

**ALASKA MENTAL HEALTH TRUST AUTHORITY
FINANCE COMMITTEE MEETING
HYBRID/ZOOM
October 16, 2025
9:45 a.m.**

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

Trustees Present:

Anita Halterman, Chair
Kevin Fimon

Other Trustees Present:

Brent Fisher (virtual)
Agnes Moran
Corri Feige

Trust Staff Present:

Mary Wilson
Allison Biastock
Katie Baldwin-Johnson
Shannon Cochran
Valette Keller
Julee Farley
Luke Lind
Eric Boyer
Samantha Ponts
Heather Phelps
Gene Hickey

Trust Land Office staff present:

Jusdi Warner

Callan:

Steve Center
Julia Moriarty

Department of Revenue:

Steve Sikes

Also participating: Gene Hickey.

PROCEEDINGS

CALL TO ORDER

CHAIR HALTERMAN called the Finance Committee meeting to order and began with a roll call. She stated that Trustee John Morris was excused, and she was chairing the meeting in his absence. She continued that there was a quorum to do business with two of three trustees in the room. She asked for any announcements. There being none, she moved to the approval of the agenda.

APPROVAL OF AGENDA

MOTION: A motion that the Alaska Mental Health Trust Authority Board Finance Committee amend the agenda for its meeting by moving the commercial real estate update to immediately after the approval of the prior minutes and prior to today's staff report. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

CHAIR HALTERMAN stated that the agenda was amended to move commercial real estate forward first. She asked for any ethics disclosures. There being none, she moved to the approval of minutes.

APPROVAL OF MINUTES

MOTION: A motion to approve the minutes from August 1, 2025, was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

CHAIR HALTERMAN stated that the minutes were adopted, and then asked Trustee Fimon to read them into the Executive Session.

MOTION: A motion that the Finance Committee of the Alaska Mental Health Trust Authority Board of Trustees enter into Executive Session, pursuant to the Alaska Open Meetings Act, Alaska Statute 44.62.310(c)(1), to discuss the Trust's remaining commercial real estate holdings, which includes the potential sale of Commercial Drive, North Park, and Promontory Point. The matters to be discussed the immediate knowledge of which would clearly have an adverse effect on the Trust's finances. The motion was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

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

CHAIR HALTERMAN moved into the Executive Session.

(Executive Session from 9:40 a.m. until 10:18 a.m.)

CHAIR HALTERMAN stated that she and her fellow trustees were returning to the Finance Committee meeting from the Executive Session. During the Executive Session, the trustees only discussed items identified in the motion to move into Executive Session. The trustees did not take any action in the Executive Session, other than to give direction to counsel.

STAFF REPORT ITEMS

CHAIR HALTERMAN recognized CFO Julee Farley.

CFO FARLEY began with a review of the FY25 dashboard and the Trust Authority expenditures.

MR. LIND stated that there are a significant amount of grants still active where the money is encumbered. He noted that number would continue to go up even without further approvals.

CFO FARLEY continued to the capital budgets that were approved in prior years and the total expenditure to date. She moved to the review of the Land Office activity.

CHAIR HALTERMAN asked about the footnote under the revenues that does not include \$1.3 million of FY26 revenue.

CFO FARLEY replied that the information provided by the Land Office to prepare the dashboard is from their revenue and billing system, which is normally on a cash basis.

TRUSTEE FEIGE asked if that was not a gap in information but in the general accounting principles.

MS. MORRISON added that the amount is an estimate at this time. The journal entry has not been completed due to some delays with the DNR closeout process. She continued that once the journal entry is processed, that revenue will move from FY25 into FY26.

CFO FARLEY continued through the dashboard.

CHAIR HALTERMAN asked the trustees for any questions. There being none, she thanked CFO Farley for the update and moved to the statutory advisory updates. She asked CFO Farley to do the introduction.

STATUTORY ADVISOR UPDATE

CFO FARLEY stated that, by statute, the Trust Authority investment assets are managed primarily by the Alaska Permanent Fund Corporation. Every year there is the opportunity for trustees to hear directly from Devon Mitchell, the executive director.

MR. MITCHELL stated that the Permanent Fund has assets under management of \$88.1 billion currently, of which the Trust represents around \$770 million. He continued that he found the original memorandum of agreement between the Trust and the corporation from 1995. One of the things that they have not been doing per the memorandum was to provide the chairman of the Mental Health Trust with advanced copies of meeting packets of their board. They can make a better effort to try to do that. He moved to the annually published financial statements and annual report that had been distributed and began his update presentation. He explained the investments and assets of the Permanent Fund. He talked about the principal component and the earnings component, which was set up in the earnings reserve account, which was inflation-proofed statutorily. This construct results in an inability to deal with unrealized gains, which he also explained. He stated that there is \$58.9 billion of principal that is protected constitutionally of an \$85 billion balance in the Permanent Fund.

CHAIR HALTERMAN asked for any questions. There being none, she thanked Mr. Mitchell, and recognized Steve Sikes from the Department of Revenue for a Treasury update.

DEPARTMENT OF REVENUE/TREASURY UPDATE

MR. SIKES stated that he is a State investment officer with the Department of Revenue in Juneau and an interface between the Department and the Trust for the investments that they manage for the Trust. The Department of Revenue manages about \$58 billion for the State: \$36 billion is the defined benefit retirement system; \$12 billion is the defined contribution system; and \$10 billion is other State funds, like the Mental Health Trust Authority. He explained the assets managed internally by their fixed income staff and stated that it is a short-term-investment horizon with a low tolerance for principal loss in high-quality liquid investments which are heavily influenced by monetary policy. He moved to the second account that they manage for the Trust which is a budget reserve account, a segregated account that is managed exclusively for the Trust. He explained that the Trust's actual performance outperformed its benchmark for all periods shown. The budget reserve strategy is guided by the constraints and objectives established in the AMPS document that the board approves, which he also explained. He added that all of the assets in the budget reserve are liquid assets and can be sold very quickly. He then went through the investments and a performance update through September.

CHAIR HALTERMAN asked for any questions.

CFO FARLEY stated that the performance on this account does reflect the strong performance on the index returns, at the very low cost.

CHAIR HALTERMAN thanked Mr. Sikes, and moved into the Callan presentation.

CALLAN PRESENTATION ON INVESTMENT RETURNS AND INFLATION-PROOFING

MR. CENTER stated that he is a senior investment consultant with Callan, and added that his colleague, Julia Moriarty, was also online. He noted that he is also involved in all of the performance measurements related to the Permanent Fund. He began with a quick reminder and snapshot about the overall structure of the Trust. One of the things that Callan has done is create a total performance figure for the Alaska Mental Health Trust, including both the Permanent Fund and the DOR assets, and the commercial real estate portfolio. He explained those performance figures. He continued to a quick discussion about inflation-proofing as a whole. He added that Callan has been working with the Trust on a couple different topics; the first was an overall spending study for the Trust as a whole. They also did a similar analysis today, ending fiscal year 2024. He looked at the total Mental Health Trust asset mix and growth of assets over the trailing ten years, and stressed a few things about the commercial real estate portfolio performance. He moved to the overall volatility of the Mental Health Trust and illustrated the concept of standard deviation. He continued with the discussion on inflation-proofing. He noted that the Permanent Fund's performance has outpaced inflation since 1996, which has allowed the Trust to continue to spend assets.

CFO FARLEY stated that she would like to get on a cadence with Callan to present this information after every fiscal year-end at this quarterly Finance Committee meeting so that trustees can have a review of the total Trust performance, and to also look at inflation-proofing.

ADJOURNMENT

CHAIR HALTERMAN stated that they were ready to adjourn.

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

(Alaska Mental Health Trust Authority Finance Committee meeting adjourned at 11:28 a.m.)