

ALASKA MENTAL HEALTH TRUST AUTHORITY
SPECIAL FULL BOARD OF TRUSTEES MEETING
March 30, 2021
1:30 p.m.
WebEx Videoconference/Teleconference

Originating at:
3745 Community Park Loop, Suite 120
Anchorage, Alaska

Trustees Present:

Chris Cooke, Chair
John Sturgeon
Brent Fisher
Rhonda Boyles
Annette Gwalthney-Jones
Anita Halterman

Trust Staff Present:

Mike Abbott
Steve Williams
Carol Howarth
Miri Smith-Coolidge
Kelda Barstad
Michael Baldwin
Valette Keller
Josephine Stern
Levi Rinehart
Eric Boyer
Allison Biastock

Trust Land Office:

Wyn Menefee
Sarah Morrison

Also participating:

Sue Sherif; Marvin Deacon; Beverly Schoonover.

PROCEEDINGS

CALL TO ORDER

CHAIR COOKE called the meeting to order and began with a roll-call. He asked for any announcements. There being none, he moved to approval of the agenda.

APPROVAL OF AGENDA

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

After a roll-call vote, the MOTION WAS APPROVED. (Trustee Boyles, yes; Trustee Gwalthney-Jones, yes; Trustee Sturgeon, yes; Trustee Halterman,, yes; Trustee Cooke, yes.)

ETHICS DISCLOSURES

CHAIR COOKE asked for any ethics disclosures. There being none, he moved to the agenda item of inflation-proofing which comes from the Finance Committee meeting that was held earlier this month. He asked that the motion be introduced.

INFLATION PROOFING

MOTION: A motion that the Board of Trustees approves the designation of up to \$120,280,300 of Alaska Mental Health Trust earnings as principal for the purpose of inflation-proofing. The Board of Trustees authorizes the Chief Financial Officer to designate \$50,000,000 as soon as practicable, and designate, before the close of FY21, the amount necessary to achieve the total designation that will maintain a year-end FY21 budget reserve balance of at least 400 percent of the FY21 payout, or \$96,628,400 was made by TRUSTEE HALTERMAN; seconded by TRUSTEE GWALTHNEY-JONES.

CHAIR COOKE asked Mr. Abbott to address the motion and the wording changes that were made.

MR. ABBOTT replied that the only change from the motion made by the Finance Committee was the establishment of phasing for the actual transfers of the inflation-proofing. He continued that also discussed during the Finance Committee meeting was that the Trust's investment balances in the reserve account currently exceed the amount necessary to transfer \$120 million to the corpus while still maintaining the \$96 million of the reserve target. He continued that there was a possibility that if investment earnings are poor over the remaining three mounts of the fiscal year, that may not be possible. He added that in the discussions it was clearly important to the board to not transfer more to the corpus than is possible while still maintaining the 400 percent target, or \$96 million. This motion would authorize the Trust to transfer \$50 million immediately, and then transfer the remaining \$70 million at the end of the fiscal year only if the Trust maintains sufficient reserves to allow for that transfer to take place while still maintaining sufficient reserves and the target reserve balance.

TRUSTEE HALTERMAN asked about the risk of the Legislature still wanting to access some of the reserve funds.

MR. ABBOTT replied that the reserve target that the Trust has established would not affect the outcome of the 400 percent target. He added that he did not believe there would be additional risk as a result of this activity.

CHAIR COOKE recognized that Trustee Fisher had called in. He asked if the market continuing its upward trend, even after this transfer, would cause a problem.

MR. ABBOTT replied that he would not perceive it as a problem. He stated that next year, when inflation-proofing is again considered, there may be sufficient reserves available for that purpose.

CHAIR COOKE asked if there were any other questions or comments.

TRUSTEE STURGEON called the question.

After the roll-call vote, the MOTION WAS APPROVED. (Trustee Sturgeon, yes; Trustee Halterman, yes; Trustee Gwalthney-Jones, yes; Trustee Fisher, yes; Trustee Boyles, yes; Trustee Cooke, yes.)

CHAIR COOKE asked for any other business to come before the board.

MR. ABBOTT thanked the trustees for being available for this special meeting and wanted to make sure that they knew of the plan for two days of committee meetings on April 21st and 22nd, and a one-day board meeting in late May. He stated that there was a plan for an in-person meeting in May, but probably not April.

CHAIR COOKE asked for an email update, and asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE STURGEON; seconded by TRUSTEE HALTERMAN.

After the roll-call vote, the MOTION WAS APPROVED. (Trustee Sturgeon, yes; Trustee Halterman, yes; Trustee Gwalthney-Jones, yes; Trustee Fisher, yes; Trustee Boyles, yes; Trustee Cooke, yes.)

(The Special Full Board of Trustees Meeting adjourned at 1:46 p.m.)