

## AGENDA

**Meeting:** Board of Trustees Governance Worksession #1  
**Date:** March 2, 2023  
**Time:** 12:00 pm  
**Location:** online via webinar and teleconference  
**Teleconference:** (844) 740-1264 / Meeting Number: 2468 016 0764 # / Attendee No: #  
<https://alaskamentalhealthtrust.org/>  
**Trustees:** Anita Halterman (Chair), Verné Boerner, Rhonda Boyles, Kevin Fimon, Brent Fisher, Agnes Moran, John Sturgeon

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## Thursday, March 2, 2023

**12:00p**      **Welcome**

- Opening Comments, Anita Halterman

**Work session Goals**

**Background**

**Charter Review - Board of Trustee**

**1:30**      **Trust Budget Development and Grantmaking Process**

**2:00**      **Break**

**2:10p**      **Charter Review – Chief Executive Officer**

**Looking forward:**

- March 8, 2023

**Closing Comments**

**3:15p**      **Adjourn**

**DATE: January 10, 2023**  
**TO: Alaska Mental Health Trust Authority Board Chair**  
**CC: Alaska Mental Health Trust Authority CEO**  
**FROM: Catherine Woods, Raven Management Consulting**  
**RE: Governance Review Themes**

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The Board of Trustees is slated to review its governance documentation in 2023. In preparation for that effort, and to focus the Board's time and attention efficiently, the Board of Trustees provided input regarding governance via an e-survey launched in October 2022. Because not all Trustees were able to complete the survey, follow-up interviews were held with all Trustees in December 2022 to review insights from the survey and identify additional areas of focus for the governance review. A summary of key themes from the survey and interviews is provided below.

### **Key Themes – Governance Documents and Practices**

The following themes were captured from survey and interview data:

- Trustees generally felt that governance is working well at the Trust. Trustee comments included:
  - “The governance documents are reflective of a thoughtful and informed process that considers the unique elements and structures, obligations, special abilities, and limitations of the Trust. It is informed by the challenges that the Trust and its governing board has faced and supports professionalism, accountability, and sets expectations delineated by Board vs management. We should control that narrative with the highest emphasis on integrity.”
  - “The current guidance identifies roles/responsibilities, and overall, I believe our staff at both TLO and the Admin work well and stay within the confines of this guidance whenever possible. It allows Trustees to take an active or passive role with regards to the work we do, and it allows a bond to be built by all as needed. Our charters allow direct access to the proper staff, and it lays a great foundation on which to reflect and build.”
  - “The fact that charters and policies are documented with references to regulations, statutes, and settlement is great. That makes it much easier to evaluate what is required of the Trust from outside and what the Board of Trustees can improve and build upon.”
  - The Trust has a powerful administrative structure. The Board should oversee, and that staff should administer. That is how it has been working and how we should continue.
- Trustees recommended that the governance review focus on ensuring that language in the governing documents is clear to all and that expectations for action are specific, timebound, and measurable. There is also a desire to ensure that policies and processes which are noted in Charters are collected for ease of reference and use and that processes enable the board to be efficient in its meetings and activities.
- Trustees would like to revisit the need for and efficacy of Committees of the whole. Trustee input showed a mix of views regarding the approach:
  - “I personally like the committees of the whole because it makes the Board meetings go so much more quickly because all were a part of the process when recommendations and work was done in committee.”

- “This approach hinders an already difficult act of recruiting volunteers to serve in a role with such a HUGE time commitment.”
- Trustees would like to understand how grant authorization functions today and whether any adjustments to the oversight approach, approval process, or authority levels should be made to ensure that boundaries and expectations are clear for both Trustees and staff. There is also a desire to understand how the Trust’s granting approach is resulting in improvements in target areas and to ensure that the Trust is optimizing its effectiveness on behalf of beneficiaries and delivering measurable results.

### **Other Themes**

While not directly related to the update of governance documents, the following themes emerged from discussion and are noted for reference.

- Trustees identified an interest in ensuring that the staff and Board represent the diversity of beneficiary groups and that the Trust continues to seek guidance from beneficiaries regarding their needs. There was also an interest by the Board in promoting diversity of political views on the Board so as to guard against groupthink.
- Trustees identified a desire to see the Trust maintain connections more broadly including with the Alaska Native Tribal Health System and with providers in rural communities.
- Given significant change to Board and leadership in the last few years, trustees noted a desire to review and update the strategic plan to ensure alignment.

### **Potential Next Steps /Sequencing for Governance**

The Board may wish to consider these next steps in the Governance Review process:

- Convene a facilitated working session to review the Committee structure and determine whether to continue with Committees of the whole as this may have implications for how the remainder of the governance review is conducted.
- Determine whether the governance review and redline process should be undertaken by the full Board or by a committee or committees.
- Schedule working sessions to review the governance documents:
  - Review Bylaws and Charters for the Board, CEO, and Board Officers (with CEO)
  - Review Committee Charters (with inclusion of CEO and staff related to each committee)
- Develop redline versions of governance documents for final review and approval by the Board.

**Additional Next Steps to Consider**

The following activities may be beneficial to the Board:

- Review current Board orientation materials with the Board to ensure the materials and approach are fit-for-purpose in preparation for orientation of newly appointed Trustees.
- Review and update the Trust's strategic plan to ensure alignment.

**DATE: February 22, 2023**  
**TO: Alaska Mental Health Trust Authority Board Chair**  
**CC: Alaska Mental Health Trust Authority CEO**  
**FROM: Catherine Woods, Raven Management Consulting**  
**RE: Governance Review Work Session #1 on March 2, 2023**

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The Board of Trustees is scheduled to participate in a work-session on March 2, 2023 to begin the process of reviewing governance documents and practices. This memo is intended to provide context and set expectations for this meeting.

The agenda for the work session will focus on two items:

1. Review of the Board's Committee Structure and Practices
2. Review of the Charter of the Chief Executive Officer

Context information in each topic is noted below.

### **Review of the Board's Committee Structure and Practices**

The Charter of the Board of Trustees notes that "The Board of Trustees will establish a committee structure that it considers necessary and appropriate to effectively govern the AMHTA."

In 2017 when the Charter document was drafted, the then Board of Trustees defined five committees (Executive Committee, Finance Committee, Audit and Risk Committee, Resource Management Committee, and Program and Planning Committee). All Committees were structured as Committees of the whole. This structure was developed to ensure that all Trustees were equally informed about key areas of the Trust's activities.

In December of 2022, Trustees identified a desire to revisit the need for and efficacy of Committees of the whole. Trustee input showed a mix of views regarding the approach as shown in submitted comments:

- "I personally like the committees of the whole because it makes the Board meetings go so much more quickly because all were a part of the process when recommendations and work was done in committee."
- "This approach hinders an already difficult act of recruiting volunteers to serve in a role with such a HUGE time commitment."

Delegation to Committees does not mean abdication by the full board, rather it is intended to aid efficiency of process in conducting the Board's work. When thinking about Committee structure, Boards often consider:

- How effectively is the current structure working?
- What changes to the Committee structure – if any – are needed to effectively support the Trustees in completing the work of the Board?
- What operational implications do proposed changes have for staff and Trustees?
- What is the cost of any proposed changes?
- How would the Trustees like to move forward?

Common Committee Structure elements that the Board could consider include:

- Establishing Committees with 3 or 5 members to divide and conquer the workload.
- Ensuring that Committee memberships are spread equally among Trustees.
- Where possible, assigning Committee members who are subject matter experts as a means to allow Trustees to utilize their expertise experience on Committees which are most aligned with their interests and professional background.
- Ensuring that Committee Chairs report to the full Board of Trustees at each meeting on important discussion and recommendations to the Board for approval.

As context for consideration of whether to change the Committee structure, staff was asked to provide some insight on the operational impact of making changes to the Committee structure. Their notes are shown below:

<b>Pros of Smaller Committees</b>	<ul style="list-style-type: none"> <li>• Easier to schedule meetings with fewer members.</li> <li>• Easier to reach a quorum with fewer members.</li> <li>• Committee meetings could be shorter or cover more topics with fewer members asking questions.</li> <li>• Potential travel savings for Trustees living outside Anchorage if they only attended 1 day of committee meetings.</li> <li>• Potential honorarium savings \$0-800 per committee meeting day, depending on how many committees are scheduled on that day.</li> </ul>
<b>Cons of Smaller Committees</b>	<ul style="list-style-type: none"> <li>• Committee meetings strategically educate Trustees on the business of the trust – beneficiary needs, resources, finances – that would be missed or moved to full board meetings.</li> <li>• Potential lost opportunities for trustees to share their diverse knowledge and expertise on committee issues and topics.</li> <li>• Potential lost opportunities for trustees to learn from each other, growing their knowledge and skills is the diverse and complex work of the Trust.</li> <li>• Loss of beneficial time between committee presentations and full board approvals to gather additional information and answer Trustee questions.</li> <li>• Open Meetings Act applies when more than three members or a majority of the members, whichever is less, are present to consider a matter they are empowered to act upon [AS 62.310(h)(2)]. A quorum of a smaller committee would be 2 or 3 trustees, making the Open Meetings Act apply to smaller informal discussions.</li> <li>• Risk of not reaching a quorum if 1 or 2 members are unexpectedly unable to attend or are excused.</li> <li>• Need to schedule more time during the full board meetings for committee reports and board action items for those who did not attend the committee meeting, and reducing agenda time for governance and strategic presentations (i.e., statutory advisors like DOR, DOH/DFCS, APFC, beneficiary Advisory boards) as well as other items like on-going trainings (Ethics, Open Meetings, Fiduciary), site visits, and beneficiary mission moments. This could potentially require an additional board meeting day.</li> </ul>

Staff noted that if Committee meetings were to be scheduled on separate days, additional operational considerations are:

- More complicated logistics for scheduling.
- Reduced efficiency for Trustees, staff, and the court reporter.
- Increased staff time scheduling, packet finalization, supplies purchasing, technology, conf room scheduling, etc. Staff would feel like meetings and packet deadlines were constantly happening.
- Increased travel costs for Trustees who serve on multiple committees but live outside Anchorage.
- Potential honorarium increase of \$1,000-2,600 per quarter (depending on individual Trustees serving on multiple committees).

Please consider your thoughts on the Committee structure and come prepared to share your point of view.

We are placing this item as our first discussion element based on the realization that any change to Committee structure could result in changes to how we approach the review of other governance documents. We will end this portion of the discussion by determining whether the governance review and redline process should be undertaken by the full Board or by a smaller committee as delegated by the Board.

### **Review of the Charter of the Chief Executive Officer**

Trustees requested clarification of Section 7 of the Charter of the CEO (related to CEO authorities) during governance discussions with the consultant in December of 2022.

In consultation with Board Chair, CEO, and legal counsel, a proposed redline of section 7 has been developed and is included in this packet for your review.

We will discuss this proposed redline further during the work session.

In addition, at the request of the Chair, staff will gather background information on trust budget development and grant making processes which will be presented at the work session in order to provide broader context for discussion of the Charter of the CEO.

The goal of this discussion will be to ensure alignment of expectations regarding CEO authorities and approval of an updated Charter of the CEO.

I look forward to seeing you all at the work session next week.

# CHARTER OF THE CHIEF EXECUTIVE OFFICER

## Introduction

1. Alaska Law, AS 47.30.026(b), requires the board of trustees of the Alaska Mental Health Trust Authority (AMHTA) to employ a chief executive officer (CEO) and set the minimum salary for that position.
2. The bylaws state that the CEO will be the chief executive officer of the corporation and serve at the pleasure of the board of trustees. They set out, in general terms, the duties of the CEO.

## Duties and Responsibilities

3. The board has approved a position description that is filed with the State of Alaska, incorporated by referenced and attached hereto, that describes the accountabilities, characteristics, and minimum qualifications expected of the CEO.
4. The board has, for greater clarity, established this charter to set out the following specific authorities of the CEO.

## Authorities

5. The CEO is required to report to the board of trustees, at each of the four regularly scheduled meetings per year, on the major program activities and status of the progress against the budget
6. The CEO is responsible for developing and executing a legislative program on an annual basis and timely reporting its progress to the trustees.

7. The board delegates approval authority to the CEO to allocate grants previously approved by the full board but not allocated to a specific grantee up to \$100,000. A summary of all grants approved by the CEO will be provided to both the program and planning committee and to the full board quarterly. Authority Grant funds of up to \$100,000 from budget lines previously approved by the board of trustees, but undesignated to specific entities. The CEO's authority is limited to approval of a total of \$100,000.00 per agency per state fiscal year. The CEO may approve There would be an annual limit for a single agency to receive one \$100,000 approval or multiple approvals not to exceed in sum \$100,000 per state fiscal year in CEO approved authority grant funds, regardless of the budget lines previously approved by the board of trustees, but undesignated to specific entities in a single state fiscal year. These allocations may take the form of grant awards.

**Commented [CW1]:** Trustees requested clarification of this section of the Charter of the CEO during governance discussions with the consultant in December of 2022. The redline provided here was developed by the Chair and CEO and has been reviewed and approved by legal counsel. It is provided for Board review and discussion.

**Commented [HGF(2R1)]:** This has not been approved by law at this point and can't be approved until the final version is completed.

procurements following state processes, or other programmatic activities.

Any agency that submits a single request for Trust funds exceeding \$100,000 will be referred to the Program and Planning Committee or the Board of Trustees for approval.

Any single agency who received one or more CEO approved grants in a single state fiscal year that submits a subsequent request that would in sum exceed the CEO delegated authority of \$100,000 would have their request referred to the Program and Planning Committee or the Board of Trustees for approval. The CEO shall not delegate the authority granted herein to any other individual or employee.

Quarterly summary reports of all CEO approved items will be provided to trustees and a standing item will be placed on the next scheduled Program and Planning agenda following the report for any trustee discussion.

~~7-8.~~ The board delegates authority to the CEO to receive consultations on behalf of AMHTA from the Trust Land Office (TLO) 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 quarterly report such consultations to the board.

~~8-9.~~ The board delegates authority to the CEO 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.

~~9-10.~~ The CEO has authority to raise issues to the board at any board or committee meeting.

~~10-11.~~ The CEO may delegate duties to staff except as specifically prohibited herein.

~~11-12.~~ The CEO will actively consult with the board and receive their consent to the employment or termination of the following key roles: executive director of mental health policy and programs, executive director of the TLO, and chief financial officer.

## Review and Amendment of the Charter

~~12-13.~~ The board of trustees will review this charter at least once every three years and recommend any amendments to the board for approval as necessary to ensure that the charter remains relevant and appropriate.

13.14. The board of trustees adopted this revised charter on ~~October 27,~~  
~~2017~~, 2023.