

**ALASKA MENTAL HEALTH TRUST AUTHORITY
FULL BOARD OF TRUSTEES MEETING**

**May 25, 2023
8:30 a.m.**

WebEx Videoconference/Teleconference

**Originating at:
Grand View Inn and Suites
2900 East Parks Highway
Wasilla, Alaska 99654**

Trustees Present:

Anita Halterman, Chair
John Sturgeon
Kevin Fimon
Agnes Moran (Virtual)

Brent Fisher
Rhonda Boyles
John Morris

Trust Staff Present:

Steve Williams
Katie Baldwin-Johnson
Eric Boyer
Allison Biastock
Travis Welch
Carrie Predeger
Janie Ferguson
Autumn Vea
Luke Lind
Jimael Johnson
Debbie DeLong
Mary David
Miri-Smith Coolidge

Trust Land Office Staff Present:

Jusdi Warner
Jeff Green
Katie Vachris
Blain Alfonso
Marisol Miller

Also participating:

Elizabeth Ripley; Robin Minard; Jim Beck; Robert Tasso; Patrick Reinhardt; Stephanie Hopkins; Leah Van Kirk; Paten Corbin; Jenny Weissaupt; Mary David; Stephanie Wheeler; Brenda Moore; Lisa Cauble; Julie Coulombe; Genia Demetriades; Erin O'Boyle; Catherine Woods; Jon Haghayeghi; Gene Hickey.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the meeting to order and did a roll call. She stated that they had a quorum. She asked for any announcements. There being none, she moved into the statutory advisory update.

CEO WILLIAMS asked to make a couple of announcements. He apologized for not being there yesterday and understood that the day went smoothly. He stated appreciation for Ms. Baldwin-Johnson and all the staff for stepping up and making sure the meeting ran smoothly. He continued that Ms. Baldwin-Johnson had a family medical issue that required her to be focused in that space. He would let all know when she joins online or showed up in the room. He gave a brief synopsis of the outline of the meeting and turned it back to Chair Halterman.

CHAIR HALTERMAN moved to the statutory advisory update, noting that Mr. Haghayeghi is the executive director for the Alaska Commission on Aging; Leah Van Kirk, the acting executive director for the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse; and Patrick Reinhart, the executive director of Governor's Council on Disabilities and Special Education.

STATUTORY ADVISORY UPDATE

MR. HAGHAYEGHI began by thanking the Trust. They had gone over the budget, and most of the spending that they have the ability to do is because of the Trust. He stated that he had two main topic areas: One was a general overview of the last quarter; and then, the State of the State Plan, which was out for public comment. He continued that the last quarter had been very productive and very difficult, as well. They have one permanent position, and it has been vacant. He announced that, after six months of work, that position has been reclassified into a program coordinator position. It is important because that position had not been reviewed in 20 years, and we wanted something that would provide follow-up to the State plan, which is a really important component of the Commission's responsibility. There is the need to have someone with the capability and skills to tackle statewide initiatives, whether they be educational or to enhance communication. He continued that they get great ideas from the Trust; one of which was a podcast, which they would use to distribute via radio across the state with the hope of reaching some rural elders or seniors in remote places that may only be tuned in to analog radio. He added that once the audit and the State plan were both completed, then they would see what could be done as a Commission to gather information so that gaps are identified, and specific insights are gathered. He moved to the updated statistics, which just demonstrates the severity of the growing senior population. From 2010 to 2022, there was a 97 percent growth in the statewide senior population above 70 years old. He continued that in order to fulfill the Older Americans Act, a State Plan for Senior Services was produced. The grantee was SDS, and they distributed the funds. He talked about the collaborative process and walked through the plan. He stated that the Commissioners were working with Senator Murkowski and Representative Peltola, and they made a formal request to restore the State's funding from .5 percent to a full 1 percent. He continued, if that occurs, the amount of funding would drastically change, and SDS will have funds available to fund the programs across the state for senior services. He added that the current draft of the State Plan is available on their home page and could be downloaded. He continued that by June 5th, the advisory committee will be meeting to discuss the public

comments. Then all necessary changes will be incorporated and organized so they could be presented at the back appendix of the State Plan. He asked for any questions.

CHAIR HALTERMAN thanked Mr. Haghayeghi, and stated appreciation for the update. She recognized Ms. Van Kirk.

MS. VAN KIRK stated that she was Leah Van Kirk, currently the acting executive director for the Alaska Mental Health Board and the Advisory Board on Alcoholism and Drug Abuse, and the Statewide Suicide Prevention Council. She also focused on statewide suicide prevention in her current role with the State and Division of Behavioral Health. She continued that she had been in the acting role for about three months, and there has been a lot happening within those three months. At their last meeting in March, she shared a very tragic loss of their board chair about a week before the meeting. That really impacted the boards, and there was a lot of work done in order to come together. She thanked the Trust staff for providing support during that time, which was very unexpected and a very hard loss. She added that the current chairs are Brenda Moore for the Alaska Mental Health Board, and Anthony Cravalho is the acting ABADA chair. There were two vacant seats on the Alaska Mental Health Board, and also two vacant seats on the Advisory Board on Alcoholism and Drug Abuse. She shared some pictures of staff and staff sidekicks. The boards are in the process of hiring for an executive director. Stephanie Hopkins is the advocacy coordinator. She shared that Charity Mei just accepted a vacant position and would start on June 12th. She then shared some of the highlights of the work done over the past several months. She added that their Statewide Suicide Prevention Plan was published and released this year. The challenge about suicide prevention is that suicide is so complex, and many strategies need to be implemented in order to make a difference. She stated that the public information team at the Division of Behavioral Health did a beautiful job of putting it together and integrating messages of hope throughout the entire plan. The plan went out for public comment. She talked about the Statewide Suicide Prevention Conference that was hosted and funded by the Statewide Suicide Prevention Council, the Alaska Mental Health Trust Authority, and Division of Behavioral Health. There were over 250 registrants; very well attended, and with a lot of excellent presenters. They also really focused on youth engagement with data telling that youth have the highest rate of suicide in the state and in the nation. She then transitioned into the implementation nationwide as of July 16, 2022. States were responsible for funding that system. Throughout this work, SAMHSA had reorganized because of the focus on 988 and behavioral health crisis systems. She added that SAMHSA recognized 988 as part of the crisis continuum. It needed to be recognized and funded that way. Nationally, there had been a significant increase in funding for crisis call center services, as well as other crisis services in that continuum. She talked about presenting at the National Indian Health Board Conference and stated that the tribes do amazing work and were the knowledge bearers of how to integrate suicide prevention and crisis services in their tribal and rural communities. She continued through her presentation, explaining as she went along. She thanked the Trust for amplifying 988 through paid opportunities, which helped coordinate it with the crisis system and Crisis Now. She outlined the importance of engaging youth, and making sure that the youth know about the service.

CEO WILLIAMS stated that the posters in school and the message of hope adds to making sure that kids know how to access services when needed. The real thing he underscored was that it was also a way of destigmatizing and normalizing that mental health is health, and it is okay to reach out and ask for help.

MS. VAN KIRK then highlighted some of the social media toolkit which was developed on the 988@alaska.gov website to make sure stakeholders had something tangible to use immediately. All of these pages can be seen on that website. She also went into detail about a youth art contest. The Youth Alliance for a Healthier Alaska was involved in developing the rubric for judging the art contest and the entries. She shared a three-minute video of Max Blust and his song, one of the award winners.

(A video was played for the record.)

MS. VAN KIRK thanked all and handed it over to Stephanie Hopkins, advocacy coordinator.

MS. HOPKINS stated that she is the advocacy coordinator for the Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, and the Trust Joint Advocacy Effort. She spent the last few years working on this program through the 1215 advocate calls and advocacy trainings under the now-retired Terry Tibbett, and is the planner of the board. She explained that this year started a brand-new Legislature following the 2020 census and subsequent redistricting. As part of that process, all but one of the 60 seats had to redo their elections or undergo another election. There was a record number of new legislators, and we are in Year 1 of the 33rd Legislature. While the budget is an annual release, all the bills she went over are still in play for 2024. She stated that the AMHB and ABADA have a Legislative Advocacy Committee that was set by election of the boards with an equal number of members from each board. She went through bills that the committee took action on or were about to take action on, and explained about them as she continued her presentation.

TRUSTEE FIMON asked if there was a sense of openness in the Legislature.

MS. HOPKINS replied, yes, there were a lot of folks coming from different areas, different life perspectives and not yet established legislators. She stated that everybody is more than welcome to join the 12:15 p.m. calls.

CHAIR HALTERMAN highly recommended that trustees participate in those advocacy calls because they go through the legislations piece by piece. Participation is worthwhile.

TRUSTEE BOYLES asked about the nursing multistate licensure compact.

MR. BOYER replied that there is broad support for that bill and some of the partners are strong advocates for that. He added that he thought it would resurface in the second year of this two-year session.

TRUSTEE MORRIS asked if the Trust is supportive of the bill for direct access to healthcare, the one with the analogy to a gym membership.

MS. HOPKINS replied that bill was identified as something that would impact Trust beneficiaries. The Trust joint advocacy effort does not take a stand on bills other than just notifying about them. She moved to the items identified through the trustee recommendations for the budget. They were compiled through the joint advocacy effort to an action alert. She continued that they would be publishing a joint advocacy report later this summer that will go up

on the Trust website. It will be a synopsis in writing of what took place and what could be done over the summer. It will also identify locations for community advocacy trainings.

CHAIR HALTERMAN asked about House Bill 167, minors in facilities outside of Alaska. She asked for a bit of background on that piece of legislation.

CEO WILLIAMS replied that it was introduced late in the session by Representative Zack Fields and attempts to prevent youth from being sent out of state to for-profit psychiatric residential treatment facilities. The intent was that this could start a conversation on what Alaska needs to build up in its infrastructure to minimize youth requiring out-of-state placement.

CHAIR HALTERMAN added that it is fair to assess that they are trying to enforce infrastructure needed to keep these kids in the state. She stated appreciation for the clarity.

TRUSTEE BOYLES stated that the work they are doing is impressive.

CHAIR HALTERMAN recognized Allison Biastock.

MS. BIASTOCK stated appreciation for all the wonderful work of the partner boards and gave a special acknowledgement to Stephanie Hopkins. She continued that it was her first session serving as the joint advocacy coordinator and filled the shoes of Terry Tibbett who had the position for many years. Ms. Hopkins stepped in and did a tremendous job and showed wonderful leadership with advocates, with the internal team that worked on these issues. She was there every Friday leading the call with advocates. She acknowledged the great work and the leadership. It was a successful process this year.

CHAIR HALTERMAN recognized Patrick Reinhart.

MR. REINHART stated that he is the executive director of the Governor's Council. He also introduced Robert Tasso, the newest planner for the Council.

MR. TASSO stated that he came to the Governor's Council about two months ago. Prior to that, he worked as a health program manager in a few different units at SDS. He was happy to be there.

MR. REINHART stated that, as of this Friday, they would be fully staffed for the first time in a long time. He continued that his presentation would be an overview of the Governor's Council. He began with a recap of their history, Council updates, meetings and projects, the legislative issues. The Council is a 26-member board appointed by the Governor, and we currently have eight vacancies, which is a lot. The understanding is that the Governor's Office is currently going through some interviews to try to fill some of those vacancies. 60 percent of the people on the Council must be someone with an intellectual and/or developmental disability, or family member thereof. He recognized that their chair, Heidi Lieb-Williams, was honored in the Governor's State of the State address in January as a champion for advocacy. The vice chair, Jena Crafton, will soon be the chair. There is a two-year chairmanship rotation. Ms. Crafton was honored at the "40 Under 40" award a few months ago, and is a great advocate. The Council was established in 1978, and was all about moving people out of Harbor View and other institutional-like settings into community-based services. They had been there every step of the

way, helping develop policy with the State, and working on programs and services that help members, their beneficiary groups live in the community in the life they choose. He continued that the Council has been involved in some major pieces of legislation over the years and in major policy efforts with the state. He asked Mr. Tasso to continue.

MR. TASSO began with the defined statutory role for responsibilities of the Governor's Council on Developmental Disabilities and Special Education. They are the state ED council under the DD Act and the Special Education Advisory Panel, the Department of Education and Early Development, DEED, and IDEA. They are the ICC, interagency coordinating council, for the Department of Health, SES, also IDEA. They have oversight with special education service agencies, state law, and are a beneficiary advisory board to the Trust. He read the DE shared vision that was solidified in statute, and it guides everything the Council does.

MR. REINHART continued that it is important to recognize the work of the special education workforce who are experiencing not enough people working in the field. The lack of special education aides is a big issue, and the Council is very much involved with that.

MR. TASSO talked about Senate Bill 57, which passed and was waiting for the Governor's signature. It is about adult home care. Smaller, non-business homes could provide care for one to three individuals. This gets to the DSB workforce crisis and incorporated Senator Giessel's extension of COVID flexibilities that allow legally responsible individuals to provide care and get paid for it.

MR. REINHART shared their contact information and stated that the next Council meeting was June 1st and 2nd at the State Office Building in Anchorage at the Atwood Building. He welcomed any trustee that may want to participate in person or online. He thanked all for their time and for having them today.

CHAIR HALTERMAN thanked them both and requested for next time to do more detail on waitlists at the next presentation for some of the newer trustees. She called a break.

(Break.)

CHAIR HALTERMAN called the meeting back to order and moved to the approvals. She asked for a motion to go into Executive Session.

MOTION: Per Alaska Statute 44.62.310(c) (1), (2), and (3), we move that the Full Board of Trustees move into Executive Session to receive legal counsel regarding the commercial real estate net proceeds and conflict of interest. No action will be taken in the Executive Session, except for the giving of directions to and from counsel. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE MORAN.

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

(Executive Session from 10:42 a.m. until 11:47 a.m.)

CHAIR HALTERMAN asked Kevin Fimon to read a motion.

TRUSTEE FIMON stated, for the record, that himself and his fellow trustees returned to the Full Board of Trustee meeting from the Executive Session. No decisions were made during Executive Session.

CHAIR HALTERMAN moved to the portion of the agenda at 11:45, and welcomed Elizabeth Ripley and Mat-Su Health Foundation to give a partnership introduction. Then, they would circle back to the commercial real estate discussion.

MAT-SU HEALTH FOUNDATION – PARTNER INTRODUCTION

CEO WILLIAMS introduced Elizabeth Ripley, Robin Minard, chief communications officer, and Jim Beck, interim vice president of programs for the Mat-Su Health Foundation . He took the opportunity, since the meeting was in Wasilla, the home of the Mat-Su Health Foundation, a longstanding partner with the Trust, to talk about the good work they do in the Valley and what they focus on. Also, the good work done collectively in partnership to help forward and improve the lives of Trust beneficiaries.

MS. RIPLEY thanked him for the kind introduction and stated appreciation in working with the Trust. She welcomed all to Mat-Su and thanked them for taking time to come out to their beloved community. She appreciated the chance to share a dialogue with them. She began by acknowledging that they live, work, play, and pray on the traditional lands of the Dena'ina and Ahtna peoples here in Mat-Su. She continued that they had been privileged to learn a great deal from the local tribal leaders, both of the local tribes, and that the Chickaloon and Knik tribes are represented on their board of directors. She explained that they were actually the original Valley Hospital Association that ran Valley Memorial Hospital in Palmer. They wanted to build a new hospital and did not have the capital to do it. They entered into an LLC partnership with an investor and company to bring in the capital to build Mat-Su Regional Medical Center. They co-own and co-govern Mat-Su Regional Medical Center, and that is their main job. The nonprofit status, as a public charity, dated back to 1948, and we are actually a membership association. Their share of the profits are taken and reinvested into the community through grants and scholarships, and also systems improvement work. It is a very unique arrangement, and there are other joint ventures like them out in the world. She stated that people wonder where the money comes from. It actually comes from the hospital profits. She continued that they are a self-appointing governing board and we make sure that the board members represent the community; representatives of populations; a balance of men and women; and we strive for very specific expertise to help to steward those dollars and assets in a thoughtful manner. As a public charity, they do a lot in terms of advocacy, and the only thing they cannot do is endorse a candidate. She stated that they are very regional-focused and Robin Minard, chief communications officer, leads the advocacy space. She moved to the goals and stated that their goal was to produce the healthcare workforce that the rapidly growing and aging population needs. They fall under the Affordable Care Act and legally have to produce a community health needs assessment every three years, and 2022 was their year. She continued through her presentation, explaining as she went through the different slides and different activities. She concluded by thanking the Trust for helping to fund the community health needs assessment, and that they really appreciated that. She added that it has been an extraordinary journey, and done all in partnership with the folks sitting at this table.

CHAIR HALTERMAN thanked Ms. Ripley for leading the charge to change the system in Mat-Su. She encouraged the trustees to read one of the behavioral health assessments from the Mat-Su Health Foundation. A lot of the material posted by Mat-Su Health Foundation is very informative, and is some of the best written material from an organization trying to improve the system, and called a lunch break.

(Lunch break.)

CHAIR HALTERMAN asked Trustee Fimon for a new motion.

MOTION: The Board of Trustees entered into Executive Session earlier today to discuss the commercial real estate net proceeds and conflict of interest as entitled by Alaska Statute 44.62.32(c) (1), (2), and (3). The trustees did not complete that Executive Session at that time. He moved that the trustees resume that Executive Session and complete it. And after that discussion is complete, the trustees remain in Executive Session, pursuant to Alaska Statute 44.62.310(c) (2) and (3) to receive legal counsel regarding the board's governance documents. No action will be taken during the Executive Session except to give direction to our counsel. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE STURGEON.

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

(Executive Session from 1:06 p.m. until 3:29 p.m.)

CHAIR HALTERMAN stated that they were coming back from an Executive Session.

TRUSTEE FIMON stated, for the record, that himself, 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. There were no actions taken or decisions made during the Executive Session.

CHAIR HALTERMAN stated that they were back from Executive Session and had combined some of the discussion, and were back at the commercial real estate discussion and the approvals that were slated for 10:15 on the agenda. We had been discussing them in Executive Session, along with some Trust governance discussion, and no decisions were made. She noted, for the record, that Trustee Moran had left the room and had an excused absence for the rest of the meeting. She asked for the motion.

MOTION: The Alaska Mental Health Trust Authority Board of Trustees approves increasing the Fiscal Year '23 incremental building expenditure for the REMP properties \$1,246,230 to facilitate capital improvements necessary for a long-term lease at Amber Oaks. This will be paid for from the Central Facilities Fund 3322. The motion was made by TRUSTEE STURGEON; seconded by TRUSTEE BOYLES.

MS. WARNER stated that Marisol Miller was not able to join in person. Her eldest daughter was graduating from high school, but she was online. She continued that this was for tenant

improvements for a leasing obligation at Amber Oaks. Once completed, it would attribute to a \$10 million increase in the building value. The building would be at 93 percent occupancy and would generate about a \$10.6 million return to the Trust.

MS. MILLER stated that she is the commercial real estate asset manager at the Land Trust Office. The background behind this was the Amber Oaks building in Austin, Texas, had a significant amount of leasing activity over the last year and a half. That comprised 79 percent of space within the project. This particular asset was detrimentally affected by the COVID pandemic. To date, all of the leasing commissions and tenant improvements had been paid at Amber Oaks, with the exception of this ask, which totals \$1,246,230. This was a requirement to pay tenant improvements for a large square-foot tenant that is a longer-term lease. It is anticipated to return \$4 million to the Trust over the life of this lease alone. At the time, the Central Facilities Fund balance was insufficient to fund the whole request. To create a sufficient balance, the CEO directed the CFO to transfer \$893,437 from fiscal year '23 commercial real estate distributions to the Central Facilities Fund. This will impact the TLO's fiscal year '23 income revenue, projected to be \$1.6 million in April of 2022. The distributions of income will be from the commercial real estate properties and the noninvestment program-related properties to the Trust of approximately \$1.39 million of available income. The Trust Land Office is recommending that it is in the best interest of the Trust to approve the proposed expenditure to be funded through the Central Facilities Fund. The Central Facilities Fund was created to meet the needs of assets that have shortfalls due to cash compression or unexpected needs when an asset could not meet its obligations with its own cashflows.

TRUSTEE BOYLES called for the question.

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

MOTION: The Alaska Mental Health Trust Authority Board of Trustees approve the incremental building expenditures totaling \$11,527,071 budgeted for the Fiscal Year 2024 to be paid by the property manager from rents, cash reserves, other income collected from properties, and the Central Facilities Fund. The motion was made by TRUSTEE BOYLES; seconded by TRUSTEE FIMON.

MS. WARNER recommended that everyone bring the paper that she printed out and noted that was the entire budget and is the best projection for allowing the TLO to do this commercial real estate work in FY24.

MS. MILLER stated that every year the TLO presents the budget to continue managing both the commercial real estate and the program-related real estate properties. The budgets are based on the anticipated and planned operating and capital for each asset in fiscal '24. She talked about one Texas property, North Park, located in San Antonio, which has had significant vacancy since the onset of the pandemic. It had been sitting at roughly a 48 percent vacancy rate during the entire duration of the pandemic. She added that North Park had a new deal opportunity which will bring the occupancy up to 91 percent.

MS. WARNER mentioned that this was the best that they could do for the forecast right now. She did know that there was a lease coming up in the Washington Parks building in Tumwater. That building was mainly leased by Washington State Parks. They will be entering into lease negotiations and will be looking at what the tenant improvements will look like. It could be a very broad range. They would likely come back in FY24 with an amended budget for the building because it does not cashflow a whole lot.

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

MS. WARNER stated that Ms. Miller had briefly covered this in her discussion for the last motion. This was still in negotiations, but had been negotiated and was final. Not too much had been put on the record previously because we would lose our position in those negotiations.

MOTION: Proposed Motion No. 2: The Trust Authority Board of Trustees approve funding and instruct the CFO to transfer up to \$83,936 to the third-party property manager, as requested by the TLO, for operating expenses and capital expense to the noninvestment program-related real estate and rent real estate properties from the Central Facilities Fund for the Fiscal Year 2024. These funds do not lapse. The motion was made by TRUSTEE BOYLES; seconded by TRUSTEE STURGEON.

MS. MILLER stated that from time to time the Trust Land Office comes to the board and makes a request from the Central Facilities Fund for buildings that do not cashflow or were unable to meet the needs of their occupancy. The Trust Authority Building is a program-related noninvestment building and often does not have the ability to meet its operating needs. Staff anticipated a shortfall this fiscal year in operating funds, \$10,874. The request was for those funds from the Central Facilities Fund to keep operations running at the Trust Authority Building. The second part of this is that the North Park Building in San Antonio is in current negotiations as a 19,000-square-foot lease. The shortfall is anticipated to be \$820,112 to fill this current vacancy with this potential candidate. The funds will be used 100 percent for paying leasing commissions and tenant improvements, which are material improvements to the building for occupancy. That would leave a remaining vacancy in this building of 8,500 square feet. She noted that the Motion 2 subtotal is \$830,986.

TRUSTEE FIMON asked who the third-party property manager is.

MS. MILLER replied that the on-the-ground property manager is Transwestern Property Management Services; and for North Park, Colliers International, for the Trust Authority Building.

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

MOTION: The Board of Trustees approves fiscal year 2024 budget for third-party commercial real estate advisor services in the amount up to \$265,000 to be drawn from

the Central Facilities Fund. The motion was made by TRUSTEE STURGEON; seconded by TRUSTEE BOYLES.

CEO WILLIAMS stated that this request had two parts to it. If approved, the \$265,000 of FY24 CFF funds would be used for two purposes: one, to provide funding to complete the current contract with the third-party advisor, Harvest Capital, for the remainder of their contract period, July 1 through October 31, 2023. That total was \$86,333. The second part, or the balance of \$265,000, would be used to procure a new third-party advisor, up to that amount, and the contract period would begin November 1 and run through June 30, 2024. The intent, if approved, would be that the Trust Authority Office would be working for the Trust Land Office to start reviewing what a scope of work would look like to put out a new RFP to meet the needs of the trustees, the TAO and the TLO.

TRUSTEE FIMON asked if there was a stipulation in the contract, or if we were locked in through October 31st.

MR. HICKEY had a copy of the contract and read, under Termination, “The project director, by written notice, may terminate this contract in whole or in part when it’s in the best interest of the State. The State is liable only for payment in accordance with the payment provision of this contract for services rendered before the effective date of termination.” He did not see any amendments to that particular language through all the different extensions and options that were exercised.

MS. O’BOYLE stated that she believed that either party could terminate the contract with 30 days’ notice. She answered off the cuff, and apologized.

CHAIR HALTERMAN stated that part of the problem that the trustees were having with the motion in front of them was the source of where the funds would come from given the motions that were made back in 2018. She stated appreciation for the value of the Harvest contract and the purpose it had served to date. But because of the way that motion was drafted, she was leaning towards a “no” vote on this particular motion. She added that they were ready for the question.

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

MR. HICKEY stated that in looking at the current contract, it is in effect through October 31st, 2023. What was done was simply denying funding for that. The contract requires a “best interest of the State” determination. He continued that the trustees should speak on the record as to why this was going to terminate in the interest of the State, and enter a motion to approve that best-interest analysis so the record was clear. Then the notice can go out to Harvest Capital to let them know that the contract had not been extended beyond June 30th, because it is currently funded in place through June 30th. He asked if it was the intent of the board to terminate prior to the end of this fiscal year.

CHAIR HALTERMAN asked the will of the Board.

TRUSTEE STURGEON stated that it negates the work the TLO is doing right now. He continued that it cost the TLO, according to their estimates, roughly about \$180,000 in staff time and support to Harvest. The original problem, the reason for it, had been solved, and it was a political reaction. He added that the TLO, without question, has the expertise in place, as far as real estate. If additional expertise is needed, they can even hire Harvest on a case-by-case basis. The other thing was that the funding source was not adequate and did not affect the actual contract.

TRUSTEE FIMON stated that he was a fiduciary and was trying to look out for the best interests of the beneficiaries, and he may have a different opinion. He would probably vote for that if it was from different funding. He continued that he was uncomfortable with the fund source until he did more homework.

CHAIR HALTERMAN stated that it was important to note that the motion in 2018 allowed the Central Facilities Fund to be used for program or tenant improvements, and this request was outside the scope of the Central Facilities Fund's intent. She added that the motion in 2018 did not allow latitude to hire the contractor using Central Facilities Funds, but that is what happened.

TRUSTEE BOYLES stated in the best interest of the State, and in the best interest of the beneficiaries, in the best interest of the day to day, and the TLO office, and as trustees and the Trust Authority, that maybe the philosophy of our third-party contractor presently does not match the philosophy of the TLO. It is the responsibility of the board to extend what we believe to be management philosophy over any investment to the TLO. She looked forward to hearing the pros and cons of a third-party contractor, any third-party contractor. She added that she had no issue with what Harvest had done, and thought they may have a different philosophy than the TLO. It is incumbent, as trustees, to let the CEO, the TLO, and the board as a whole articulate the philosophy relative to those commercial properties. That was her reason for not supporting it.

TRUSTEE STURGEON added what he thought was important, is the idea of having the Trust Land Office second-guessed. Either they were doing a good job or not. They do timber sales; they do mining operations; wind power and solar power projects that were just approved. They do a lot of projects. Second-guessing staff is a big problem, and that was what this kind of did. It sends a bad signal to the staff as far as the confidence in their ability.

MS. O'BOYLE stated appreciation for the Trust leadership, their vision, and their support of the beneficiaries. She continued that the services provided were not duplicatory to the TLO. They provide a higher-level visionary, forward-looking service. With that, they enjoyed servicing the Trust towards enhanced returns towards the benefit of the beneficiaries.

CHAIR HALTERMAN thanked Ms. O'Boyle for her service to the Trust and the work she had done. She stated appreciation for the value added during the time she served in that role. She added that this was not meant to be a negative approach or a negative view of the contract. It was just a matter of a formality about the funding source and some questions about duplication of services between the two. She moved to Trustee Fimon.

MOTION: A motion that the Alaska Mental Health Trust Authority terminates the contract with Harvest Capital, effective June 30, 2023, as it is in the best interest of the

State for the reasons that we have just stated in the record. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE STURGEON.

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

CHAIR HALTERMAN stated that the governance work was covered in Executive Session. There is additional work to do, so she tabled the conversation about the governance review for another date in the absence of additional time today.

MOTION: A motion was made that the CEO, the Trust Land Office executive director provide each Board of Trust member copies of the invoices, associated reports, and all the backup detail for the Amber Oaks property. The motion was made by TRUSTEE MORRIS; seconded by TRUSTEE BOYLES.

CEO WILLIAMS asked for some clarity in the request and what they were looking for, to get trustees the information that was needed.

TRUSTEE FIMON replied that there was a bill due that there is an intent to pay, and he voted to pay, and to get a list of what the amount breaks out to and the part of the contract that was specifically to that motion.

MS. WARNER asked if it was for the invoices for the work at Amber Oaks.

TRUSTEE FIMON replied, yes, the bill that they voted to pay.

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

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

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

(Alaska Mental Health Trust Authority Full Board meeting adjourned at 4:37 p.m.)