

MEMO

To: Board of Trustees
From: Steve Williams, CEO & Jusdi Warner, TLO Executive Director
Date: May 17, 2024
Re: Feedback on draft TLO ED charter

Introduction

We appreciate the opportunity to provide feedback on draft charter for the Trust Land Office Executive Director (TLO ED). The review was conducted with the recognition of trustees’ recent action to have the TLO ED report directly to board of trustees. The table below provides suggested language changes to mitigate any unintended impacts to day-to-day operations and maintain the strong team-oriented work of both the Trust Land and Trust Authority Offices.

Propose Charter Section Language	Staff Comments	Staff Recommended Language
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Duties and Responsibilities

<p>#7 - Act as one of the official spokespersons for AMHTA when so designated by the Board.</p>	<p>Staff recommend adding clarification to reflect current operations and practice. The TLO ED is only the spokesperson for Trust Land Office related issues and this done in coordination with the Chief Communications Officer.</p> <p>In addition, as clarified in previous staff comments related to changes to the CEO Charter, requiring the board to designate a spokesperson greatly constrains the responsiveness of the Trust to timely media inquiries. Recommend removing “when so designated by the board.”</p>	<p>Suggested language:</p> <p>Act as one of the official spokespersons of AMHTA in coordination with the Chief Communications Officer.</p>
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<p>8(e) - Advise and recommend revision to the Asset Management policy with respect to AMHTA non-cash assets as needed</p>	<p>The Trust Asset Management Policy Statement (AMPS) delineates the asset management philosophy and practices that govern the management of Trust assets that are entrusted to the board. It is the Chief Financial Officer's (CFO) responsibility to ensure the AMPS is reviewed annually. A more thorough review of the AMPS is done every three years in consultation with a Registered Investment Adviser. The CFO will present any recommended changes to trustees for approval.</p> <p>Staff recommend removing 8 (e) from this list of activities and adding a stand-alone item in this section because advice and recommended revisions should be in coordination with the CFO.</p>	<p>Suggested language for a new item #9:</p> <p>The TLO ED will assist the CFO with scheduled review of the Trust Asset Management Policy Statement (AMPS) with respect to AMHTA Non-Cash Assets. The CFO, the TLO ED, and CEO will present draft revisions to the AMPS to the chairs of Finance and Resources Management committees for review prior to a formal presentation of draft revisions to the Finance Committee and board of trustees.</p>
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Authorities

<p>#10 - Quarterly summary reports of all TLO ED approved items will be provided to the Board and a standing item will be placed on the next scheduled Resource Management Committee agenda following the report for any trustee discussion.</p>	<p>This appears to duplicate the reporting requirements outlined in items #11 and #12.</p>	<p>Recommend deletion.</p>
<p>#11 - The board delegates authority to the TLO ED to provide consultations on behalf of the Trust Land Office (TLO) to the Board as required by law regarding projects with projected total sale revenue below \$250,000 or projected annual total land or mineral lease or easement rental below \$50,000, and to</p>	<p>Per legal counsel: "the Board is making the TLO ED a direct report to the Board...the key requirement is if a consultation is required by law then the TLO ED shall consult with the Board of Trustees (could also be the Resource Management Committee if so desired)."</p>	<p>Suggested language:</p> <p>The TLO ED shall provide all TLO consultations required by law to the Board.</p> <p>OR</p> <p>The TLO ED shall provide all TLO consultations required by law to the Resource Management Committee per authorities outlined in its charter or to the Board.</p>

<p>quarterly report such consultations to the Board</p>	<p>Given the TLO ED is required to bring consultations to trustees there appears to be no need to provide an additional quarterly report to the board.</p>	
<p>#12 - The Board delegates authority to the TLO ED to approve project specific expenditures by the TLO from the principal, budget reserves or the facility maintenance account below \$50,000 per approval with a cumulative maximum of \$100,000 per year, and to quarterly report such approvals to the Board.</p>	<p>The CFO is responsible for ensuring the financial functions of the Alaska Mental Health Trust Authority (the Trust) are performed in a timely, cost-effective manner consistent with the Trust’s applicable laws, regulations, policies, procedures, and authorizations. The CFO is the liaison with the Trust Land Office in this regard.</p> <p>A key element missing from the draft language is the coordination with the CFO to confirm availability of funds and from where those funds would be drawn. It is unnecessary and limiting to include language specifying accounts where funds for the expenditures will be drawn i.e. principal (which is not available), budget reserves or the facility maintenance account. Staff recommend removing the named accounts.</p> <p>In addition, the language “quarterly report such consultations to the Board” is not consistent with language in the CEO charter regarding reporting on CEO approval of authority grant funds. Staff recommend revising this language for consistency between the CEO and TLO ED charters.</p>	<p>Suggested language:</p> <p>The Board delegates authority to the TLO ED to approve expenditures up to \$50,000 per approval with a cumulative maximum of \$100,000 per year. Such expenditures will not be for previously approved Trustee projects and the funding source will be determined by the CFO in consultation with the CEO.</p> <p>Quarterly summary reports of all TLO ED consultations will be provided to trustees and a standing item will be placed on the next scheduled Resource Management committee agenda following the report for any trustee discussion.</p>