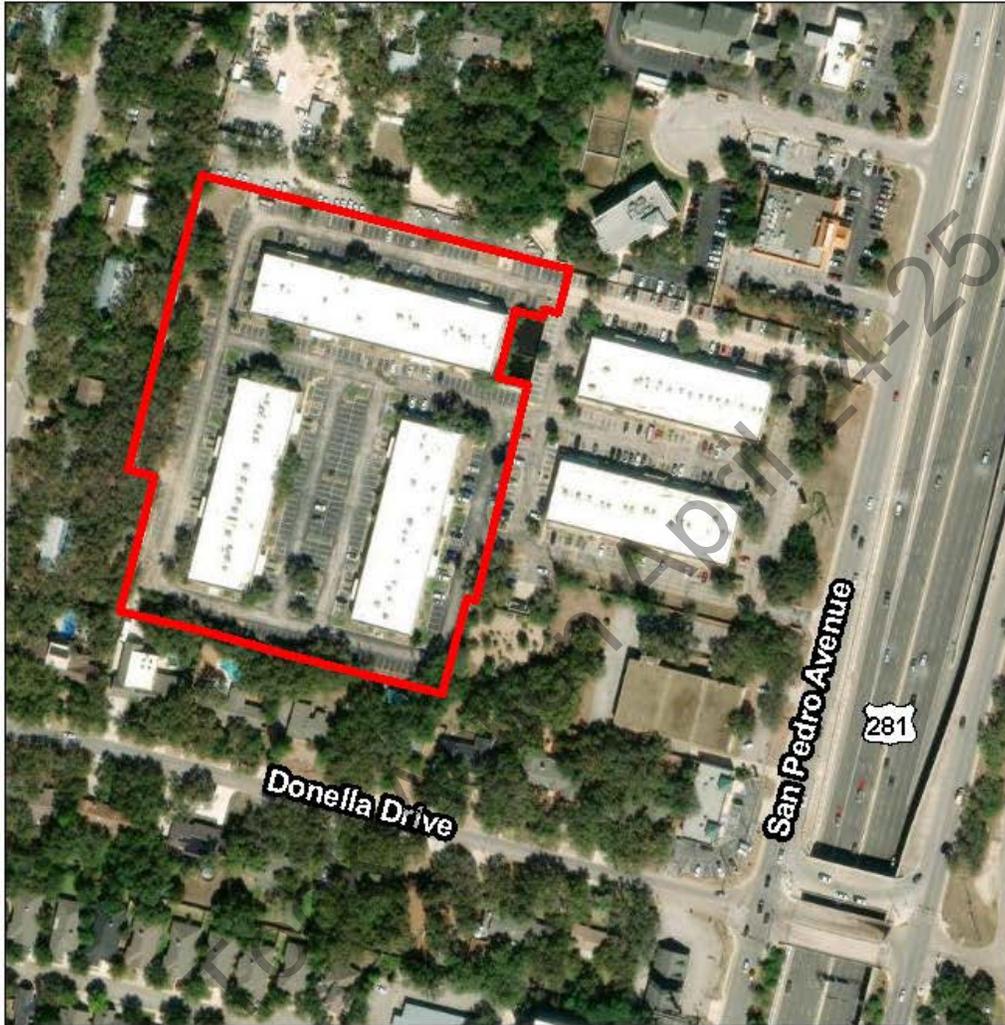
First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence

would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

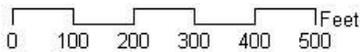
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



North Park

Located in San Antonio, Texas

 MHT 9500006





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Investment Portfolio Asset Disposition
Item A: 9601 Amberglen Boulevard, Austin, TX
Fiscal Year: 2025-2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 9601 Amberglen Boulevard, Austin, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2016, the TLO expanded the Trust’s investment portfolio with the acquisition of 9601 Amberglen Boulevard, Austin, Texas. The asset comprises a two-story office building containing a total of 102,939 rentable square feet. The property has a land area totaling approximately 8.81 acres.

The property is presently 96% leased to twelve tenants. The lease expirations are adequately spaced with only two smaller tenants expiring in 2024 and another two smaller tenants expiring in 2025; the balance of expirations run through the rest of the decade. The operations are running smoothly at present, and the asset is providing significant positive cash flows.

The asset is currently in a marketable condition with one significant exception: the existing debt includes a loan lockout wherein the debt cannot be prepaid until September 2026. Our objective is thus to maintain the operations and cash flows at a high level until the lockout expires after which we will look toward asset disposition.

Further, considering the lengthy timeframes involved in the process of securing board concurrence – including RMC concurrence, Full Board concurrence, Best Interest Decision and the Public Notice period – we feel it is highly appropriate to complete the administrative process allowing for uninhibited negotiations when appropriate and in the Trust’s best interest.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500007 - 9601 Amberglen Boulevard, Austin, Texas

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. At the point where the loan lockout expires, the Amberglen Boulevard property will have been held ten years; it has provided solid returns, appreciation and equity buildup.

The Board of Trustees approved the following motion on February 1, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in a position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.

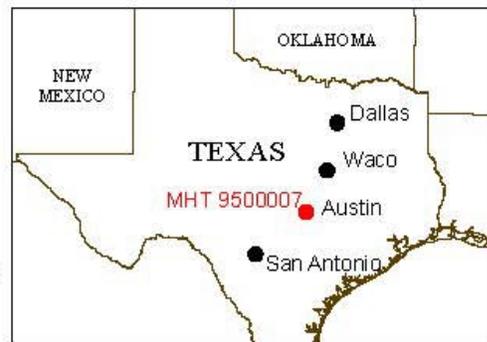
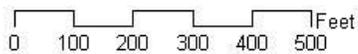
Committee Took Action April 24-25, 2024



Amber Oaks

Located in Austin, Texas

 MHT 9500007





To: John Sturgeon, Chair
Resource Management Committee
From: Jeff Hermanns, Timber Program Manager
Jeff Green, Deputy Director
Through: Jusdi Warner, Executive Director
Date: 4/24/2024
Re: Item G: Trust Carbon Offset Program
Fiscal Year: 2025 - 2065

Consultation/Approval

Proposed RMC Motion:

Motion 1: *“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the management of up to 63,000 acres of forested lands in Southeast Alaska for the development of a Carbon Offset Program with the development of carbon credits from those lands at terms acceptable to the Executive Director.”*

Motion 2: *“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees approve the proposed action to fund the Carbon Offset Program from the Trust Land Office Development Account (TLODA) with \$1MM. These funds do not lapse.”*

Background:

Revenue Projections: Income Estimated \$32,000,000

Transaction/Resource: The proposed action is to initiate a Carbon Offset Program on Trust land, primarily second growth (previously harvested) and old growth stands infeasible to harvest forest in Southeast Alaska, through development, generation, and registration of carbon credits (equivalent to one metric ton of carbon emissions). The Trust Land office (TLO) will provide carbon credits from up to an estimated 63,000 acres of forest lands in Southeast for carbon offset project(s) on Trust land. To fund the initial development of the Trust Carbon Offset Program, the TLO requests \$1MM from the Trust Land Office Development Account for contracted work to bring the program to the point of carbon credit registration on a nationally known carbon registry, such as the American Carbon Registry, Gold Standard, Climate Action Reserve, or Verra. Once verified by a carbon registry, the Trust’s carbon credits will be managed by the Trust Authority in consultation with the TLO when land management activities may change priority and need to be removed as they are a liquid asset and openly traded on carbon markets worldwide.

Property Description/Acreage/MH Parcel(s): See Exhibit 1.

General Background: The TLO has engaged in the sale of timber as a major contributor to its traditional revenue portfolio actively managing a timber sale program on Trust lands for the generation of revenue since the mid 1990's. This program was primarily the sale of old growth timber stands on Trust lands, almost entirely in southeast Alaska, on an estimated 63,000 acres of forest lands. This program is now in the last few years of operation. The Naukati Exchange Sale to Viking Lumber is scheduled to end this fall and the Shelter Cove Sale to Alcan will likely be completed in 2027. The only potential sale remaining is the Hollis Timber Sale, for up to 20 MMBF, in the next few years if the Trust decides to execute this timber sale. This timber sale program has been very successful with a return to the trust of nearly \$60 million dollars. There will be no more large old growth timber sales as the Trust has effectively liquidated its old growth forest assets. The Carbon Offset Program **will not** utilize commercially viable timber that has greater revenue generation potential to the Trust through a timber sale on Trust lands located Southeast Alaska.

Most of the Trust's second growth timber stands will not be ready for harvest for another 10 to 60 years. Second growth timber has very different characteristics from old growth timber. Second growth is typically a commodity product, compared to old growth timber specialty niche products, and is predominantly used for dimensional lumber and house log markets. World commodity markets for commodity timber products are very competitive and are produced very inexpensively around the world, such as Doug Fir in the Northwest, Radiata pine of New Zealand, and Loblolly Pine in the Southern US. These trees are intensively managed, scheduled for commercial harvest in less than 30 years, and their harvest and transportation to market costs are far less than in Southeast Alaska, making second growth timber harvest in Alaska very challenging to conduct in a manner that is competitive on the global market.

Thirty plus years of harvesting old growth timber and timber stands that were harvested under previous ownerships of the State and Forest Service, prior to the Trust taking ownership, has resulted in incredible stands of second growth forest. The temperate rain forest of coastal Alaska reproduces naturally after harvest with no tree planting required, so thick that nearly every stand requires Pre-commercial Thinning (PCT) of the trees to a spacing that allows for maximum growth and maximum carbon sequestration. The range in age of second growth timber stands is from 1 to nearly 80 years old. Many of the timber stands the Trust received in the land exchange from the Forest Service have already been pre-commercially thinned, resulting in tremendous annual growth of these timber stands and sequestering carbon at a rapid rate. Intensive management of the second growth stands will yield maximum growth and marketable timber in a much shorter rotation than unmanaged stands.

The Resource Management Committee heard about the possibility of a carbon offset program at the RMC in the fall of 2023 and at this point the TLO has completed initial inventory work on the Trust's forest lands in Southeast Alaska, resulting in a basic understanding and simple estimate of the metric tons of carbon on Trust lands. The Trust has a significant capacity to sell carbon credits and complete offset projects after the credits have been fully developed and registered.

Upon full development of the Trust's carbon into registered credits, the credits will be managed on the voluntary carbon market by the Trust Authority or its contracted liquid asset manager. There is no centralized voluntary carbon market, however, all voluntary carbon credits must be verified by an independent third party and must adhere to existing standards of the carbon registry where the credits

are registered. Once registered carbon credits are traded and purchased by two parties – speculative investors and end buyers. End buyers can be individuals, corporations, and governments. Heavy industrial emitters are the major buyers of carbon offsets as part of their compliance requirements; however, many large firms are also buying because of their climate commitments. Credits can be purchased directly or through brokers, traders, and exchanges. Buyers can then use those offsets to address their current emission reduction measures. Following purchase, once they're used and reported as emission reduction, they should be retired. Retirement of credits also means their end. They should not be around anymore and are not for resale. They must serve their emission reduction purpose only once to avoid double counting. That also means removing them from the marketplace and labeling them as retired in any records or registry.

There is significant monetary benefit to the Trust through the revenue generation through the sale of carbon credits, but there are many advantages to this program for the overall management of the Trust Forest resources which would need to be completed to maximize the future timber potential from the land. These include the utilization, maintenance, and development of roads on the Trust's land. Road infrastructure development has been an important asset acquired through the development of the timber sale program. Roads and access to land and property are vital to the development and realizing a return for resources. Without this they are simply just a fraction of the potential value. The TLO timber program has resulted in over 200 miles of road being constructed. At today's price this is over \$50MM of infrastructure. A great example of road infrastructure importance is at Icy Bay where the TLO has undertaken an extensive exploration project for gold and precious metals using the infrastructure from past timber harvest activities. Other developments include subdivisions and tourism. The value of roads in place for PCT are worth hundreds of thousands of dollars. Carbon programs require field verification at different intervals, mostly every 5 years. Crews must field verify these stands and the rate of growth of the timber stands. This requires crews to travel to the stand and work in the stand. If a road network is not in place this requires helicopters to access these stands at a high cost. The existence of a carbon offset program and need for maintained roads will pay for the maintenance and upkeep of the Trust's roads for use after the carbon offset agreements have ended.

There is high demand for quality carbon offset projects as more companies and individuals feel the need to reduce their carbon footprint and as companies strive to achieve carbon neutrality the voluntary carbon market is a necessary instrument and has the potential to be a profitable tool for the Trust and its beneficiaries.

Anticipated Revenues/Benefits: This proposal provides the Executive Director with an opportunity to complete management of Trust land for the generation of carbon credits resulting in an estimated \$32MM in revenue. In addition, this activity will maintain the Trust's road system to be used in future developments.

Anticipated Risks/Concerns: There may be some anticipated public concern associated with this carbon offset program from the timber industry.

Project Costs: Up to \$1,000,000 for development, generation, and registration of carbon credits on a verified carbon registry.

Other Considerations: None.

Due Diligence: The TLO staff have researched the voluntary Carbon market, spent significant time investigating and evaluating different approaches and methods for realizing carbon market revenue. The carbon market is rapidly evolving, and many carbon development companies have approached the TLO with different proposals, often with sizable commissions required. The TLO recommends a high integrity approach to the carbon offset program with verified, registered credits.

Alternatives:

- 1. Alternate Development:** Not enter Trust Forest lands in the voluntary carbon market and wait to harvest age and sale timber at such time. This alternative will fail to capitalize on the significant revenues available from the voluntary carbon market and cost the Trust operational expenditures of maintaining the Trust's lands during the interim.

Consistency with the Resource Management Strategy: The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to focus first on land or resources at the high end of the market values ("best markets"). Given the current market values of carbon the TLO believes time is of the essence to derive value from the voluntary carbon market.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust's best interest to proceed with the development of the Trust's carbon credits and registration on a verified carbon registry, followed by the marketing and sale of those credits by the TLO on the voluntary carbon market.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, and 11 AAC 99.

Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit(s):

Exhibit 1 – Parcel List

Exhibit 2 – Map

Exhibit 1 – Parcel List

Parcel Number	Estate	Acres (Approx)
C20439	Land & Mineral	225.14
C20446	Land & Mineral	310.44
C20447	Land & Mineral	191.56
C20454.001	Land & Mineral	123.60
C20456.002	Land & Mineral	351.35
C20550.001	Land & Mineral	2,026.52
C20550.002	Land & Mineral	447.60
C20920	Land & Mineral	560.53
C30005.001	Land & Mineral	184.49
C30005.002	Land & Mineral	338.55
C30006	Land & Mineral	282.63
C30021.003	Land & Mineral	76.42
C32018	Land & Mineral	265.45
C32026	Land & Mineral	10.05
C32029	Land & Mineral	479.86
C32030	Land & Mineral	101.95
C32033	Land & Mineral	415.44
C70871	Land & Mineral	4,582.46
C70932	Land & Mineral	4,850.01
CRM-0001	Land & Mineral	350.08
CRM-0002	Land & Mineral	1,150.27
CRM-0003	Land & Mineral	64.44
CRM-0004	Land & Mineral	4,887.46
CRM-0005	Land & Mineral	694.24
CRM-0006	Land & Mineral	7,105.79
CRM-0007-A	Land & Mineral	8,960.06
CRM-0042	Land & Mineral	16.44
CRM-0043	Land & Mineral	17.62
CRM-0048	Land & Mineral	39.98
CRM-0054	Land & Mineral	19.68
CRM-0055	Land & Mineral	38.74
CRM-0071	Land & Mineral	41.05
CRM-0073	Land & Mineral	51.66
CRM-0074	Land & Mineral	5.00
CRM-0075	Land & Mineral	5.00
CRM-0076	Land & Mineral	5.00
CRM-0077	Land & Mineral	5.00
CRM-0085	Land & Mineral	0.54

Committee Report on April 24-25, 2024

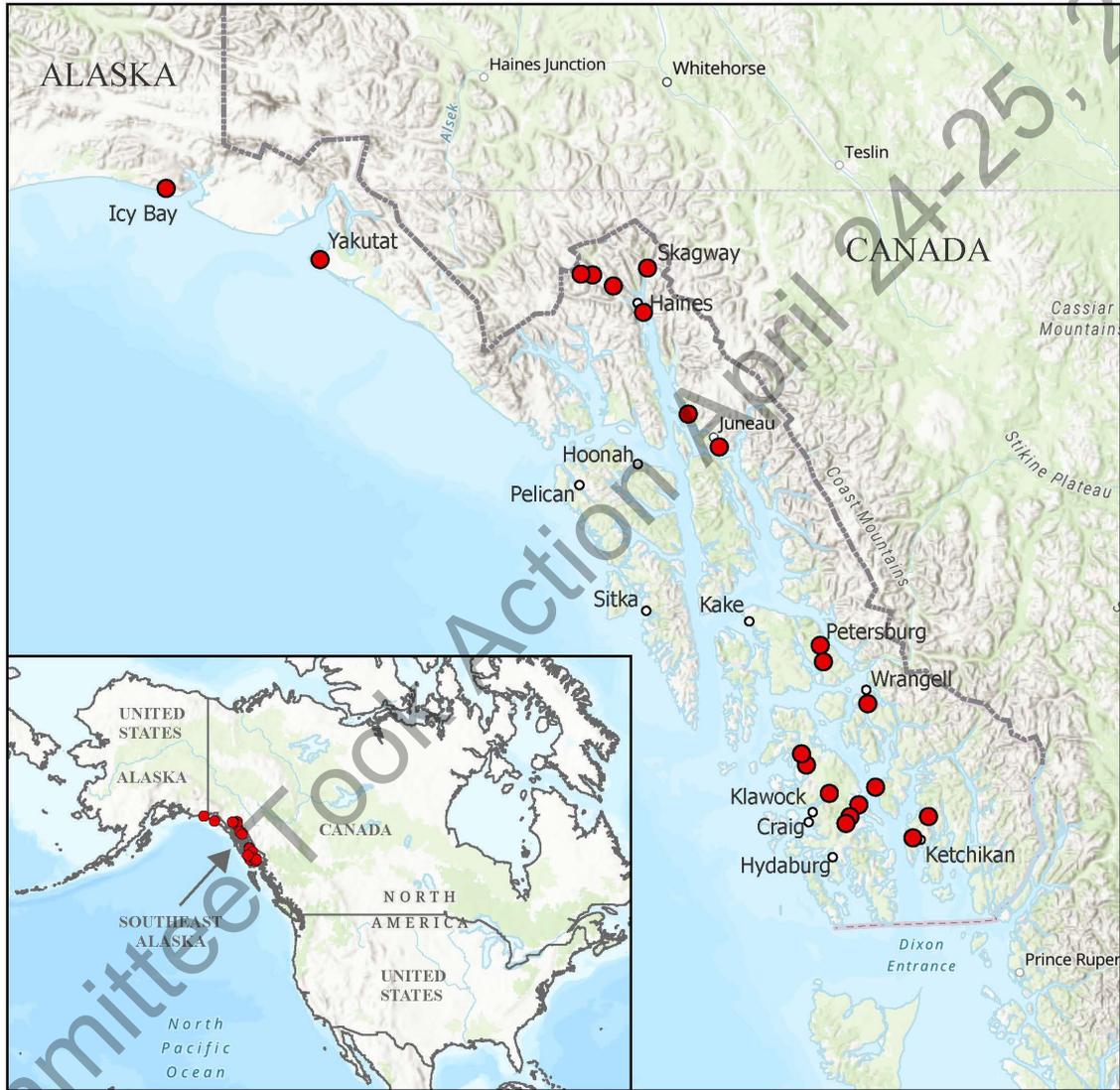
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CRM-0166	Land & Mineral	39.99
CRM-0168	Land & Mineral	40.01
CRM-0169	Land & Mineral	40.01
CRM-0170	Land & Mineral	40.01
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CRM-0172	Land & Mineral	39.98
CRM-0174	Land & Mineral	109.98
CRM-0199-02	Land & Mineral	20.02
CRM-0206-02	Land & Mineral	25.12
CRM-0207	Land & Mineral	45.80
CRM-0386	Land & Mineral	39.19
CRM-0387	Land & Mineral	26.88
CRM-0392	Land & Mineral	2.14
CRM-0393-02	Land & Mineral	40.00
CRM-0412	Land & Mineral	31.48
CRM-0417	Land & Mineral	7.61
CRM-0419	Land & Mineral	38.85
CRM-0420	Land & Mineral	39.68
CRM-0422	Land & Mineral	14.83
CRM-0431	Land & Mineral	19.21
CRM-0445	Land & Mineral	1.40
CRM-0698	Land & Mineral	80.03
CRM-0699	Land & Mineral	39.66
CRM-0703	Land & Mineral	26.94
CRM-0704	Land & Mineral	11.37
CRM-0705	Land & Mineral	9.10
CRM-0706	Land & Mineral	2.44
CRM-0718	Land & Mineral	160.06
CRM-0723-01	Land & Mineral	14.55
CRM-0743	Land & Mineral	35.37
CRM-0746	Land & Mineral	39.53
CRM-0747	Land & Mineral	41.90
CRM-0748	Land & Mineral	38.36
CRM-0749	Land & Mineral	50.79
CRM-0750	Land & Mineral	27.82
CRM-0753	Land & Mineral	46.31
CRM-0799	Land & Mineral	40.43
CRM-0800	Land & Mineral	43.85
CRM-0801	Land & Mineral	37.58
CRM-0911	Land & Mineral	39.99

Commitment Book Review April 24-25, 2024

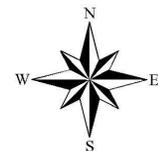
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CRM-0914	Land & Mineral	80.01
CRM-0915	Land & Mineral	33.31
CRM-0916	Land & Mineral	80.01
CRM-1510	Land & Mineral	139.32
CRM-1511	Land & Mineral	82.37
CRM-1514	Land & Mineral	1.80
CRM-1515	Land & Mineral	4.95
CRM-1516	Land & Mineral	4.97
CRM-1517	Land & Mineral	5.00
CRM-1518	Land & Mineral	4.77
CRM-1519	Land & Mineral	4.97
CRM-1520	Land & Mineral	78.09
CRM-1913	Land & Mineral	160.18
CRM-1922	Land & Mineral	34.27
CRM-1924	Land & Mineral	46.28
CRM-1925	Land & Mineral	9.59
CRM-1928	Land & Mineral	15.14
CRM-2400-10	Land & Mineral	11.35
CRM-2400-11	Land & Mineral	51.84
CRM-2402	Land & Mineral	268.09
CRM-2405-05	Land & Mineral	133.71
CRM-2454	Land & Mineral	323.23
CRM-2454	Land & Mineral	72.70
CRM-2528	Land & Mineral	160.66
CRM-2556	Land & Mineral	65.06
CRM-3129-01	Land & Mineral	247.69
CRM-3129-03	Land & Mineral	616.31
CRM-3129-08	Land & Mineral	304.14
CRM-5019	Land & Mineral	0.19
CRM-7007	Land & Mineral	22.64
CRM-7008	Land & Mineral	33.89
CRM-7060	Land & Mineral	2,422.71
CRM-7061	Land & Mineral	1,428.62
CRM-7062	Land & Mineral	1,513.10
CRM-7063	Land & Mineral	6,783.92
CRM-7059	Land & Mineral	6,335.40
	Total Approximate Acres:	62,439.01

Commitment Book Section Approved April 24-25, 2024

Exhibit 2 – Map



● Trust Owned Forest Locations



Committee Action April 24-25, 2024



To: John Sturgeon, Chair
From: Brittany Williams, Leasing and Land Sales Manager
Through: Jusdi Warner, Executive Director
Date: 4/25/2024
Re: Item E: FY2025 – 2030 Parcel Inventory for Statewide Land Sale Programs
Fiscal Year: 2025 – 2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 19 subdivision lots and small to large tract parcels to be subdivided that may be disposed of through the TLO’s Statewide Land Sale Programs.”

Background:

Revenue Projections: Principal Income (up to) \$6 Million (up to) \$3 Million

Transaction/Resource: The proposed action is to select and offer, through the TLO’s Statewide Land Sale Programs, Trust parcels annually from a pool of 19 parcels between, fiscal years 2025 and 2030. If a parcel is not sold within this timeframe, it may be reoffered in future TLO Statewide Land Sale Programs. These parcels were identified based on already being suitable for disposal or a candidate for subdivision in an area where market conditions will allow for profitable sales after a subdivision has been completed.

Parcels identified for inclusion in the Statewide Land Sale Programs will be offered in the following order of Land Sale Programs:

1. Annual Competitive Land Sale Program (Sealed Bid Auction Format).
2. Year-round Over-the-Counter Land Sale Program.
3. Negotiated Sale at, or above, the appraised value.

The Executive Director, in consultation with the Trust Authority, may elect to sell a parcel from this pool through a negotiated sale, so long as a written decision is completed providing the opportunity for interested parties to submit qualified competing offers and describing that a non-competitive disposal is in the best interest of the Trust and its beneficiaries.

Purchasers may elect to pay for the parcel in full or finance through a TLO land sale contract.

Property Description/Acreage/MH Parcel(s): Trust parcels in the pool are mostly from subdivisions currently being developed by the TLO, pre-existing subdivisions designed and platted by the Department of Natural Resources (DNR) (primarily in the 1970's and 1980's), or individual parcels 30 acres or smaller in size that are already suitable for disposal. These parcels have characteristics that are typical of residential and recreational properties that do not lend themselves to other types of resource development.

The parcels to be offered are listed on Exhibit 1 of this consultation document. Descriptions include Trust parcel number, general locations, meridian, township, range, section, survey number, lot, block, and acreage.

It is important to note that certain parcels may be deleted from the list because of the public notice process, title reviews, parcel inspections, or the identification of a higher and better use that would generate larger returns.

General Background: The TLO has been selling parcels through the Statewide Land Sale Programs since 1998 on behalf of the Trust. In previous years, the TLO would select a limited number of already subdivided parcels on an annual basis to offer during the next fiscal year. The TLO concluded that an inventory of parcels from which the TLO could select from over the next five years and beyond would better maximize revenues from the Statewide Land Sale Programs. Throughout the last three years, partly due to formerly low interest rates, the TLO has seen an increase in land sales and has amplified its subdivision development efforts to capitalize on the absorption rate in the market. This consultation specifically includes larger parcels/tracts of land which first require subdivision, several of which are currently underway through the TLO Subdivision Development Program, in order to maximize revenue from the sales. After the subdivisions are completed, the number of total lots that are sold will be much greater than the 19 parcels, which make up the parent parcels of the subdivisions. This consultation action is required to be completed before the parcels can be disposed of in the TLO land sale programs.

Anticipated Revenues/Benefits: By having an inventory of parcels to select from that has been through the TLO's administrative process, the TLO can consolidate costs such as appraisals and parcel inspections over multiple land sale years, have more flexibility to respond timely to public interest, market trends, and more effectively sell the parcels, thereby increasing overall land sales revenue generated through the TLO land sale programs.

The TLO's goal is to generate up to \$6 million during the five-year sale period. Land sales have performed very well over the last two years, and it is possible for this trend to continue with the TLO's ability to provide inventory in areas where demand is high. However, with the rise of interest rates the option to finance a parcel becomes less attractive and sales may slow as a result. Exact revenues received will be dependent on the number of land sale contracts issued, payoffs, and interest rates. These anticipated revenues will be realized over a twenty-year period for each land

sale year. Remaining parcels not sold within this five-year period may continue to generate revenue in future years as they are sold.

Anticipated Risks/Concerns: There are no significant risks or concerns associated with the project. This assessment is based on the TLO's experience from previous sales. Minor risks include defaults on parcel sales from buyers. These risks will be mitigated through a land sale contract, which includes contemporary language to limit risk to the Trust, ensure performance by the buyer, and allow for termination in the event of default.

Project Costs: Project costs for the TLO land sale programs over the five-year period are estimated at approximately \$100,000/year (from TLO operating budget) with the primary costs being minor surveys, appraisals, title reports, parcel inspections, and marketing needed to prepare lots for inclusion in the land sale programs. The parcels included in this consultation that are being subdivided through the Subdivision Development Program will be paid for from that approved budget. The parcels that are not within that program and a part of this consultation will be paid for through this project cost funding which is paid for through the TLO Operating budget.

Due Diligence: Prior to the sale of the parcels a TLO staff member, contract appraiser, or surveyor will inspect each parcel. Minimum parcel bids will be established via standard appraisals or other appropriate valuation methods. All parcels will have a title report completed prior to issuing a sale contract or quitclaim deed. Contract documents have been reviewed by the Department of Law; no separate independent review is required.

Alternatives: The primary alternative is to hold the parcels for future development or sales. This alternative would delay receipt of revenues and could result in additional costs and risks for the Trust without significant increases in value. Currently, the TLO has assessed the highest and best use of these parcels as residential or recreational properties. If an alternative resource development proposal is identified or a negotiated sale application is received prior to the competitive sale and over-the-counter sale offering, for a specific parcel in the future, the TLO may re-evaluate the highest and best use and may elect an alternative use, which would require separate decision and consultation.

Consistency with the Resource Management Strategy: The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets. Experience has demonstrated that it is unlikely that these parcels will appreciate at a rate that would justify holding them for a later sale. It is also not cost effective for the TLO to hold these parcels for a long period of time and incur the associated management costs and liabilities.

Also, by designating a pool of parcels to select from and offer over the next five-year period, the TLO Lands Section will more efficiently meet the Land Resource Management Strategy objectives to maintain a five-year inventory of lots through subdivision developments in support of the land sale programs during fiscal years 2025 – 2030.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust’s best interest to select and offer Trust parcels from a pool of 19 existing parcels between fiscal years 2025 and 2030 through the TLO’s Statewide Land Sale Programs. Parcel sales will take place over a multi-year period in an effort to gain maximum revenue by avoiding oversaturation of a single market area and sell parcels selectively based on market conditions and local area demand. If not sold in the initial timeframe the parcels may be re-offered in future land sale programs.

Applicable Authority: Alaska Statutes 37.14.009(a), and 38.05.801, and 11 AAC 99 (key statutes and regulations applicable to Trust land management and disposal).

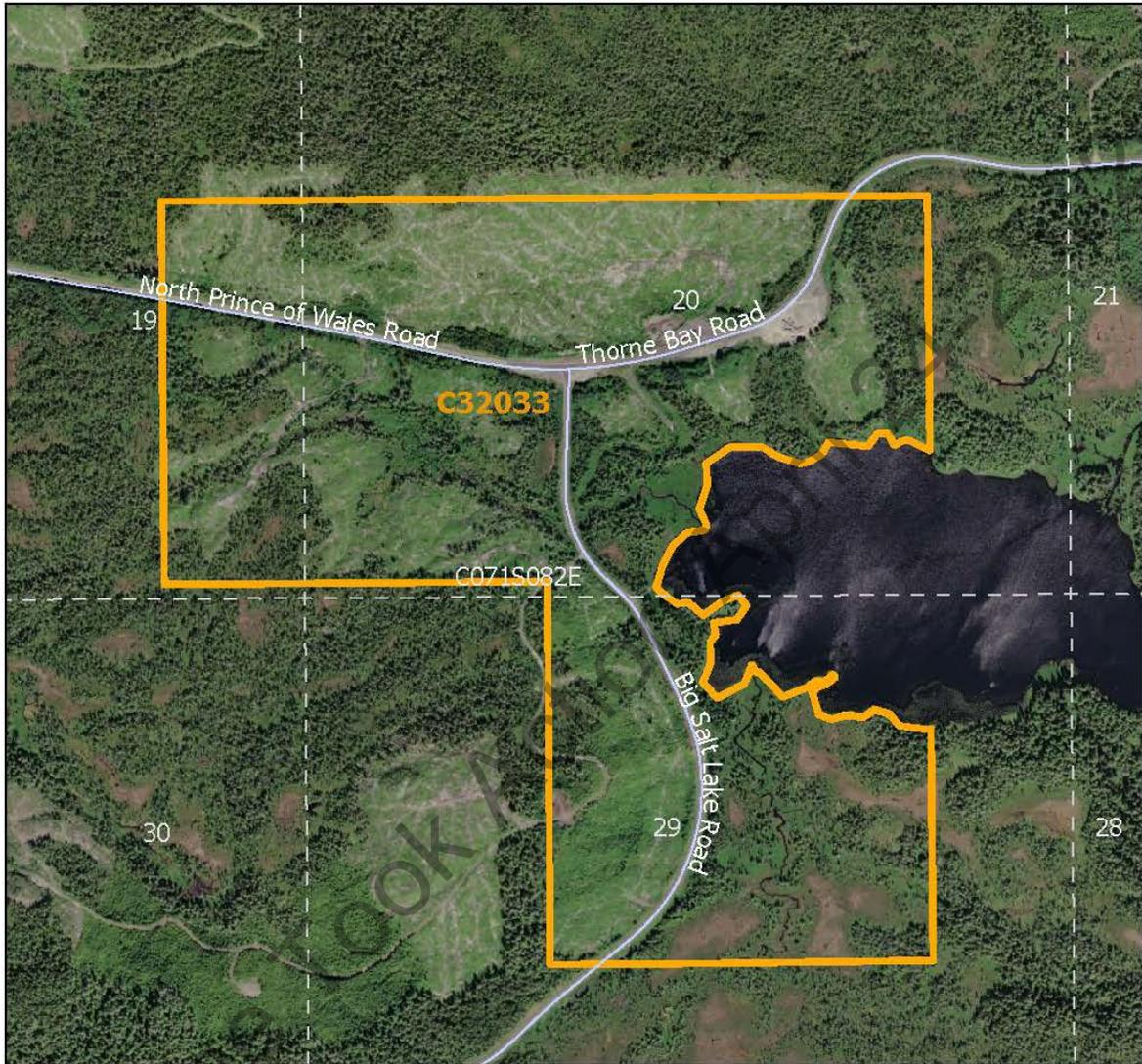
Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. If significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Committee Took Action April 24-25, 2024

Exhibit(s): Exhibit 1 – Parcel List

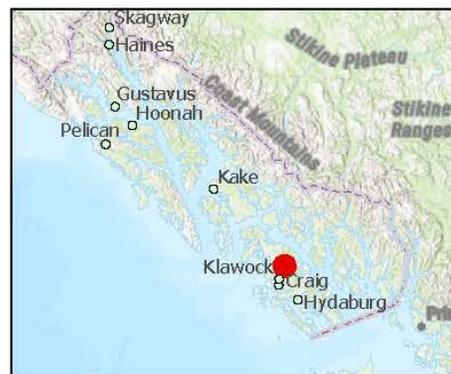
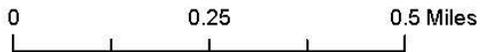
General Location	MH Parcel Number	MTRS	Survey	Lot	Block	Acres
Control Lake	C32033	C071S082E19, 20, 29	USRS	Section 19: E1/2SE1/4; Section 20: SW1/4, W1/2SE1/4; Section 29: W1/2NE1/4, E1/2NW1/4		415.750
Cordova	C20246.001	C015S003W32	ASLS 81-28	Tract A		3.420
Delta Junction	F20655.001	F010S010E23	EPF 23- 21	18, 19, 20	5	1.100
Delta Junction	F20655.002	F010S010E23	USS 3292	15	Tract B	0.460
Delta Junction	F20661	F010S010E25	USRS	4		15.140
Delta Junction	F20662	F010S010E25	USRS	5		15.080
Delta Junction	F20665	F010S010E26	USRS	6		12.810
Delta Junction	F20621	F010S010E02	USRS	15, 16		27.270
Delta Junction	F20624	F010S010E11	USRS	1, 3		30.540
Harding Lake	FM-0706-01	F005S004E35	USRS	Section 35: E1/2NE1/4, SW1/4NE1/4, E1/2NE1/4NE1/4SW1/4, N1/2SE1/4, NW1/4NW1/4SW1/4SE1/4, E1/2W1/2SW1/4SE1/4, E1/2SW1/4SE1/4, W1/2NW1/4SE1/4SE1/4, Excluding Material Sale, ADL 409017 (M.S. 624- 027-2);		238.000

General Location	MH Parcel Number	MTRS	Survey	Lot	Block	Acres
Knik	SM-0041-B	S016N002E17	USRS	Section 17: That portion of the NE1/4 lying North of the South Boundary of the Old Glenn Highway R/W, Excluding U.S. Survey 3234 and BLM No. A-016300		66.080
Kupreanof	CRM-2133	C059S079E09	ASLS 79-182	Tract A		76.750
Petersburg	CRM-2265	C059S079E35	USRS	30		2.130
Talkeetna, Chase Trails	SM-2605	S026N005W12	USRS	Section 12: NW1/4SW1/4		40.000
Talkeetna, Chase Trails	SM-2599	S026N005W11	USRS	3		34.190
Tok	C20293	C018N013E20	USRS	75, 76, 77, 78		85.540
Tok	C20282	C018N013E19	USS 2722			78.000
Willow	SM-2463	S020N004W31	USRS	SECTION 31: SE1/4SW1/4, S1/2SE1/4;		120.000
Willow	SM-2461	S020N004W31	USRS	4		31.230



Parcel: C32033

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads





Parcel: C20246.001

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

0 250 500 Feet

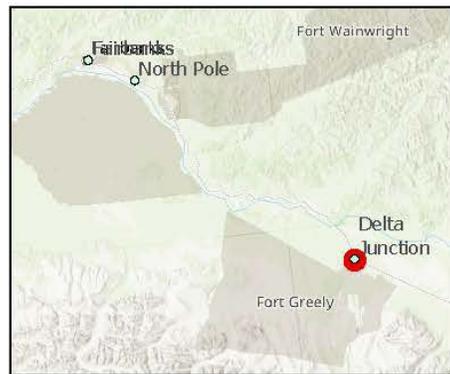


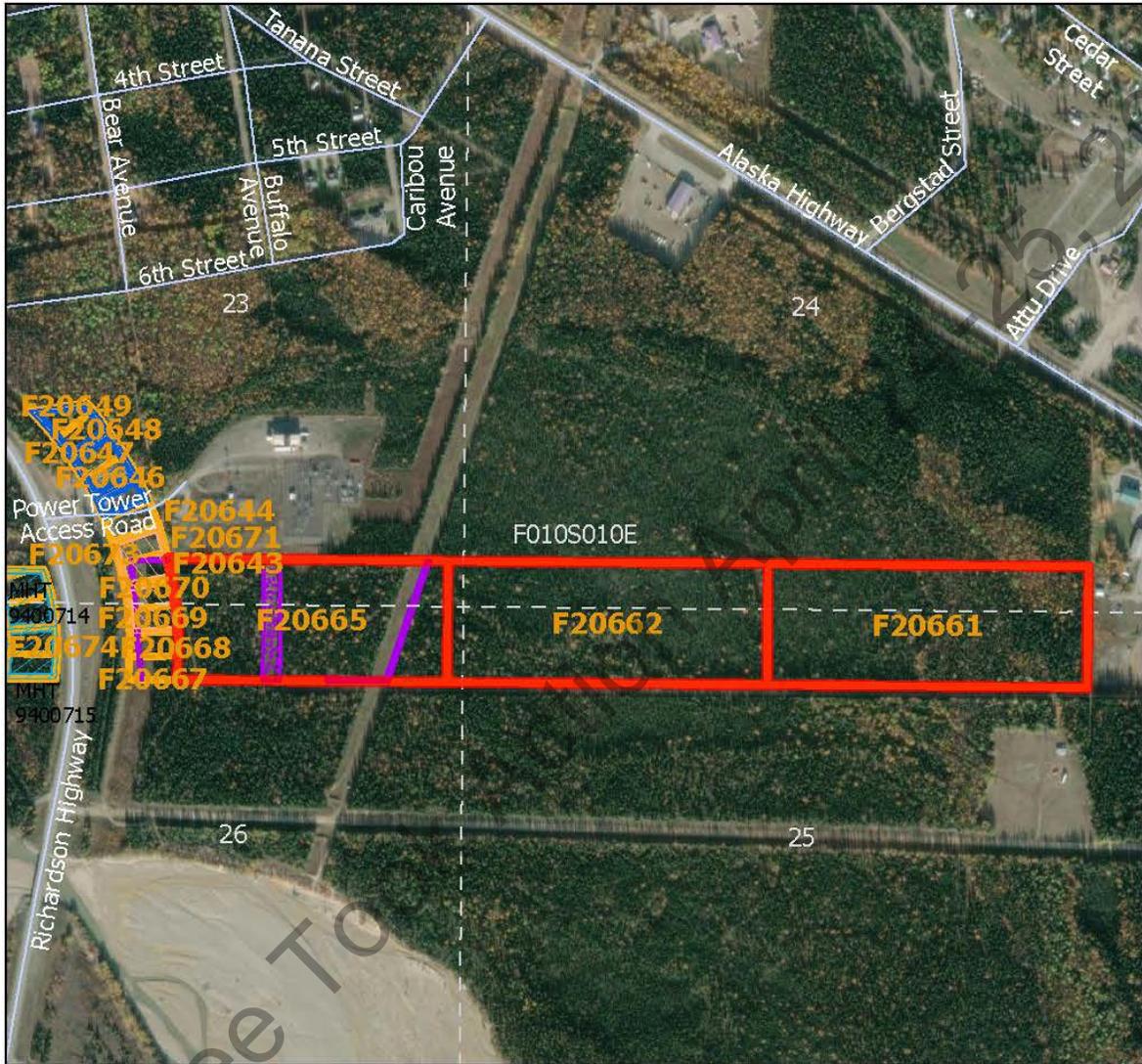


Parcel: F20655.001 & F20655.002

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

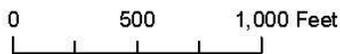
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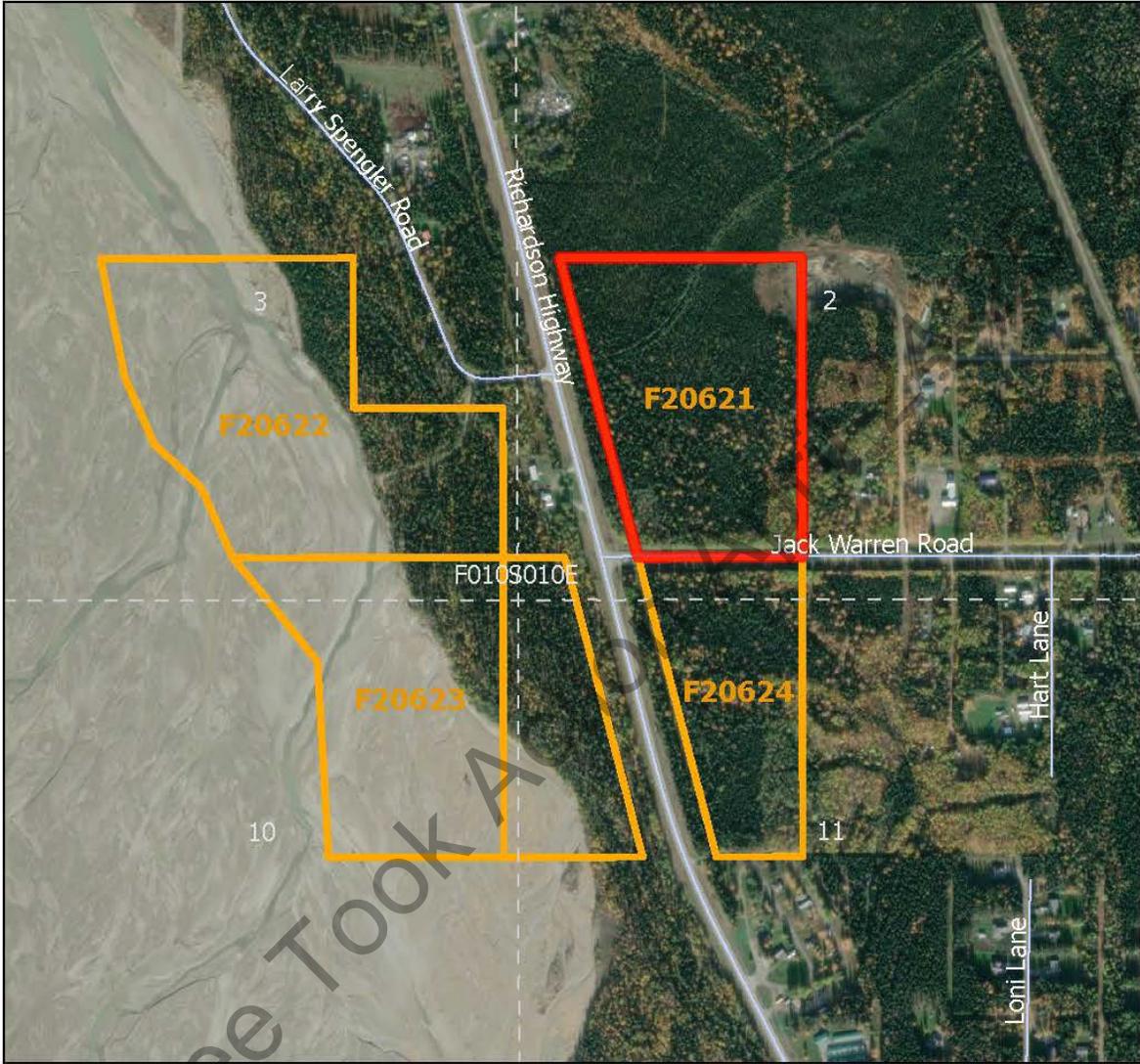




Parcel: F20661, F20662 & F 20665

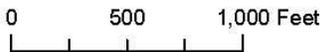
-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  MH Land Sales (Conveyed)
-  MH Land Sales (Contracts)
-  MH Easement - Polygon
-  Roads

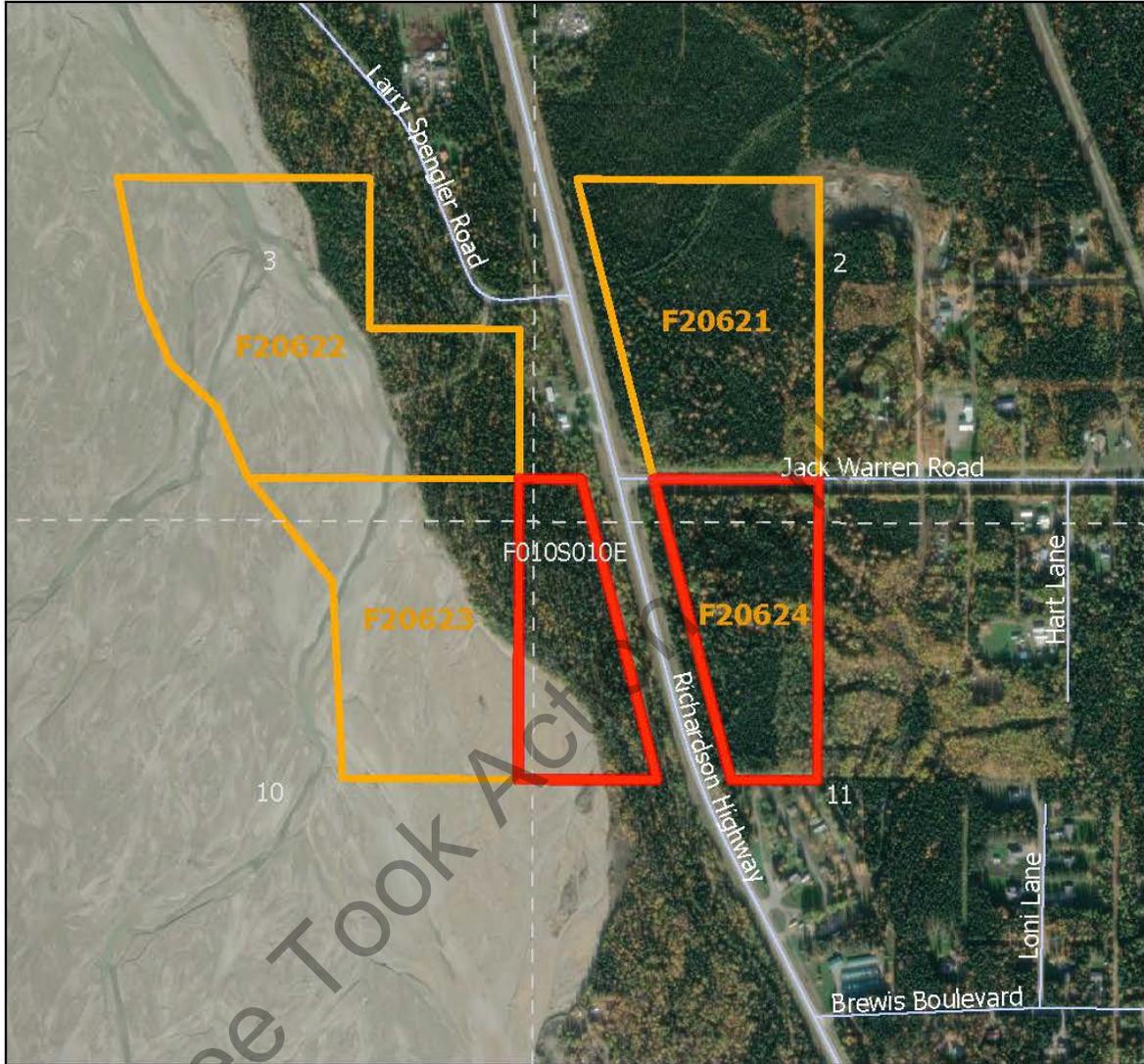




Parcel: F20621

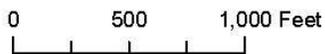
-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads





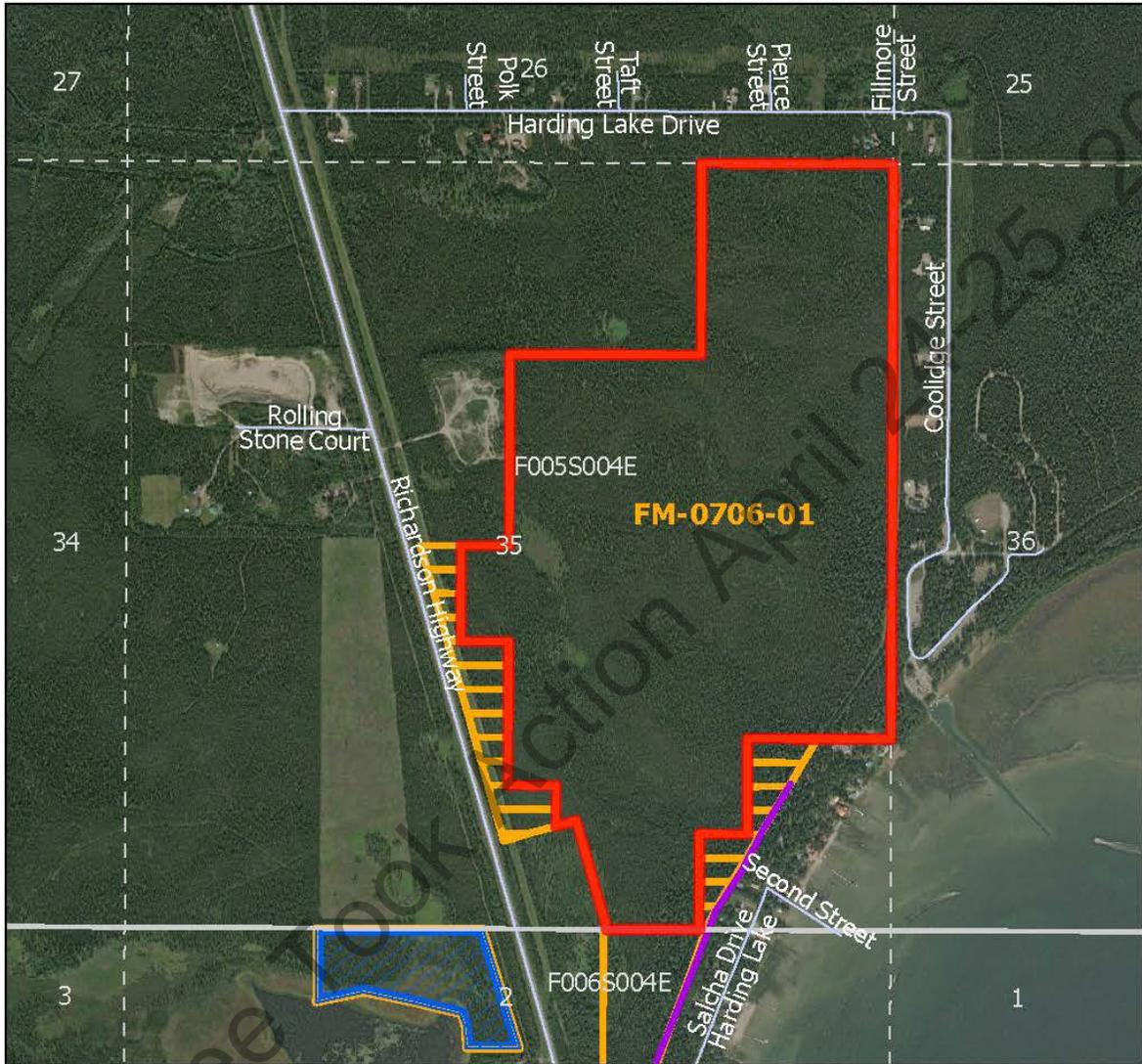
Parcel: F20624

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads



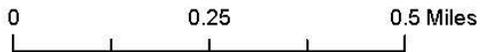
Committee Took Action

2024



Parcel: FM-0706-01

-  Mental Health Parcels (Land & Fee)
-  MH Land Sales (Conveyed)
-  PLSS Township
-  PLSS Section
-  Roads

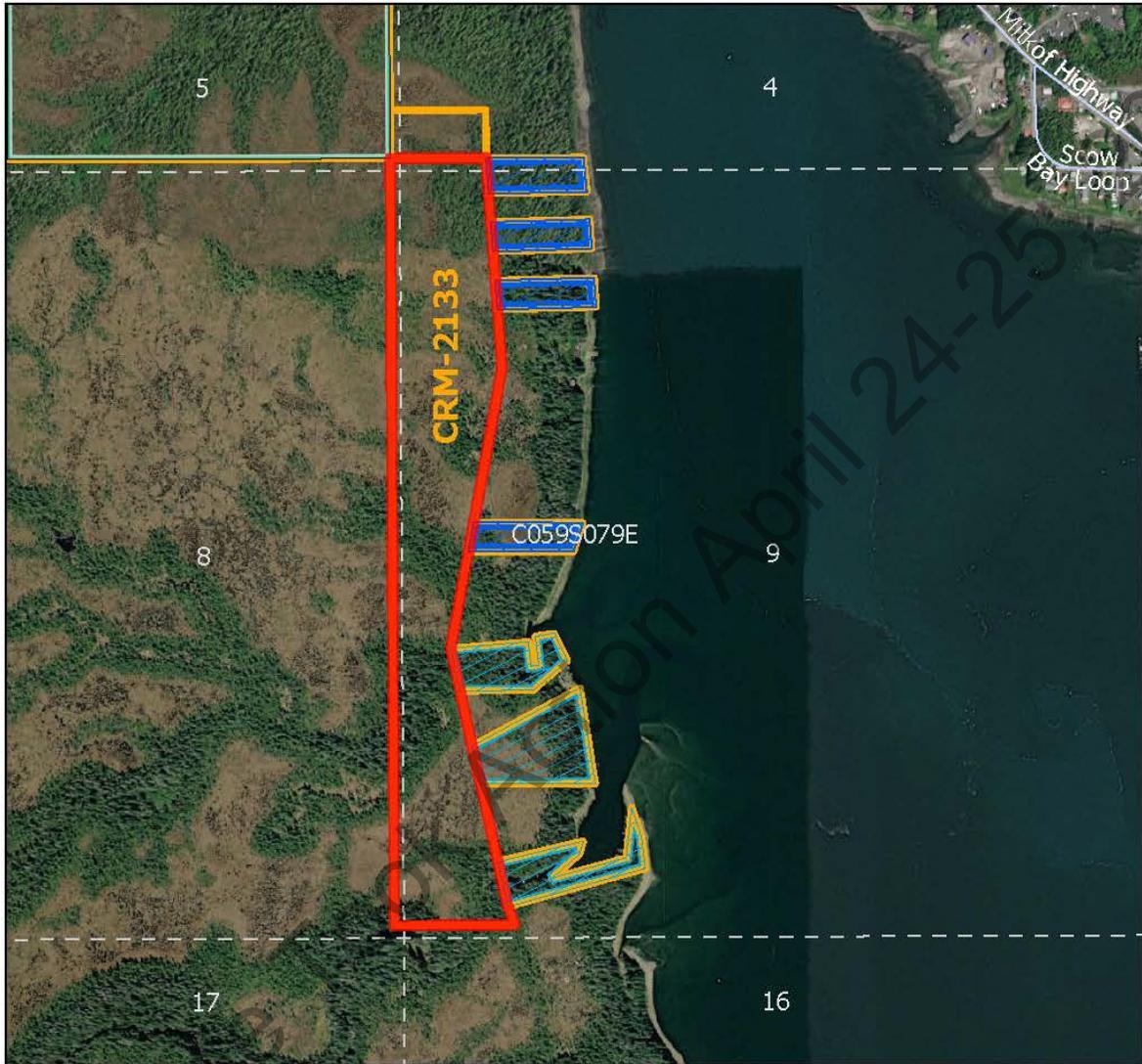




Parcel: SM-0041-B

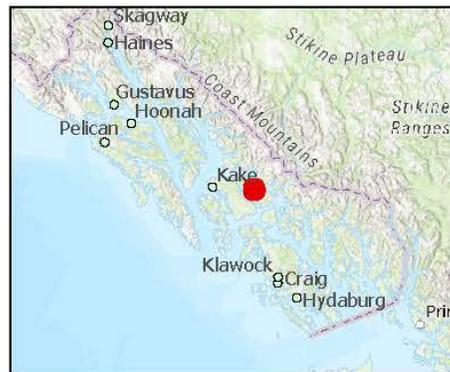
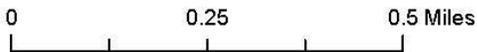
-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads





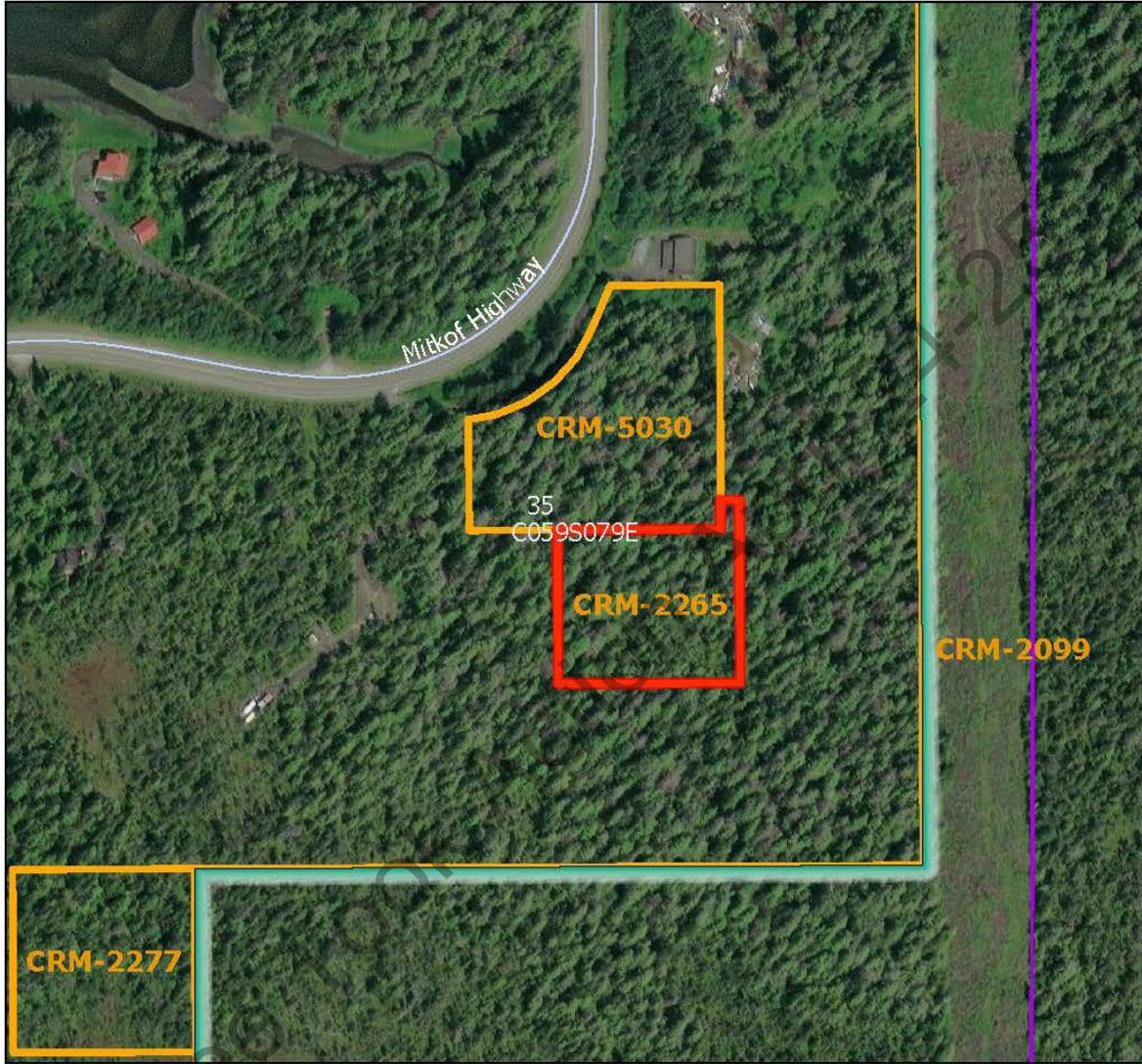
Parcel: CRM-2133

-  Mental Health Parcels (Land & Fee)
-  PLS Township
-  PLS Section
-  MH Land Sales (Conveyed)
-  MH Land Sales (Contracts)
-  MH Land Exchange
-  Roads



Committee on April 24-25, 2024

024

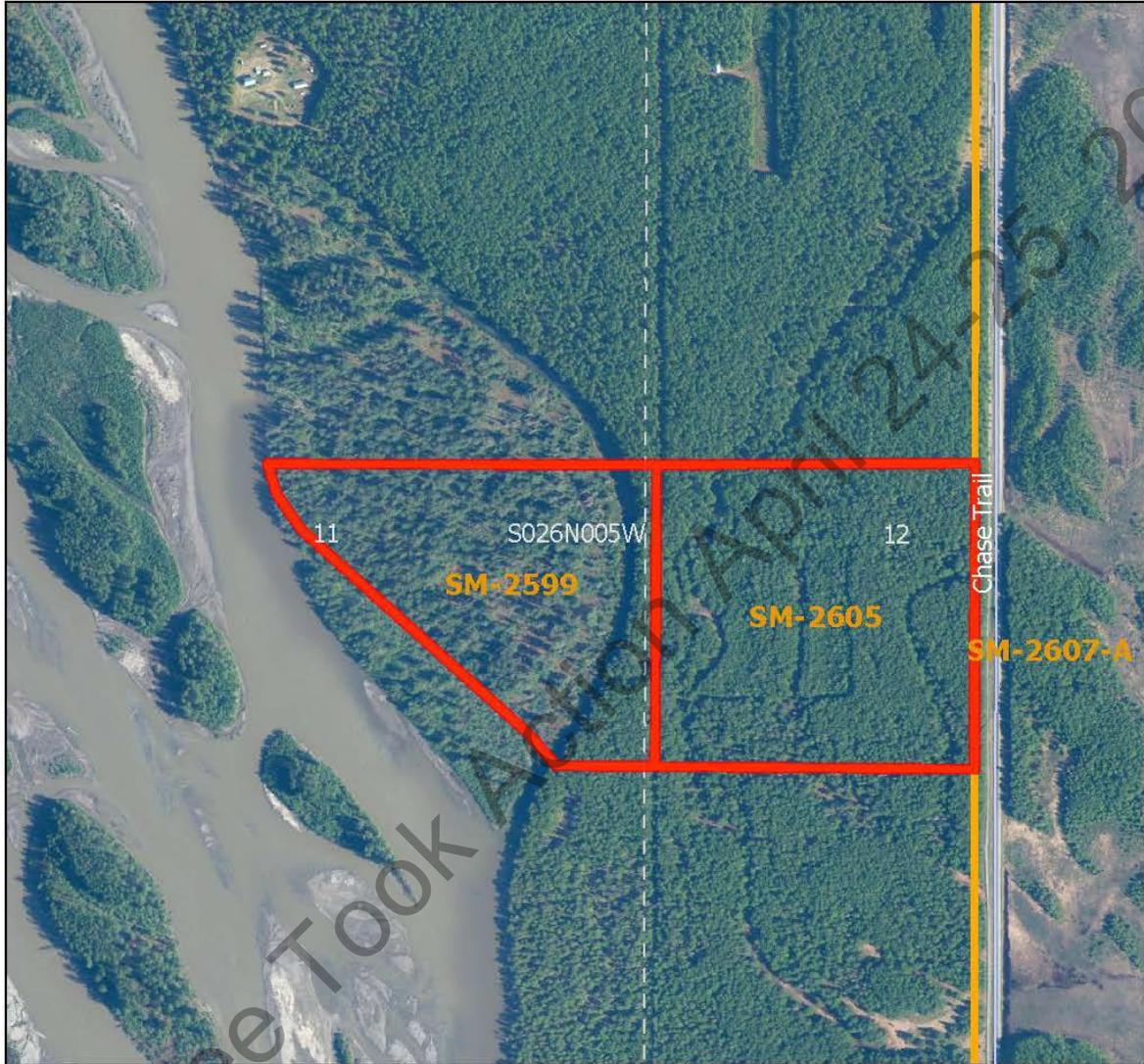


Parcel: CRM-2265

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  MH Land Exchange
-  Roads

0 250 500 Feet



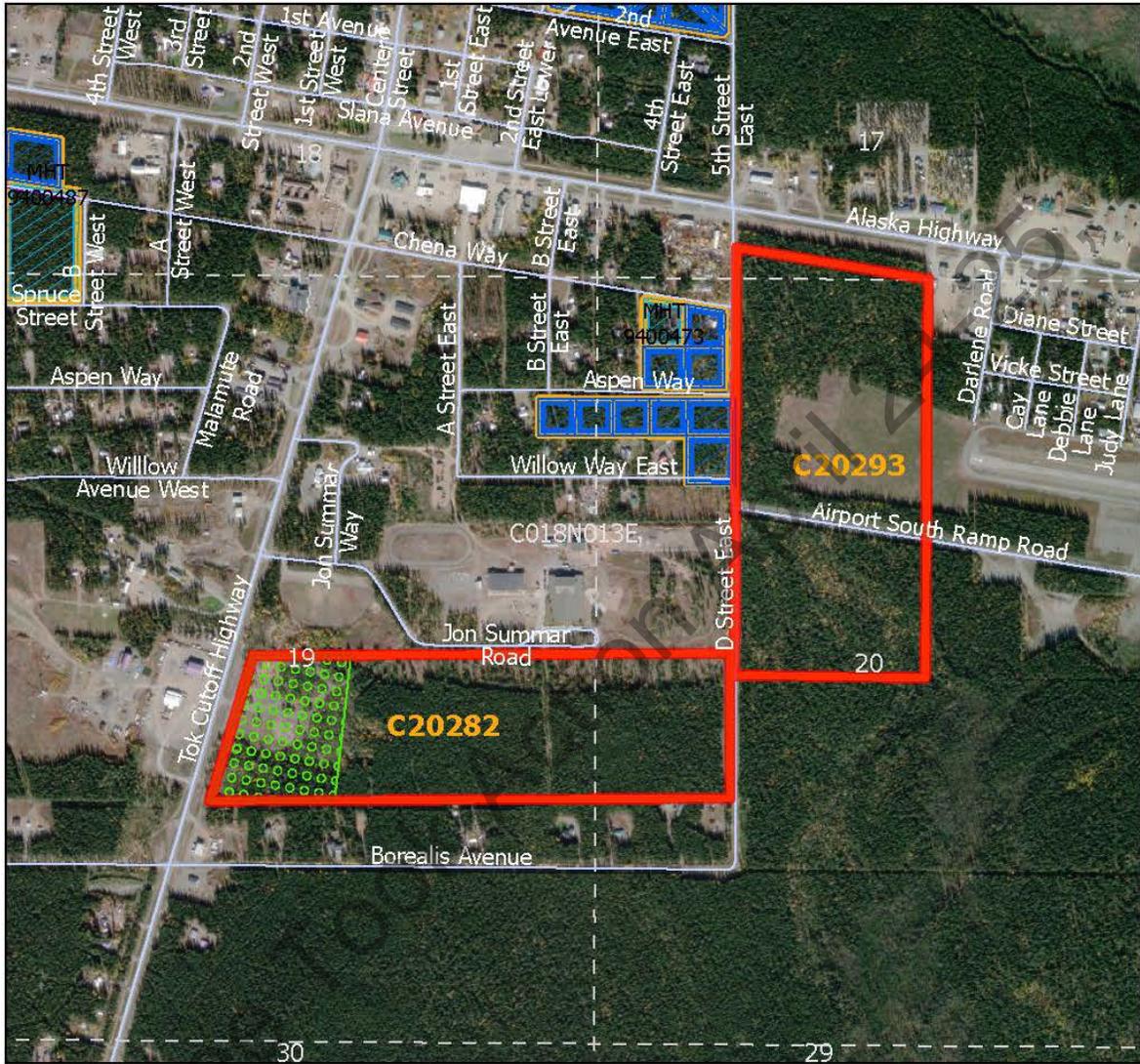


Parcel: SM-2599 & SM-2605

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

0 1,000 2,000 Feet





Parcel: C20282 & C20293

-  Mental Health Parcels (Land & Fee)
-  PLS Township
-  PLS Section
-  MH Land Sales (Conveyed)
-  MH Land Sales (Contracts)
-  MH Land Use License (All) - Polygon
-  Roads





Parcel: SM-2461 & SM-2463

-  Mental Health Parcels (Land & Fee)
-  MH Land Sales (Contracts)
-  PLSS Township
-  PLSS Section
-  Roads



Committee 04-25-2024

Finance Committee Report / Update

To: Anita Halterman, Chair
Through: Steve Williams, Chief Executive Officer
From: Julee Farley, Chief Financial Officer
Date: May 9, 2024
Re: Finance Committee Report

Meeting Summary

The Finance Committee met on April 24, 2024. The meeting was attended in person by trustees Kevin Fimon (chair), Rhonda Boyles, Brent Fisher, John Morris, and John Sturgeon. Trustees Anita Halterman and Agnes Moran attended via the online WebEx platform.

Financial Update

Julee Farley presented the FY24 financial dashboard through March 2024. At this point in the year, operations expenditures were slightly below expectations and are expected to be \$375k under budget for the year. Sarah Morrison, TLO Chief Business Officer, reported that TLODA capital projects were on track with Icy Cape expenditures at \$6.8MM through March 2024. The TLO reported \$8.3MM of principal and spendable income through March 2024. Julee Farley reported that Trust investments managed by the Alaska Permanent Fund Corporation (APFC) have \$43MM in earnings with other investment activity bringing the year-to-date total to \$51MM.

FY24 Year-to-date Performance Review

Julee Farley reviewed investments which total \$836MM at the end of March 2024. Performance of the investments managed by APFC earned 4.6% through February 2024, while through March 2024, DOR Reserves earned 11.5%. The Trust Land Office (TLO) Commercial Real Estate Assets have earned approximately 4.1% year-to-date (including principal payments but not including any changes in real estate value since June 30, 2023.)

Department of Revenue (DOR) Reserve Asset Allocation

Steve Sikes, Investment Officer with DOR, presented Trustees with the proposed annual update to the asset allocation of the Reserve account managed by DOR. Due to changes in expected returns following increases in inflation, Steve Sikes proposed an asset allocation that reduces equity exposure and increases fixed income exposure. The expected return of the portfolio remains the same from the existing allocation but provides a lower level of expected risk. A similar change could be presented next year if expected returns remain where the same.

Board Action Required. The Finance Committee approved the following motion:

The Finance Committee recommends the full board of trustees approve the following asset allocation for budget reserves managed by the State of Alaska Department of Revenue effective July 1, 2024:

<u>Asset Allocation</u>	<u>Target Holding</u>	<u>Target Range</u>
Broad U.S. Equity	32%	± 5%
International Equity	25%	± 5%
Core U.S. Fixed Income	42%	± 5%
Cash Equivalents	1%	-1% / +2%

Proposed Changes to the Asset Management Policy Statement (AMPS)

Julee Farley presented a red-lined updated version of the current AMPS to trustees for review and approval. Proposed changes reflect an update to the annual available funding calculation, clarifying language on accounts referenced for time horizon, updated performance targets for accounts managed by the Department of Revenue (DOR), and clarifying language regarding total Trust performance benchmarks. A more thorough review will be completed by the external consultant at the time of the Trust’s Spending Rate analysis completed by April 2025.

Board Action Required. The Finance Committee approved the following motion:

The Finance Committee recommends that the Board of Trustees adopt the updated Asset Management Policy Statement (AMPS) changes as indicated in the attached redline version.

Commercial Real Estate Update

Jusdi Warner and David MacDonald reported on CRE operating performance through March 2024, and presented the FY25 Real Estate and Program-Related Real Estate Facility Budgets.

Board Action Required. The Finance Committee approved the following motion:

The Finance Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the incremental building expenditures, totaling \$10,993,685 budgeted for the fiscal year 2025 to be paid by the property manager from rents, cash reserve and other income collected from the properties.

Chair Morris led a discussion regarding obtaining appraisals for the CRE properties.

Board Action Required. The Finance Committee approved the following motion:

The Finance Committee authorizes the expenditure in an amount not to exceed \$40,000 for the purpose of performing appraisals on all Commercial Real Estate portfolio properties, specifically to include those not previously scheduled to be conducted this year. These appraisals are to be performed on or before 30 June 2024:

Central Facility Fund Structure

Chair Morris led a discussion on the purpose and structure of the CFF. Staff will review current procedures and make a recommendation to Trustees.

Other Business:

Below are additional motions offered by Trustee Halterman and approved by the Committee:

Motion 1*: I move that the Board of Trustees request our counsel research, review, and provide an opinion on what works the Board of Trustees are entitled to receive honorariums for. In addition, to provide insight over when Trustees are entitled to per diem. I also ask that we move counsel for the opinion on who reviews and approves those honorariums and other Trustee-related expenses.

Motion 2*: I move that the Board of Trustees request our counsel research and provide an opinion on whether the Board of Trustees can be reimbursed for air travel when a Trustee is traveling from out of state to a board meeting or for board-related business. I so move.

**There may be technical edits to the above motions included in the official minutes of the meeting to be approved at the committee's next regularly scheduled meeting.*

The next scheduled meeting of the Finance Committee is **July 30, 2024**.

MEMO

To: John Morris, Chair, Finance Committee
Thru: Steve Williams, Chief Executive Officer
From: Julee Farley, Acting Chief Finance Officer
Date: April 15, 2024
Re: Proposed Revisions to AMPS

REQUESTED MOTION:

The Finance Committee recommends that the Board of Trustees adopt the updated Asset Management Policy Statement (AMPS) changes as indicated in the attached redline version.

A red-lined updated version of the current AMPS is being presented to trustees for review and approval. Proposed changes reflect an update to the annual available funding framework, clarifying language on accounts referenced for time horizon, updated performance targets for accounts managed by the Department of Revenue (DOR), and clarifying language regarding total Trust performance benchmarks.

Background

The Asset Management Policy Statement (AMPS) specifically delineates the asset management philosophy and practices of the Trust's board of trustees. It has been developed to serve as the management plan for those assets entrusted to the board. The AMPS helps the board effectively oversee, monitor, and evaluate the investment and management of the Trust's liquid and non-liquid assets. The AMPS, as adopted and approved by the board, provides a long-term plan by which these assets will be maintained and enhanced through prudent management. The AMPS may be revised and updated by action of the board when changes in practice have been authorized by the board and should be reviewed annually. Trustees adopted the current AMPS on August 29, 2023.

The proposed revisions are summarized as follows:

1. Clarify account names in the short-term, medium-term, and long-term time horizons (AMPS page 8)
2. Update the performance target for DOR managed accounts to reflect current practice (AMPS pages 13)

Trustees approve the performance target annually for the Reserves managed by DOR. On an annual basis, the Commissioner of Revenue approves the performance target for the GeFONSI funds.

3. Add clarifying language for benchmarks for total trust performance (AMPS page 16)

DOR manages both the Reserves and GeFONSI funds and each investment type has a different benchmark. New language clarifies this.

4. Update the annual available funding framework (AMPS page 17)

The proposed changes will result in a revenue calculation that is based solely on actual numbers, and will allow lapsed funds to be incorporated into the annual revenue calculation sooner than the current method allows.

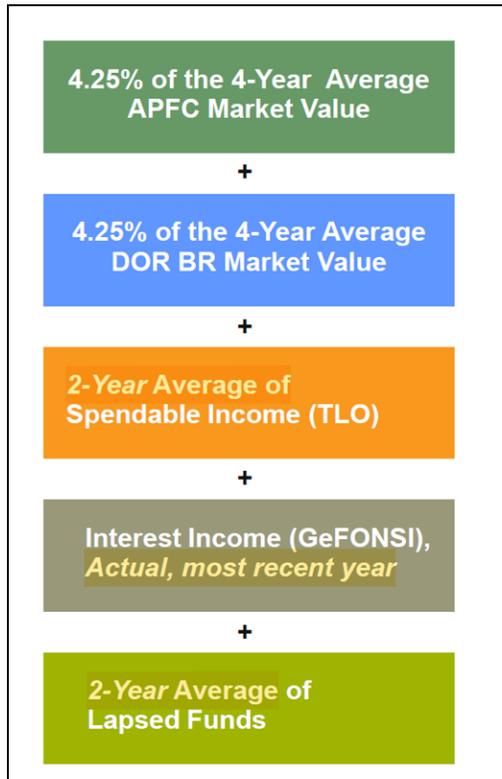
Due to the timing of when revenue calculations are developed, the current calculations may require the use estimated values when certain actual values are not known due to the timing of audited financials and other State of Alaska year-end close processes. This has resulted in the use of a combination of actual and estimated values in the annual revenue calculation.

The proposed changes are to:

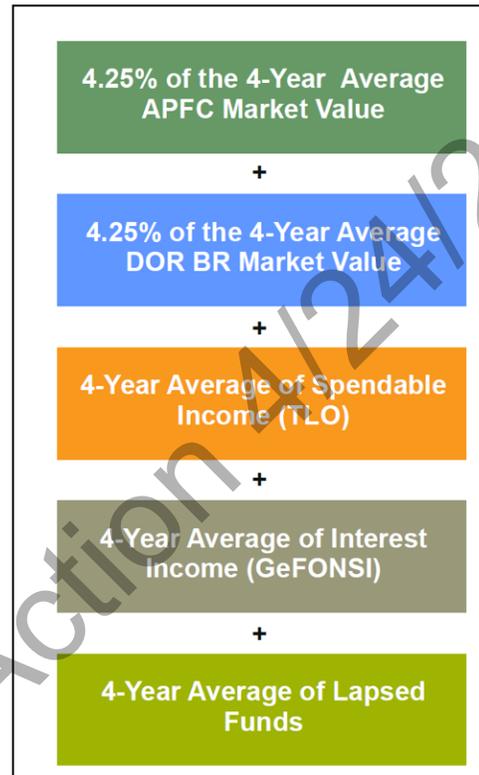
- Use the four-year historical average of actual net investments managed by the Alaska Permanent Fund Corporation and the Department of Revenue Reserve account. Current practice uses a combination of actual values plus 1-2 years of estimated values. This proposed change increases certainty over the Trust's largest component of revenue.
- Include the average of 2 years of actual TLO income in the annual revenue calculation instead of the historical 4 years. The current practice incorporates the use of estimates due to the timing of audits and other year-end processes. This proposed change increases certainty over this component of the annual revenue calculation.
- Use the two-year historical average of actual lapsed appropriations in the annual revenue calculation. The current practice incorporates the use of estimates due to the timing of when the lapsed amounts are known. This change will allow lapsed funds to be incorporated into the annual revenue calculation with increased certainty and allow the Trust to redeploy funds sooner.
- Incorporate the actual interest earned on GeFONSI funds for the most recent fiscal year. The current practice incorporates a four-year average of historical and estimated amounts. This is the smallest component of the Trust's annual revenue calculation.

These proposed changes will increase certainty for the annual revenue calculation. Further, the changes will not have a negative impact on the annual revenue calculation. The proposed changes will be effective beginning with the development of the FY26 revenue calculation. The table below provides a summary level comparison of the changes.

Proposed Revenue Calculation



Current Revenue Calculation



Committee Took Action 12/24/24



To: John Morris, Finance Committee Chair
From: David MacDonald
Thru: Jusdi Warner
Date: April 24, 2024
Re: FY25 Commercial Real Estate & Program-Related Real Estate Budgets
Fiscal Year: 2025
Amount: \$10,993,685

Approval

Proposed Finance Committee Motion:

Proposed Motion: *“The Finance Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the incremental building expenditures, totaling \$10,993,685 budgeted for the fiscal year 2025 to be paid by the property manager from rents, cash reserve and other income collected from the properties and the Central Facility Fund.”*

Background:

Introduction:

Each year the TLO presents the budget for managing commercial and program-related real estate properties. These are based on the TLO’s projections for occupancy and the related capital and operating expenses for each property in FY25. If approved, this budget allows the TLO to manage these properties within the constraints of the approved budget but with the flexibility to manage cash flows and obligations to maintain the facilities in good working order, attractive to tenants, and for appropriate revenue production. At each property throughout the year, cash reserves and distributions are determined based on projected needs.

In addition to this budget approval, the board has previously approved additional funding from the Central Facility Fund for specific operating or capital improvements that could not be covered by property cash flows. These funds do not lapse and, along with cash reserves, may carry forward and cross into other fiscal years.

Many of the associated expenses including tenant improvement allowances and commissions will be paid/realized in fiscal year 2025. Depending on the amount of space leased, timing, and terms, the revenues may be greater than the projections in the proposed budget. The proposed budget includes

operating and capital expenses for the properties that include significant one-time expenses associated with recruiting new tenants as required by local market conditions. If revenues exceed expectations and/or expenses prove less than expected, then the use of property reserves or CFF funds may be reduced.

General Background: We have established a system to adequately plan, manage, audit, and report activity in the real estate portfolio. Asset Managers oversee and direct professional management services, the property information is accounted for by:

- 1) matching income to expenses.
- 2) comprehensive reporting and budgeting for each property; and
- 3) capital expense forecasting.

Anticipated revenues within FY25 equal \$12.6 million from the Investment Portfolio and \$689 thousand from the Program-Related Real Estate. These projections account for known revenue sources with current occupancy levels, expected expiration of leases, and conservative filling of vacancies. The revenues can be affected by the timing of obtaining new tenants and the negotiated lease rental amounts.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.

FY25 Real Estate Budget from Rent and Other Property Income (Proposed Motion)

Transaction/Resource: Budgets are presented to seek approval from the board of trustees for the expenditures necessary to service the properties. For the sake of clarity, the expenditures include operating expenses, owner expenses, lease-up costs, capital expenditures and debt service; they do not include revenues. The proposed property expenditures are funded by the rents generated by the properties, as well as cash reserves and other income collected from the properties and the Central Facility Fund. The anticipated expenditures for FY25 equal \$10,538,841 for the Investment Portfolio and \$454,844 from the Program-Related Real Estate.

In aggregate, the combined expenditures forecast for FY25 total \$10,993,685.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate and Non-Investment Program Related Properties are as follows:

Commercial Real Estate Properties

2600 Cordova Street; Anchorage, AK
2618 Commercial Drive; Anchorage AK
1111 Israel Road; Tumwater, WA
1973 North Rulon; Ogden, UT
2420 & 2500 Ridgpoint Drive; Austin, TX
9601 Amberglen Blvd; Austin, TX
17319 San Pedro Avenue; San Antonio, TX

Non-Investment-Program Related Properties

650 Younker Court; Fairbanks, AK
1300 Moore Street; Fairbanks, AK
1423 Peger Road; Fairbanks, AK
2330 Nichols Street; Anchorage, AK
3745 Community Park Loop Road; Anchorage, AK

The anticipated distributions for FY25 equal \$2,069,000 from the Investment Portfolio and \$233,000 from the Program-Related Real Estate.

In aggregate, the combined distributable income to the Trust forecast for FY25 is \$2.3 million.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust’s best interest to approve the incremental building expenditures for FY25 to be funded by tenant rents, cash reserves, other income collected from the properties, and the Central Facility Fund.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motions presented in this briefing document fulfill the approval requirements that are applicable to the transaction.

Exhibits:

Combined FY25 Budget – Investment Portfolio

Combined FY25 Budget – Program-Related Real Estate

Combined FY25 Budget - Investment Portfolio

	Cordova	Commercial	WA Parks	Rulon White	Prom. Point	Amber Oaks	North Park	Total	Expenditures
Income	\$584,596	\$264,600	\$1,616,845	\$2,352,291	\$2,346,624	\$3,632,913	\$1,811,940	\$12,609,809	n/a
Operating Expenses	\$321,879	<i>Paid Directly</i>	\$633,781	\$922,412	\$1,379,898	\$1,593,304	\$751,315	\$5,602,589	\$5,602,589
Net Operating Income	\$262,717	\$264,600	\$983,064	\$1,429,879	\$966,726	\$2,039,610	\$1,060,625	\$7,007,221	n/a
Owner Expenses	\$29,345	\$27,262	\$44,856	\$25,682	\$9,450	\$22,015	\$11,116	\$169,726	\$169,726
Lease-Up Costs	\$17,000	\$0	\$0	\$0	\$0	\$511,317	\$164,763	\$693,080	\$693,080
Capital Expenditures	\$115,000	\$0	\$0	\$157,500	\$0	\$249,000	\$150,000	\$671,500	\$671,500
Debt Service	\$0	\$63,905	\$908,822	\$447,574	\$635,942	\$941,171	\$404,533	\$3,401,947	\$3,401,947
Net Cash Flow	\$101,372	\$173,433	\$29,386	\$799,123	\$321,334	\$316,107	\$330,213	\$2,070,968	\$10,538,841
Distributions	\$101,000	\$173,000	\$29,000	\$799,000	\$321,000	\$316,000	\$330,000	\$2,069,000	
<i>Delta vs. FY24</i>	<i>-\$22,426</i>	<i>\$93,459</i>	<i>\$828</i>	<i>\$37,202</i>	<i>-\$360,957</i>	<i>-\$77,606</i>	<i>\$330,000</i>	<i>\$500</i>	

Existing Vacancy	--	--	--	--	--	4%	9%	2%
Lease Expirations	21%	0%	85%	0%	100%	16%	8%	36%

CFF Draws*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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* Future leases may necessitate CFF draws depending on terms and timing.

Combined FY24 Budget - Investment Portfolio

	Cordova	Commercial	WA Parks	Rulon White	Prom. Point	Amber Oaks	North Park	Total
Income	\$559,267	\$254,757	\$1,616,845	\$2,201,258	\$2,341,787	\$3,870,585	\$1,615,206	\$12,459,705
Operating Expenses	\$301,621	<i>Paid Directly</i>	\$571,541	\$841,441	\$1,136,836	\$1,516,536	\$614,000	\$4,981,976
Net Operating Income	\$257,646	\$254,757	\$1,045,304	\$1,359,817	\$1,204,951	\$2,354,049	\$1,001,206	\$7,477,730
Owner Expenses	\$6,232	\$13,112	\$5,096	\$13,132	\$9,450	\$18,195	\$6,320	\$71,537
Lease-Up Costs	\$0	\$0	\$0	\$0	\$0	\$429,815	\$1,287,896	\$1,717,711
Capital Expenditures	\$175,000	\$0	\$40,000	\$150,000	\$0	\$0	\$38,000	\$403,000
Debt Service	\$0	\$63,905	\$908,819	\$447,574	\$635,942	\$941,171	\$404,533	\$3,401,944
Net Cash Flow	\$76,414	\$177,740	\$91,389	\$749,111	\$559,559	\$964,868	-\$735,543	\$1,883,537
Cash Reserve Coverage								\$184,963
Distributions	\$123,426	\$79,541	\$28,172	\$761,798	\$681,957	\$393,606	\$0	\$2,068,500

CFF Draw - Circle K	\$0	\$0	\$0	\$0	\$0	\$0	\$820,112	\$820,112
CFF Draw - Spectrum**	\$0	\$0	\$0	\$0	\$0	\$0	\$544,166	\$544,166
CFF Draws - Total	\$0	\$0	\$0	\$0	\$0	\$0	\$1,364,278	\$1,364,278

** Approved but not withdrawn as of 4/24/24.

Combined FY25 Budget - Program-Related Real Estate

	Detox	Sobering Ctr	Fahrenkamp	Assets, Inc.	TAB	Total	Expenditures
Income	\$30,000	\$90,465	\$147,111	\$72,613	\$348,724	\$688,913	n/a
Operating Expenses	\$0	\$4,659	\$7,201	\$0	\$313,018	\$324,878	\$324,878
Net Operating Income	\$30,000	\$85,806	\$139,910	\$72,613	\$35,706	\$364,035	n/a
Owner Expenses	\$0	\$19,612	\$19,612	\$55,600	\$35,142	\$129,966	\$129,966
Lease-Up Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$30,000	\$66,194	\$120,298	\$17,013	\$564	\$234,069	\$454,844
Distributions	\$30,000	\$66,000	\$120,000	\$17,000	\$0	\$233,000	
<i>Delta vs. FY24</i>	<i>\$3,932</i>	<i>\$9,919</i>	<i>-\$11,155</i>	<i>-\$44,291</i>	<i>\$0</i>	<i>-\$41,595</i>	
CFF Draws*	\$0	\$0	\$0	\$0	\$0	\$0	\$0

* TAB renovation/building systems repair may necessitate CFF draws; full analysis/evaluation in process.

Combined FY24 Budget - Program-Related Real Estate

	Detox	Sobering Ctr	Fahrenkamp	Assets, Inc.	TAB	Total
Income	\$115,741	\$94,082	\$148,699	\$71,891	\$327,924	\$758,337
Operating Expenses	\$0	\$28,390	\$11,532	\$0	\$296,963	\$336,885
Net Operating Income	\$115,741	\$65,692	\$137,167	\$71,891	\$30,961	\$421,452
Owner Expenses	\$12,012	\$9,612	\$9,612	\$10,600	\$29,085	\$70,921
Lease-Up Costs	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$103,729	\$56,080	\$127,555	\$61,291	\$1,876	\$350,531
Distributions	\$26,068	\$56,081	\$131,155	\$61,291	\$0	\$274,595
CFF Draws	\$0	\$0	\$0	\$0	\$10,784	\$10,784

COMP Plan Update / Scorecard



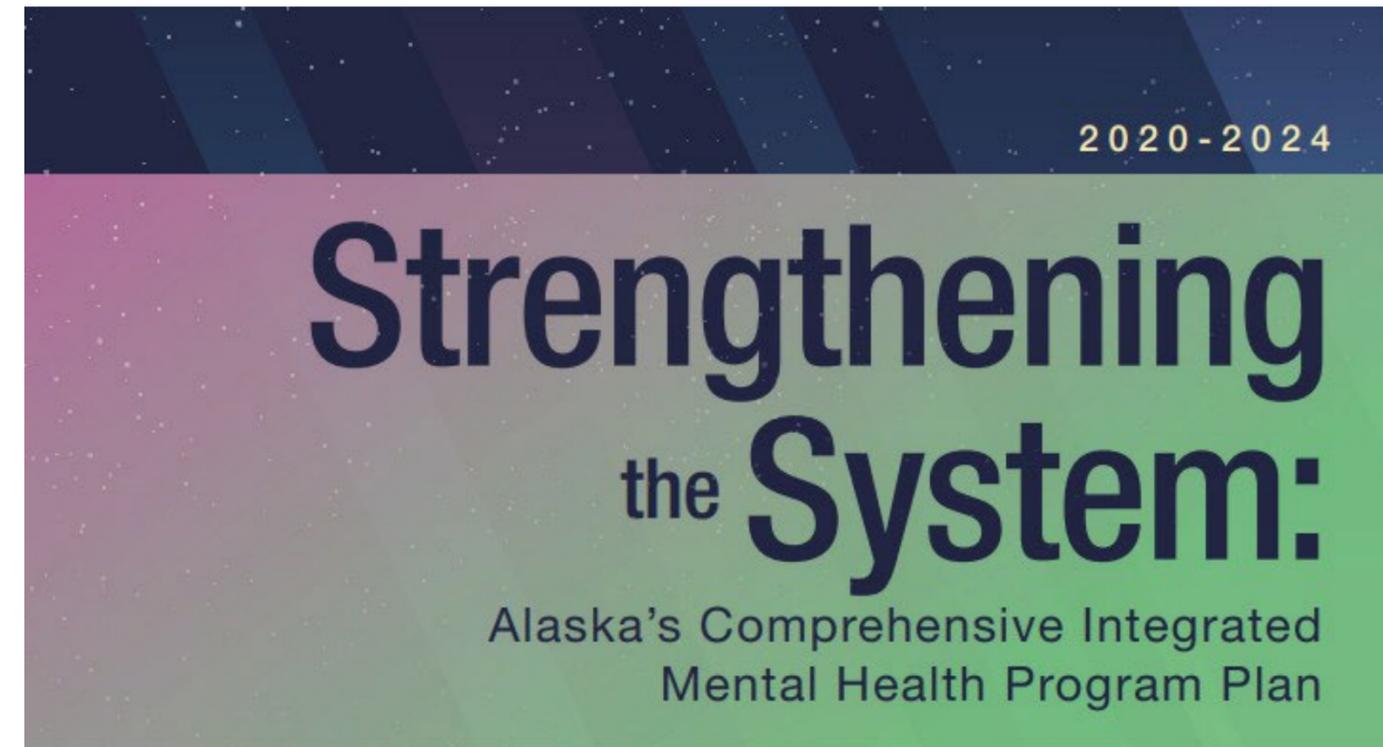
COMPREHENSIVE INTEGRATED MENTAL HEALTH PROGRAM PLAN: UPDATE



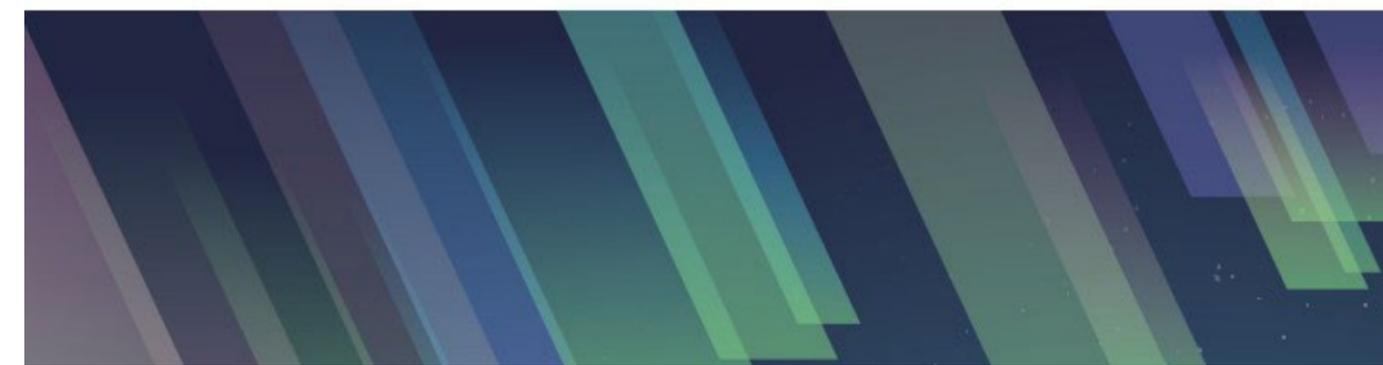
Presented May 22, 2024

ALASKA'S COMPREHENSIVE INTEGRATED MENTAL HEALTH PROGRAM PLAN

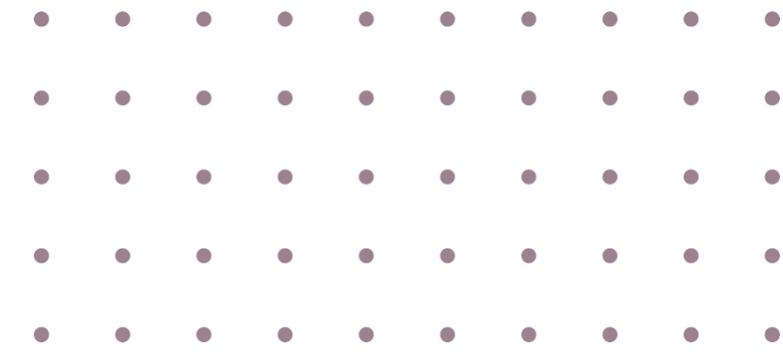
Vision: Alaskans receive comprehensive prevention, treatment, and support services at the appropriate level of care across the lifespan, leading to meaningful lives in their home communities.

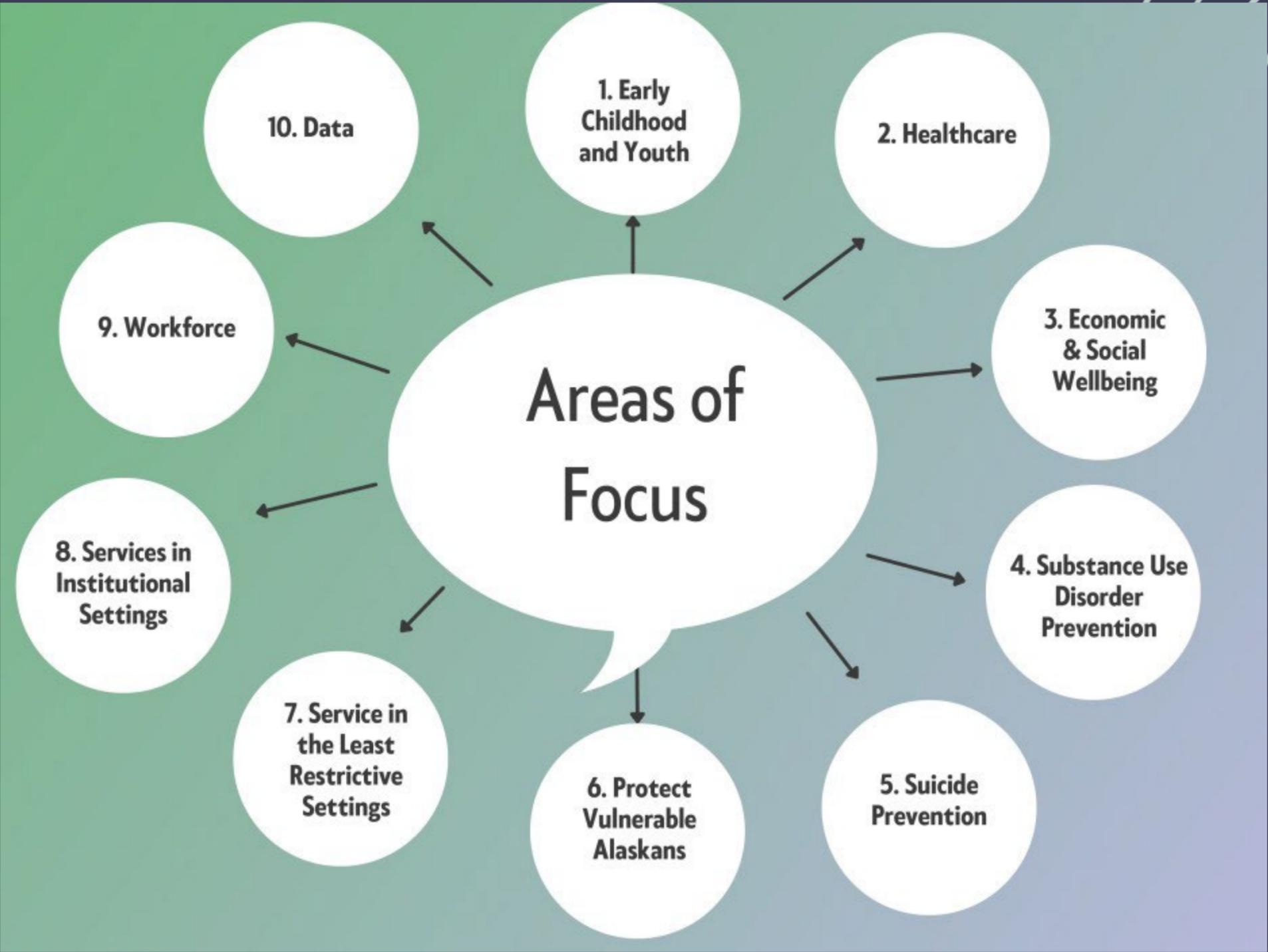


Alaskans receive comprehensive prevention, treatment, and support services at the appropriate level of care across the lifespan, leading to meaningful lives in their home communities. **VISION**

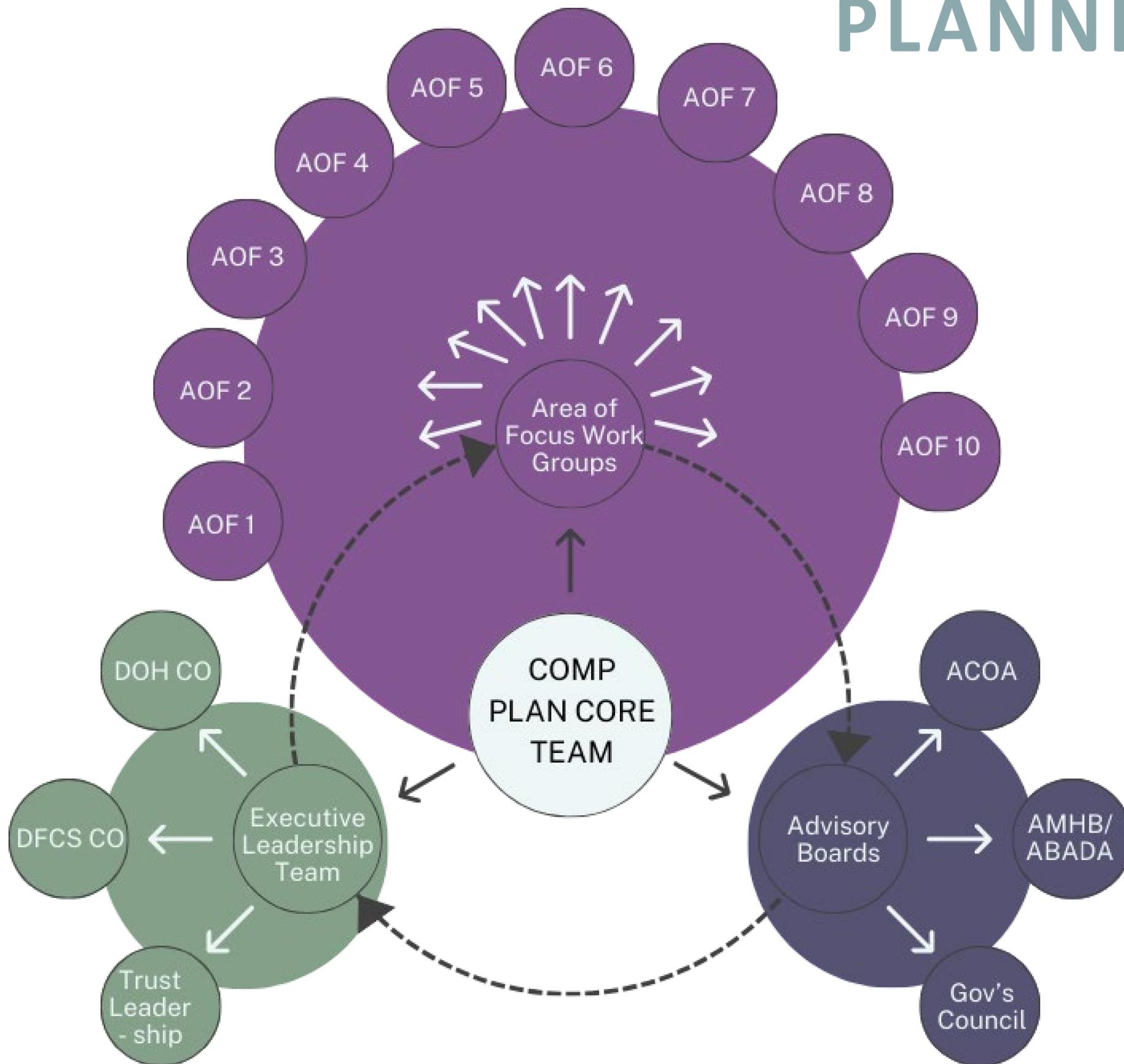


AS 47.30.660.



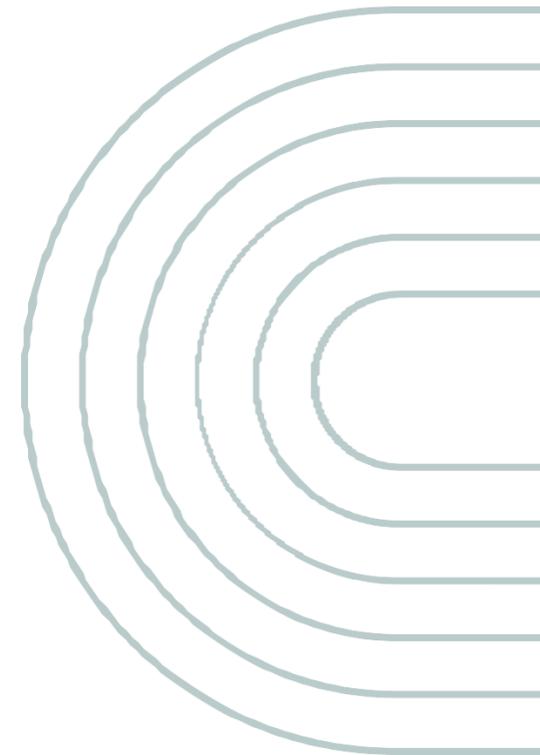


PLANNING STRUCTURE



ADDITIONAL PARTNERS:

- DEPT OF LABOR
- DEPT OF CORRECTIONS
- DEPT OF EDUCATION & EARLY DEVELOPMENT



2023 Alaska Scorecard

Key Issues Impacting Alaska Mental Health Trust Beneficiaries

SUICIDE PREVENTION

INDICATOR	LATEST U.S. DATA	LATEST ALASKA DATA	AVG. BASELINE ALASKA DATA	CHANGE FROM AVG. BASELINE
14. Rate of intentional self-harm/suicide attempt emergency department visits (rate per 100,000; age-adjusted)	46.8 (2021)	125.8 (2022*)	131.1 (2017-2019)	-5.3
15. Rate of intentional self-harm/suicide deaths (rate per 100,000; age adjusted)	14.2 (2022)	27.7 (2022)	27.2 (2017-2019)	+0.5
16. Rate of intentional self-harm/suicide deaths (rate per 100,000; ages 15-24)	13.6 (2022)	46.2 (2022)	49.5 (2017-2019)	-3.3

SUBSTANCE USE DISORDER PREVENTION

11. Percentage of Alaskans needing but not receiving treatment at a specialty facility for substance use in the past year (ages 12+)	6.8% (2021)	10.0% (2021)	8.6% (2016-2019)	+1.4%
12. Percentage of Alaskans who received mental health services in the past year (ages 18+)	21.8% (2022)	22.0% (2022)	14.7% (2016-2019)	+7.3%
13. Rate of alcohol-induced mortality (rate per 100,000; age-adjusted)	13.6 (2022)	36.2 (2022)	23.4 (2017-2019)	+12.8

EARLY CHILDHOOD

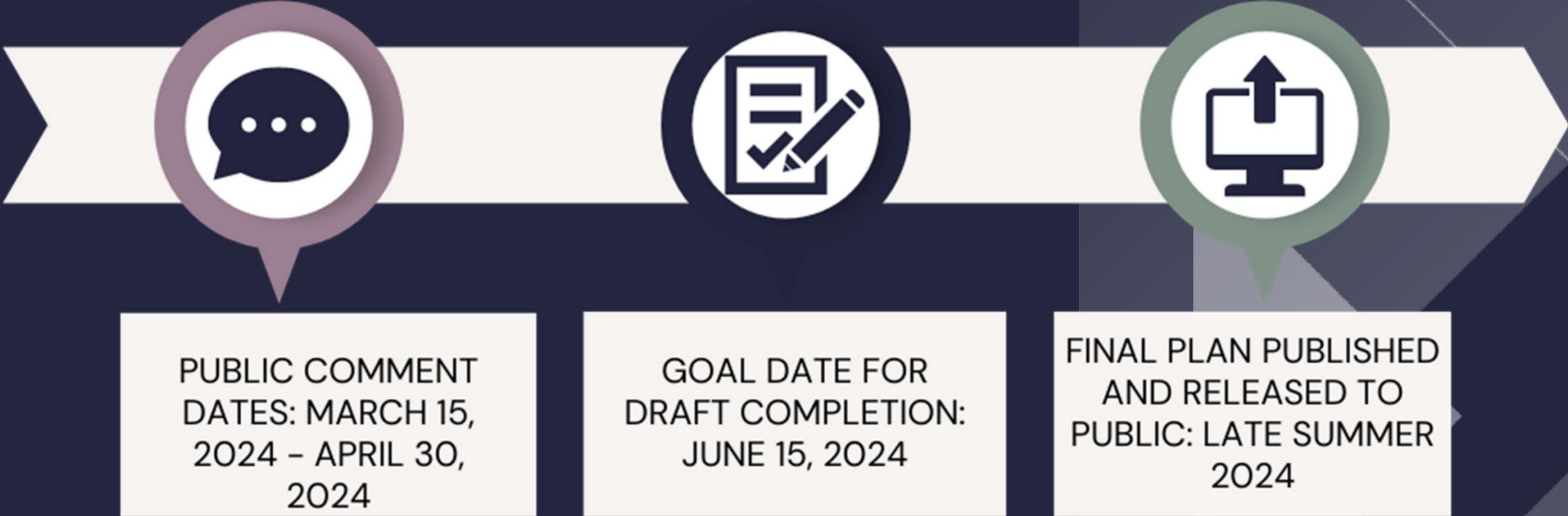
1. Percentage of children who received a developmental screening using a parent-completed screening tool in the past year (ages 9 months to 35 months)	34.4% (2022)	42.3% (2022*)	43.6% (2016-2019)	-1.3%
2. Percentage of incoming students who regulate their feelings and impulses 80% of the time or more (grades K-1)	*	46.1% (2022-2023)	47.3% (2017-2020)	-1.2%

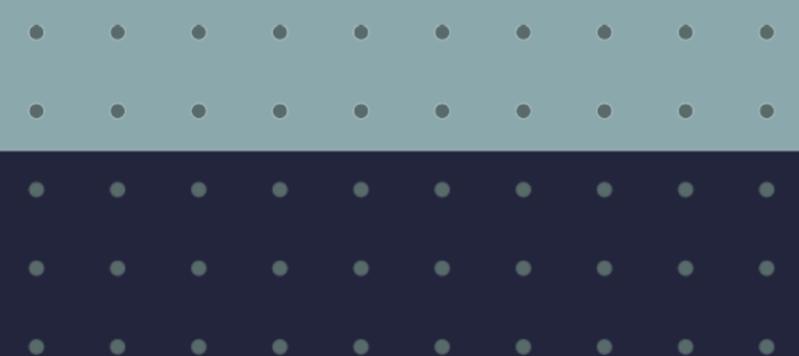
ALASKA SCORECARD 2023

Key Issues Impacting Alaska Mental Health Trust Beneficiaries

INDICATOR	LATEST U.S. DATA	LATEST ALASKA DATA	AVG. BASELINE ALASKA DATA	CHANGE FROM AVG. BASELINE
EARLY CHILDHOOD				
1. Percentage of children who received a developmental screening using a parent-completed screening tool in the past year (ages 9 months to 35 months)	34.4% (2022)	42.3% (2022*)	43.6% (2016-2019)	-1.3%
2. Percentage of incoming students who regulate their feelings and impulses 80% of the time or more (grades K-1)	*	46.1% (2022-2023)	47.3% (2017-2020)	-1.2%
3. Percentage of women who recently delivered a live birth who have a strong social support system during the postpartum period	*	76.6% (2021)	74.7% (2017-2019)	+1.9%
4. Mean index score of (12) indicators associated with child health and well-being that are present at birth	*	9.5 (2022)	9.8 (2017-2019)	-0.3
HEALTHCARE				
5. Percentage of population without health insurance	8.0% (2022)	11.0% (2022)	12.8% (2017-2019)	-1.8%
6. Rate of non-fatal fall injuries (rate per 100,000; ages 65+)	3,276.7 (2021)	4,595.3 (2022)	4,398.6 (2017-2019)	+196.7
ECONOMIC AND SOCIAL WELL-BEING				
7. Percentage of rental occupied households that exceed 50 percent of household income dedicated to housing	24.8% (2022)	18.5% (2022)	18.2% (2017-2019)	+0.3%
8. Rate of chronic homelessness (rate per 100,000)	38.3 (2022)	78.2 (2022)	34.8 (2017-2019)	+43.4
9. Percentage of Alaskans who experience a disability that are employed	44.5% (2022)	50.4% (2022)	43.9% (2017-2019)	+6.5%
10. Percentage of Alaskans living above 125% of the federal poverty level	84.8 (2022)	87.8% (2022)	83.1% (2017-2019)	+4.7%
SUBSTANCE USE DISORDER PREVENTION				
11. Percentage of Alaskans needing but not receiving treatment at a specialty facility for substance use in the past year (ages 12+)	6.8% (2021)	10.0% (2021)	8.6% (2016-2019)	+1.4%
12. Percentage of Alaskans who received mental health services in the past year (ages 18+)	21.8% (2022)	22.0% (2022)	14.7% (2016-2019)	+7.3%
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Next Steps Timeline

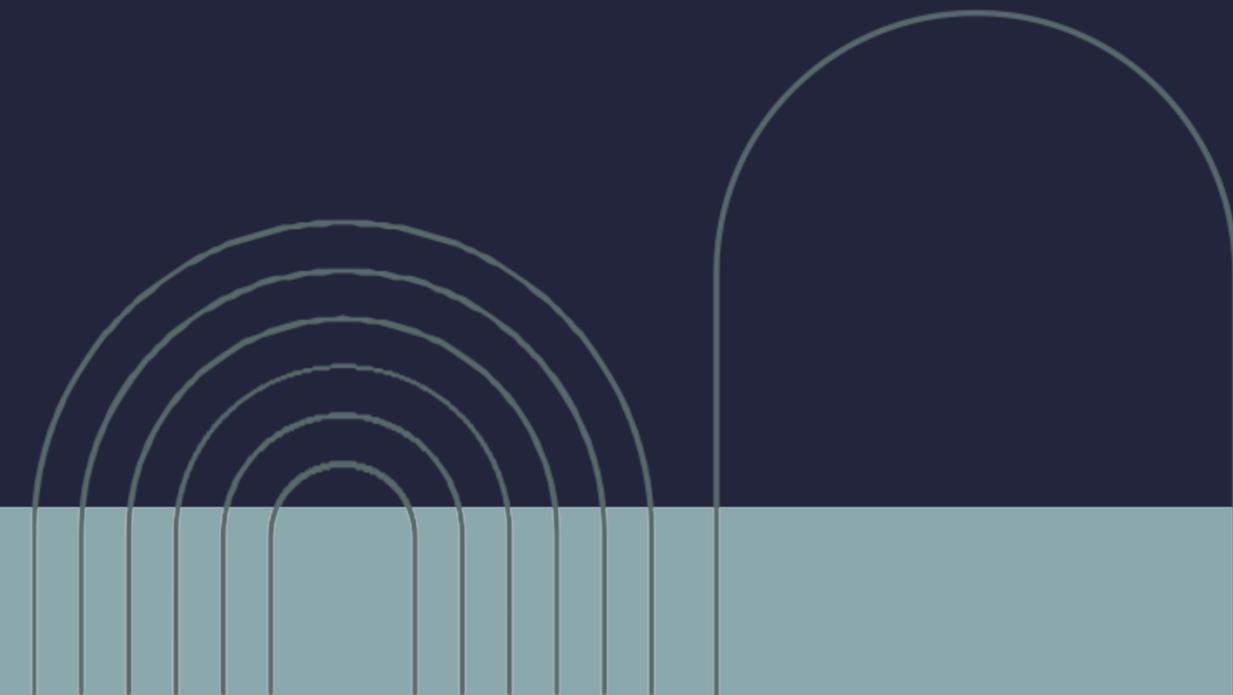




THANK YOU

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Comp Plan Coordinator
Health Program Manager III
Department of Health
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Planning & Evaluation Officer
Alaska Mental Health Trust Authority
eliza.muse@alaska.gov



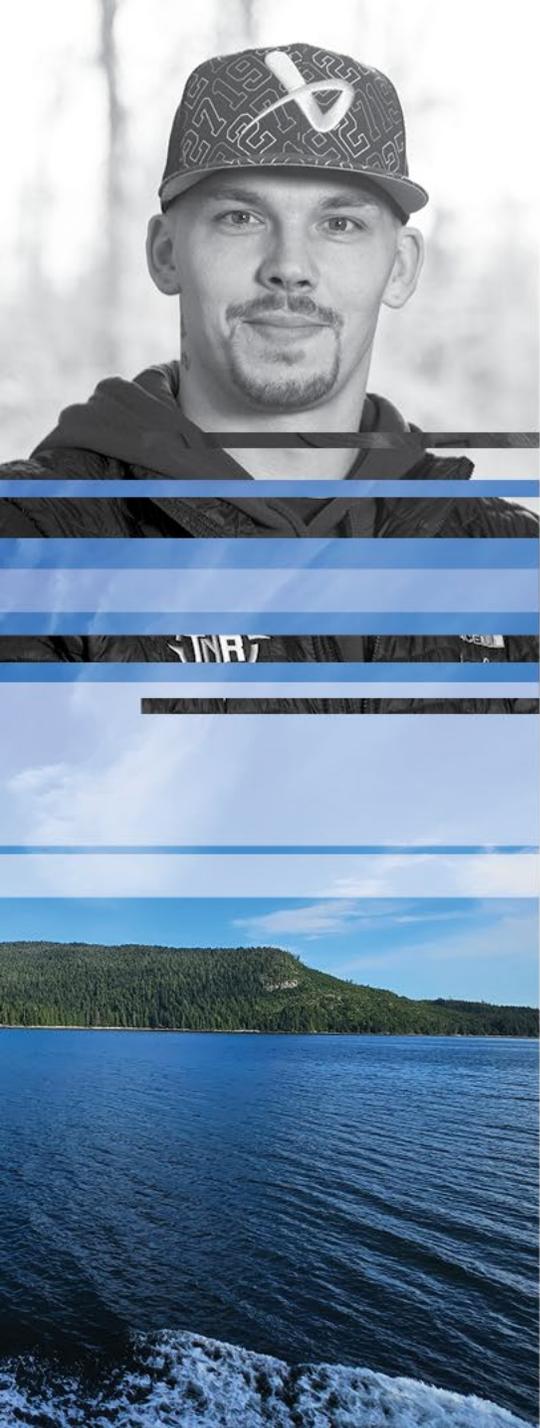
Communications Update



Communications Update
May 22, 2024

Allison Biastock, Chief Communications Officer

Trust
Alaska Mental Health
Trust Authority



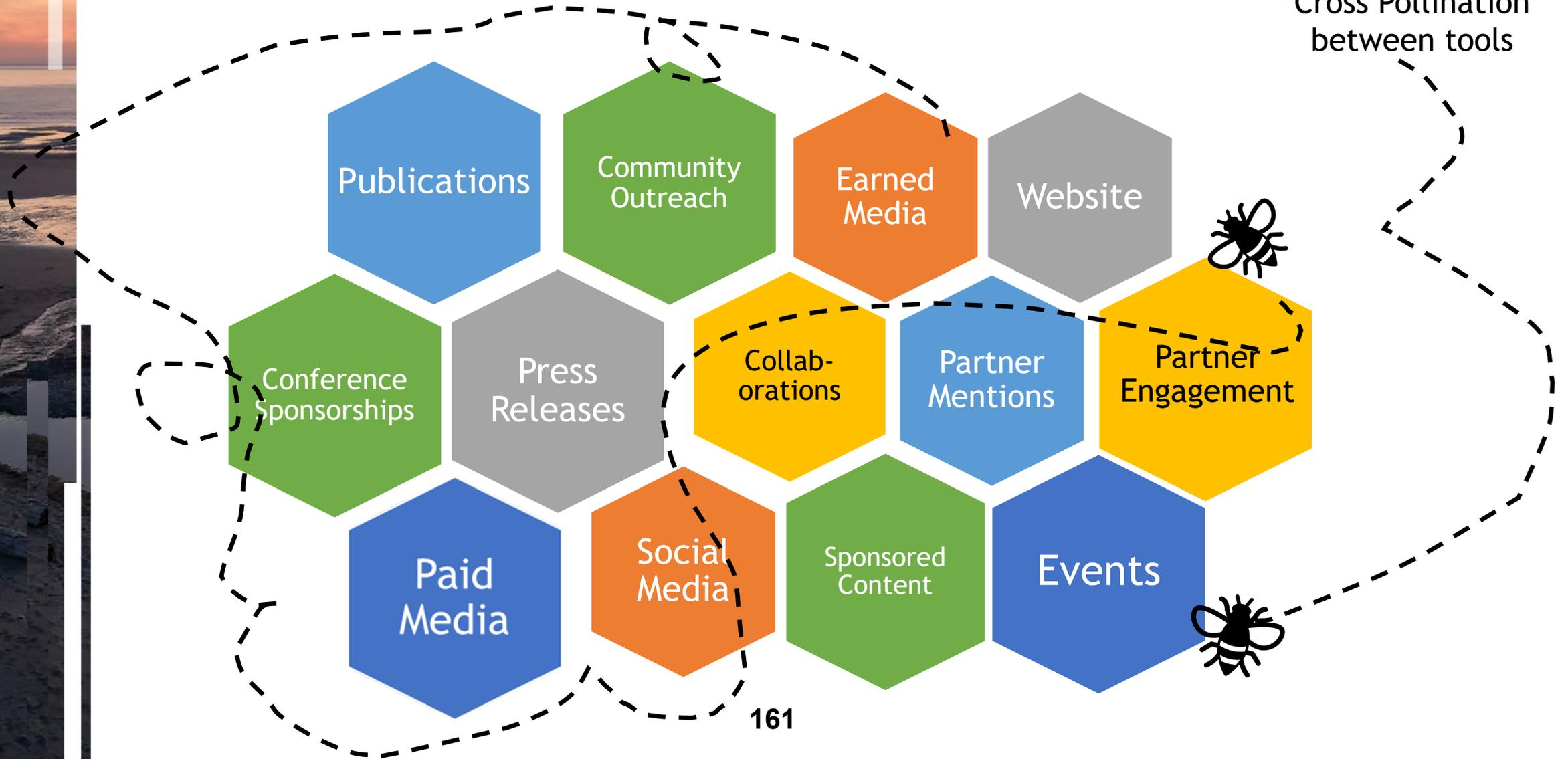
Trust Communications Goals

- Reduce stigma related to Trust beneficiaries
- Increase understanding and positively impact perceptions of the Trust, the Trust's mission, and TLO activities
- Increase awareness of issues critical to beneficiaries

Trust Communications Tools & Tactics



“Cross Pollination”
between tools



Trust Authority & Trust Land Office

- Both offices work to educate their audiences
- Dedicated social and web messaging
- Consistent use of lands and beneficiary imaging





Our Website

In the last year:

- Modest decrease in total traffic
 - 12% decrease in total users
 - 104K users
 - 154K visits
- Top pages:
 - Fall Land Sale
 - How does the TLO Support beneficiaries?
 - Home page



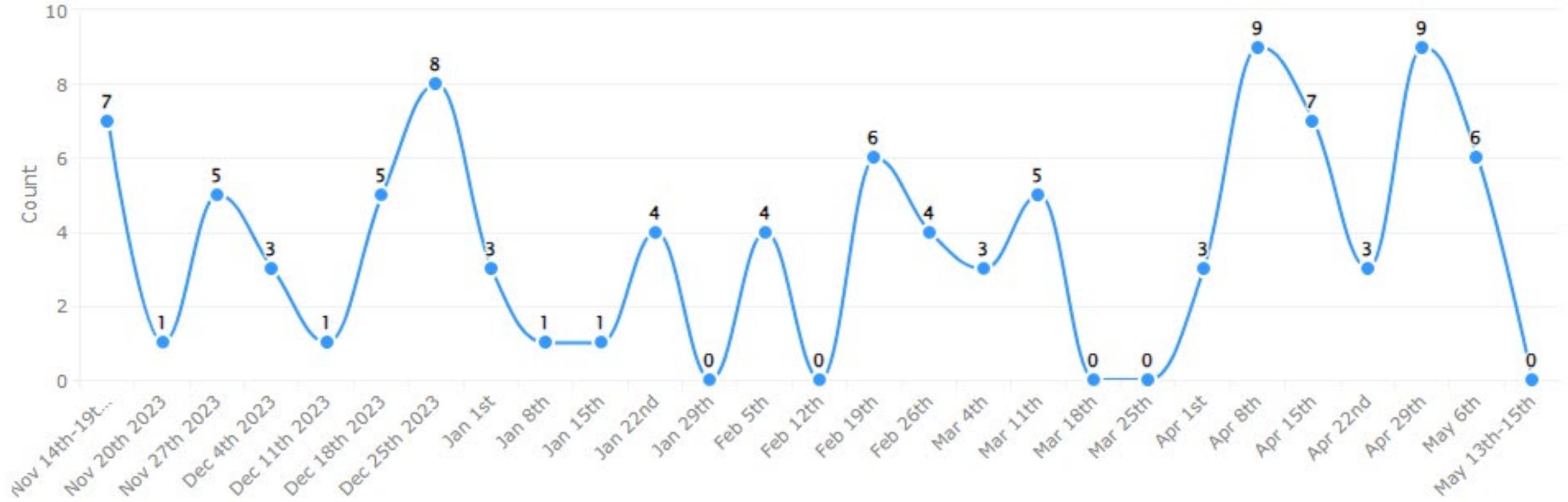
Trust Social Media



- Trust Facebook: 6,225 followers (+1.25%)
- Trust Instagram: 1,313 followers (+6%)
- Reach (in last 6 months)
 - Facebook 463K
 - Instagram 226K
- TLO Facebook
 - TLO Official, 353 followers (+47%)
 - TLO Land Sales, 1,428 followers (+.5%)



Earned Media





Public Media for Alaska's Yukon-Kuskokwim Delta

'Making history': Bethel to host open house for new supportive housing project

KYUK | By Sage Smiley
Published March 11, 2024 at 8:50 AM AKDT

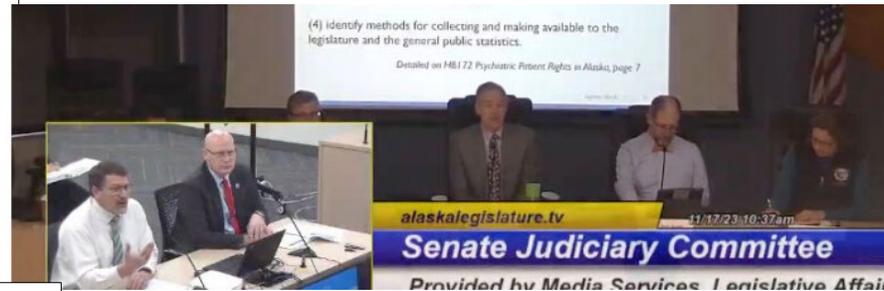


▶ LISTEN • 13:16

FAIRBANKS Daily News-Miner a company of The Helen Snedden Foundation, a nonprofit corporation

Senate Judiciary Committee holds hearing on psychiatric patient rights

Haley Lehman Nov 19, 2023



Petersburg Borough and Mental Health's Trust Land Office try to find common ground on subdivision design
Posted by Hannah Flor | Mar 11, 2024



As funding source for crisis and intervention teams is debated, officials emphasize their importance



Trust land auctions fund mental health care in Alaska

By Rachel Cassandra, Alaska Public Media - Anchorage - November 13, 2023



Mental Health Trust lot by Blind River Rapids sold to USCG family eager to return to Petersburg

Share Tweet + 0 Comments



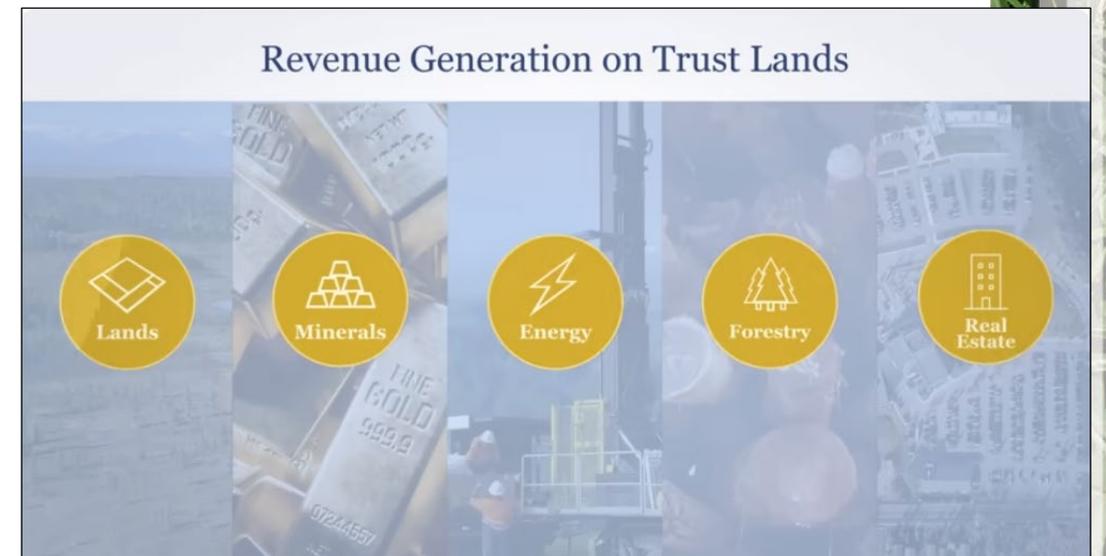
Lands Campaign – FY24

- Dec. 2023 - Feb. 2024
- 30-second “explainer” animation created in 2023
- Radio spot with a similar script
- Digital ad buy
 - Programmatic, including streaming TV services
 - YouTube
 - Digital Audio (Spotify, Pandora, SiriusXM radio)
- Public Radio



Lands Campaign FY24 – how'd we do?

- Total digital impressions: 7.7M
- Total clicks to site: 14.8K
- Digital Programmatic
 - 67% video completion rate
 - .34% click-through
- YouTube
 - 23% view rate/36% interaction rate
- Digital Audio
 - 1.2M impressions
 - 94-100% completion
- Public Radio
 - Three-week flight on 27+ stations



New Stigma Campaign – Launched in 2024

- Addresses core communication goal
- Asset collection in Mat-Su and Anchorage
- Content informed by 2023 research
- 4 x 30-second videos: Sallye, Brendan, Karen and Jasmine



Stigma Campaign FY24: April - June

All paid ads are video

- Cable TV
- Programmatic digital
- YouTube
- Hulu

Target audience:

- Alaskans over 25
- Per research: men over 35



E-newsletter

- 100 new sign-ups since launch
- For the most recent edition
 - Open rate 33%
 - Click rate 6%
- Promoted on social



April 2024

"See Beyond the Stigma" in our latest campaign



...to the latest Trust
...er! We'll start things off
...ok at our new "See Beyond
...a" campaign.

Grant Highlight: Ketchikan Reentry Housing Support



Ketchikan
REENTRY COALITION
Cultural Reintegration

Trust funds will support reentry housing for Trust beneficiaries in Ketchikan being released from incarceration with the Department of Corrections. These Trust funds administered through the **Ketchikan Reentry Coalition supported Reentry** will be working with case managers to address the reentry housing needs for reentering the community.

Both Trust beneficiaries and our beneficiaries benefit when reentrants are not recidivate. By securing stable housing, utilized in their community, which provides employment services, which provides a wage, and...

New Parcels Added to our Over the Counter Land Sale



Are you looking to buy land for a cabin, home, or business? We've recently added new inventory to our Over the Counter (OTC) land sale program. Parcels available through the OTC program are a fixed price and can be purchased immediately. Trust land sales are important because the Trust Land Authority (TLO) manages Alaska Mental Health Trust Authority lands to maximize revenues, solely for the Trust and its beneficiaries. The revenue generated by the TLO supports the Trust Authority's work to improve the lives and circumstances of Trust beneficiaries across Alaska. You can learn more and browse available parcels on the [OTC Land Sale page](#).

171

Current OTC offerings are located in/near:
Delta • Big Lake Area • Ester • Fox • Glennallen • Kasilof • Ketchikan • Kodiak •
... • Skagway • Wrangell • Yakutat

the OTC Land Sale

Highlight: FY23 Annual Report

- January 2024
- Highlight work of Trust and TLO
- Modified, shorter format



4 communities with Trust-funded Reentry Coalition Coordinators supporting successful reentry and reducing recidivism

17 subdivisions in development on Trust lands (6 were completed)

22 Trust-supported new substance use disorder and behavioral health treatment beds added statewide

4,186 INDIVIDUALS served by Trust-funded peer-led agencies providing support services (based on reporting)

94% occupancy rate of properties in the Trust commercial real estate portfolio

2,800 dispatched responses to psychiatric emergencies by Mobile Crisis Teams operating in Fairbanks, Anchorage, and Mat-Su. Learn more on page 12

67 Quit Claim Deeds issued for Trust parcels of land sold

Up to 47.5 MILLION BOARD FEET (mmbf) of timber currently under contract to be harvested from Trust land

6,000 (estimated) INDIVIDUALS trained through Trust-supported workforce development programs

11 number of beneficiary-owned businesses supported through Trust Micro Enterprise grants

35 units of permanent supportive housing supported with Trust funds

3,400 (approx.) samples collected for analysis through the Trust's resource definition drilling program at the Grinder prospect at Icy Cape



Highlight: 30th Anniversary

- 2024 is the 30th anniversary of the Trust's inception
- Theme incorporated into the comms program
- Modified logo development

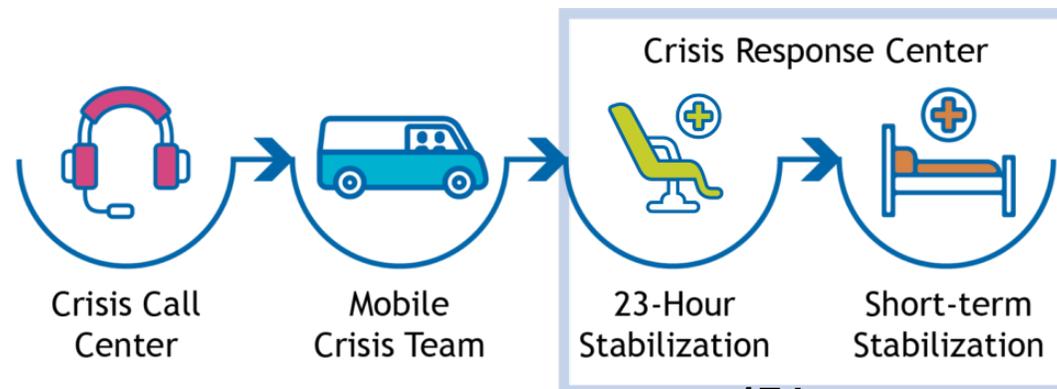


Highlight: BH Crisis Response Video

- In development, to launch later this year
- Provide an update on BH crisis improvements across the state
- Will feature partner interviews as well as images from crisis services

What is the Crisis Now Framework?

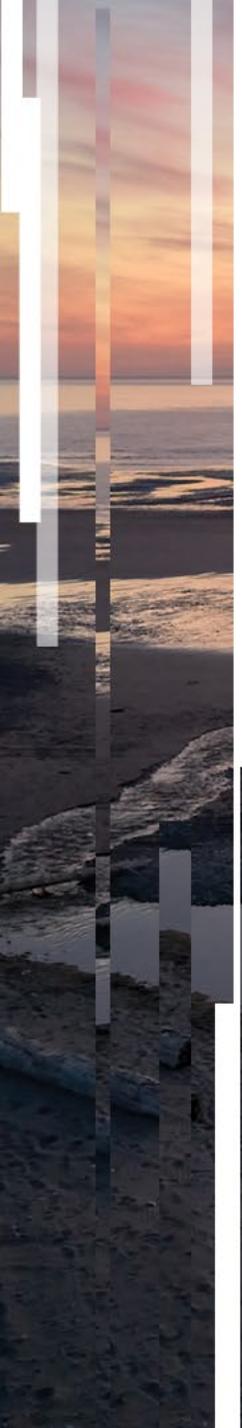
Someone to Talk to, Someone to Respond and a Place to Go



Highlight: Carbon Marketing

- Marketing brochure and accompanying webpage
- Emphasizes high-integrity forest resource and revenue generation to support Trust beneficiaries





Coming Up: Improving Lives Conference 2024

- September 17-18 at the Dena'ina Center in Anchorage
- Worked with partners to develop 2024 conference themes:
 - Empowering Beneficiaries Through Self-Direction, Employment, Access to Care, and Advocacy
 - Partnership and Integration as Pathways to Success
 - Building Strength Through the Community-Based Service Model
- Call for presentations currently open (through May 31)
- Finalizing details on two pre-conference events

Additional Notes on Improving Lives 2024

- Promoting via website, social, email, and networks
- CE credits to be offered
- Registration to launch in early summer
- Scholarships to be available for registration and travel
- Budget and increased costs

Improving Lives
Conference



The Alaska
Mental Health
Trust Authority

Thank You

Comments or Questions?



FY25 Budget Amendment

MEMO

To: Anita Halterman, Chair, Board of Trustee
Through: Steve Williams, Chief Executive Officer
From: Katie Baldwin Johnson, Chief Operating Officer
Date: May 14, 2024
Re: FY25 Budget Amendment

REQUESTED MOTION:

The board of trustees approves amending the FY25 budget to update the following budget areas:

- 1. Non-Focus Area Allocations: Allocate the FY25 Behavioral Health and Developmental Disabilities Mini-Grant funds to Information Insights.*
- 2. Mental Health & Addiction Intervention: Update the recipient for the Partnerships: Recover Alaska project from Sultana to Recover Alaska.*

These modifications do not alter the total amount of the FY25 budget.

STAFF ANALYSIS

Staff typically recommend necessary technical changes to a Trustee-approved budget in the spring before the actual start of a fiscal year, in this instance, FY25. Trustees will also need to approve a revised budget after the governor has released a signed FY25 budget. These proposed amendments will be prepared for the upcoming July or August 2024 trustee meeting.

Below are two technical amendments staff are proposing to the FY25 budget. These changes designate an assigned recipient for each strategy. The total amount of the FY25 budget does not change. Staff recommends that trustees approve the FY25 budget with the outlined amendments.

1) Designate Mini-Grant Administrators in Non-Focus Area Allocations (pg. 2, lines #22 and #24):

Amendments to the FY25 Mini-Grants reflect the designation of **Information Insights** for the Behavioral Health and Developmental Disabilities mini-grant as the grant administrators after respective contracts were awarded via a competitive state procurement process.

Current budget section:

20	<i>Mini Grants</i>			2100.0	-	2100.0	-	-
21	Mini Grants for ADRD	Alzheimer Resource Agency	AG	400.0	-	400.0	-	-
22	Mini Grants for beneficiaries experiencing mental illness, chronic alcoholism & substance abuse.	Grant Funds	AG	828.4	-	828.4	-	-
23	Mini Grants for beneficiaries experiencing mental illness, chronic alcoholism & substance abuse	Contract Services	AG	171.6	-	171.6	-	-
24	Mini grants for beneficiaries with developmental disabilities	Grant Funds	AG	438.0	-	438.0	-	-
25	Mini grants for beneficiaries with developmental disabilities	Contract Services	AG	62.0	-	62.0	-	-
26	Subtotal			1,900.0	-	1,900.0	-	-

Proposed budget section with Information Insights named as the designated grant administrators:

20	<i>Mini Grants</i>			2100.0	-	2100.0	-	-
21	Mini Grants for ADRD	Alzheimer Resource Agency	AG	400.0	-	400.0	-	-
22	Mini Grants for beneficiaries experiencing mental illness, chronic alcoholism & substance abuse.	Information Insights	AG	828.4	-	828.4	-	-
23	Mini Grants for beneficiaries experiencing mental illness, chronic alcoholism & substance abuse	Contract Services	AG	171.6	-	171.6	-	-
24	Mini grants for beneficiaries with developmental disabilities	Information Insights	AG	438.0	-	438.0	-	-
25	Mini grants for beneficiaries with developmental disabilities	Contract Services	AG	62.0	-	62.0	-	-
26	Subtotal			1,900.0	-	1,900.0	-	-

2) Update the recipient of the Partnerships: Recover Alaska in Mental Health & Addiction Intervention (pg. 5, line 8):

In previous fiscal years, Sultana New Ventures LLC dba The Foraker Group serves as fiscal sponsor for Recover Alaska, an initiative to reduce the negative impacts of alcohol misuse in the state of Alaska. In January 2024, **Recover Alaska** received 501 (c)(3) status and can now accept the grant directly.

Current budget section:

7	<i>Increase awareness, improve knowledge to prevent drug/alcohol misuse</i>							
8	Partnerships: Recover Alaska	Sultana	AG	100.0	-	100.0	-	-
9	Subtotal			100.0	-	100.0	-	-

Proposed budget section following the replacement of Sultana with Recover Alaska.

7	<i>Increase awareness, improve knowledge to prevent drug/alcohol misuse</i>							
8	Partnerships: Recover Alaska	Recover Alaska	AG	100.0	-	100.0	-	-
9	Subtotal			100.0	-	100.0	-	-

Additional Documents

To: Anita Halterman, Chair
Through: Steve Williams, Chief Executive Officer
From: Julee Farley, Chief Financial Officer
Date: May 9, 2024
Re: Audit & Risk Committee Report

Meeting Summary:

The Audit & Risk Committee met on April 25, 2024. The meeting was attended in person by trustees Kevin Fimon (chair), Rhonda Boyles, Brent Fisher, John Morris, and John Sturgeon. Trustees Anita Halterman and Agnes Moran attended via the online WebEx platform.

Presentation by Valerie Mertz, CFO, Alaska Permanent Fund Corporation: Ms. Mertz provided an overview of APFC Trustee’s Paper Volume 10, A Rules-Based Permanent-Endowment Model for Alaska. Topics discussed include the history of the account structure of the Alaska Permanent Fund into two accounts, the principal and Earnings Reserve Account (ERA); an overview of the two-account structure; and the risk of depleting the ERA and various proposals to mitigate the risk. Additionally, since statute requires APFC to account for Trust assets in a similar manner, the issues raised in the Trustee’s Paper Volume 10 also apply to AMHTA Trust assets. The annual payout authorized by the AMHTA Trustees has historically been paid out of the ERA for Trust assets managed by APFC. The Trust could also fund the annual payout from the Reserve account managed by the Department of Revenue that is not subject to ERA limitations.

Julee Farley, Trust CFO, will continue to monitor this and update the Trustees when the annual payout is presented to the Finance Committee for approval.

Other Business:

Below are additional motions offered by Trustee Halterman and approved by the Committee:

*Motion 1**: I move that the Audit & Risk Committee require the CEO to work with the Department of Law to schedule a training for the Board starting with the statutory plan that the board is required to follow for the administration of the trust. The training should include all applicable requirements contained in Alaska statutes title 44 and 37, as well as applicable regulations, the Land Settlement, and any other topics that the Department of Law believes will benefit and educate trustees on their duties.

Motion 2: I, therefore, move that the Audit & Risk Committee request that the Department of Law review the Alaska Mental Health Trust Authority Employee Grievance Policy and provide recommendations to the Board of Trustees on how to improve that policy. The report should include to whom the employee should report on issues about the CEO, and the proper procedure for investigation and resolving those issues.

**There may be technical edits to the above motions included in the official minutes of the meeting to be approved at the committee's next regularly scheduled meeting.*

The next scheduled meeting of the Audit & Risk Committee is ***July 30, 2024.***

To: Anita Halterman, Chair
Through: Steve Williams, Chief Executive Officer
From: Katie Baldwin-Johnson, Chief Operating Officer
Date: May 10, 2024
Re: Program and Planning Committee Report – April 25, 2024

The meeting occurred on April 25, 2024, and was attended by trustees Agnes Moran (chair), John Sturgeon, Kevin Fimon, Rhonda Boyles, and John Morris. Trustee Moran and Halterman attended remotely and Trustee Fisher was excused. Trustee Morris served in the capacity of chair for the duration of the committee meeting.

Meeting Summary

The following items were presented and discussed by the committee.

1) *CEO Update*

Steve Williams (CEO, Alaska Mental Health Trust Authority) provided an update on the following items:

- Quarterly Grant Report and associated media release
- Status of the State of Alaska Opioid Settlement funds and Request for Proposals
- The State of Alaska Department of Health Draft Comprehensive Integrated Mental Health Program- Strengthening the System II – presently out for public comment
- FY25 Budget
- Planning underway for development of the FY26/27 budget
- Announcement of new grant writing virtual office hours for Trust beneficiary-serving organizations, provided through the Trust’s proposal development contract with Denali Daniels and Associates. This resource provides guidance and technical assistance to organizations seeking grant funding opportunities
- Announcement of the Trust’s Behavioral Health Crisis Response Convening happening in Anchorage on May 3rd at Southcentral Foundation
- The Trust 2024 Improving Lives Conference, September 17-18, the May 31st deadline for call for speakers and registration launch this summer

2) *TABI/ADRD Data Development Presentation*

- Guest presenters, Wendi Kannenberg, and Sylvia Craig from the McKinley Research Group (MRG) provided a summary of the historical progress in understanding traumatic and acquired brain injury, as well as Alzheimer’s disease-related dementia data analysis, aiming to enhance data research tailored to TABI and ADRD and support informed decision making based on data insights. MRG’s overview examined existing state and national data sources and applications, identified limitations, and highlighted specific data development requirements for TABI and

ADRD. This report will assist the Trust and partners in seeking answers regarding the occurrence and frequency of TABI and ADRD in Alaska, along with details about specific data sources. The Trust and state partners require data crucial for monitoring and evaluating program outcomes, such as those linked to the DOH Comprehensive Integrated Mental Health Program Plan and the Alaska Scorecard.

- 3) *Southcentral Foundation* (SCF) Traumatic and Acquired Brain Injury (TABI) Presentation
 - Dr. Daniel Hartman, Medical Director, and Katie Jacques, Clinical Director, with SCF presented on their TABI Phasic Implementation Plan for Identification, Intervention, and Enhanced Community Infrastructure Project. The first phase of Southcentral Foundation's TABI project was funded by the Trust in April of 2023. SCF reported that over the past 12 months of this project, 1318 individuals with acquired or traumatic brain injury were served across various clinic, outpatient, and home-visitation settings, with plans to scale with care models supporting wrap-around services and multidisciplinary longitudinal patient care. SCF reports the project has a strong likelihood of replicability via referral management standardization in a shared statewide electronic health record among several tribal health organizations, and with Alaska Native Medical Center's discharge pathways for trauma services, stroke services, and neurosurgery statewide.
- 4) *Consideration of funding proposals*: Below are the funding requests presented to the Committee and the corresponding actions taken by the committee.
 - Set Free Alaska: Therapeutic Campus Expansion Capital Project, \$250.0 - Approved
 - Residential Youth Care (RYC): SeaLevel Community Youth Center, \$400.0 – Approved
 - University of Alaska: Evaluation of Rural Alaska Housing First Programs, \$291.0 – Declined
- 5) *Other Business*: Below is a motion offered by trustee Halterman and approved by the Committee

Motion: I move the Board of Trustees Authorize our Counsel to research whether the Board of Trustees can delegate authority to the CEO to approve grants and other powers attributable to the trustees by statute.

**There may be technical edits to the above motion included in the official minutes of the meeting to be approved at the committee's next regularly scheduled meeting.*

The Program and Planning Committee adjourned at approximately 4:00 p.m. on April 25, 2024. The committee's next meeting is scheduled for July 31-August 1, 2024, in Anchorage.