

ALASKA MENTAL HEALTH TRUST AUTHORITY

FINANCE COMMITTEE MEETING

January 5, 2017
12:20 P.m.

Taken at:

Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 120
Anchorage, Alaska

OFFICIAL MINUTES

Trustees present:

Larry Norene, Chair
Jerome Selby
Laraine Derr
Paula Easley
Russ Webb
Mary Jane Michael
Carlton Smith

Trust staff present:

Greg Jones
Jeff Jessee
Steve Williams
Miri Smith-Coolidge
Amanda Lofgren
Heidi Wailand
Carley Lawrence
Luke Lind
Michael Baldwin
Carrie Predeger
Katie Baldwin-Johnson
Valette Keller

Trust Land Office present:

John Morrison

Others participating:

Kathy Craft; Kevin Buckland (via Speakerphone); Kate Burkhart (via Speakerphone); Patrick Reinhart; Denise Daniello (via Speakerphone); Chris Kowalczewski (via Speakerphone); Daniel Delfino (via Speakerphone); Beth Edmonds-Merritt; Nate Boltz; Lisa Terwilliger; Bill Hogan; Keith Hamilton; Ray Scheller; Kris Jez; Charlene Vassar.

PROCEEDINGS

CHAIR NORENE calls the Finance Committee meeting to order, stating that all trustees are present. He asks for any announcements. There being none, he asks for any ethics disclosures.

TRUSTEE WEBB discloses that he has a relative who receives services through Hope.

CHAIR NORENE asks if there are any objections to Trustee Webb participating. Seeing none, he recognizes Trustee Michael.

TRUSTEE MICHAEL discloses that, in regard to Challenge Alaska and Hope Community Resources, she sits on the other trust and has awarded funding for both of those projects.

CHAIR NORENE asks if she considers it a conflict.

TRUSTEE MICHAEL replies no.

CHAIR NORENE asks if there is any objection to Trustee Michael participating. There being none, he asks for any other disclosures. Hearing none, he moves to the minutes of October 26, 2016.

TRUSTEE EASLEY makes a motion to approve the minutes of October 26, 2016.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

CHAIR NORENE moves to the cash management report and recognizes Mr. Buckland.

CASH MANAGEMENT REPORT

MR. BUCKLAND begins the cash management report through November, which is five months through the fiscal year. He highlights a few points, explaining as he goes along. In response to trustee requests, a real estate return has been added. Most recently available is, as of September 2016, returns on the real estate managed by the Land Office. He continues and points out that the Trust Authority Development account is just at \$17.1 million. That is the cash that is available in total. He continues through the report and then concludes his presentation. He asks for any questions.

MR. JONES asks about the total budget reserve, and if it is at \$124 million right now.

MR. BUCKLAND replies correct.

MR. JONES states that some expertise is needed to help review this number and that the total requirements are coming forward to see if recommendations can be made to start inflation-proofing.

A discussion on inflation-proofing ensues.

TRUSTEE DERR states that a contractor reviewed the finances, and she asks if that could be reviewed with the Finance Committee.

CHAIR NORENE replies that was the Makita contract, and asks Mr. Jones to continue.

MR. JONES states that he looked at the graph and into the scope of services and what they were asked to do. He continues that it was difficult to find exactly what they had to do. He adds that the verbatim of what was said at that meeting shows that there was a discussion, but there was no motion made by the board about the study. He states that staff took that discussion as guidance and developed the study; but the study that was received from Makita was not close to what Trustee Webb had stated. He continues that it was not an allocation study, but is an investment strategy or investment policy study. He adds that Mr. Buckland has asked Makita to look at the study and come back with more emphasis on allocation to at least address the guidance that was received from the board at that time.

MR. BUCKLAND states that they are working on addressing the issues, and we hope to get a draft in the near future.

CHAIR NORENE moves to the proposed motion.

TRUSTEE DERR makes a motion that the Finance Committee recommends that the Full Board of Trustees authorize the transfer of \$20,013,000 from the Alaska Permanent Fund budget reserve account to the Mental Health Settlement Income account to finance the FY 2017 base disbursement payout calculation. This may be fulfilled with one lump sum or multiple transfers.

TRUSTEE WEBB seconds.

There being no objection, the motion is approved.

2016 BUDGET UPDATE

MR. JONES states that Mr. Jessee will continue.

MR. JESSEE begins by looking at the Governor's budget compared to what was recommended, and gives a broad overview. He states that there will be more detailed budget information as it gets closer to the session and the January meeting. He adds that it is not the best situation, but it could have been worse. The partners will be worked with to contain the damage as close to what the Governor has recommended.

TRUSTEE MICHAEL asks how the Department fared.

MR. JESSEE replies that they have some reductions, and Medicaid is going to take a significant reduction. Part of the problem with the Medicaid program is that the Legislature passed Senate Bill 74 and anticipated major reforms with significant savings. He states, that does not happen very quickly and a lot of effort will have to be directed to reinforcing that with the Legislature. He continues that it is going to be a matter of advocating for patients that their reform effort is on track and savings will be generated.

TRUSTEE WEBB asks what percentage of that DD grant cut was to the overall budget.

MR. REINHART replies 48 percent. He states that the understanding is that the Division is taking a deep dive into all the people on the grant-funded program to see what services might be available.

TRUSTEE WEBB states that his fear is this cut will hurt beneficiaries. There are going to be people that lose services if this goes through, and it is a matter of knowing what the magnitude of that looks like.

CHAIR NORENE asks for any other comments or questions. There being none, he moves on to approvals.

APPROVALS

TRUSTEE WEBB makes a motion that the Finance Committee recommends that Alaska Mental Health Trust Board of Trustees approve a reallocation of the original budget previously approved for the expenditure of principal funds for sewer and water infrastructure improvements to and for a portion of the parcel known as Yosemite. The original Yosemite budget request was for \$900,000, and the available balance is \$485,000. The reallocation request will make the \$485,000 now available towards the Yosemite Road access improvements.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

TRUSTEE WEBB makes a motion that the Finance Committee recommends that the Alaska Mental Health Trust Board of Trustees authorize the executive director of the TLO to represent the Trust's interests in the Yosemite Drive utility extension and road access improvements project, project No. 2014-83. This will include reallocations to the expenditure of the approved budget resultant to future Yosemite changes in project scope, as necessary.

TRUSTEE MICHAEL seconds.

TRUSTEE SELBY asks for a roll call vote.

Roll-call: Trustee Webb, yes; Trustee Michael, yes; Trustee Norene, yes; Trustee Smith, yes; Trustee Derr, yes; Trustee Selby, no; Trustee Easley, yes. The motion is approved.

CHAIR NORENE moves on to the general authority grant for the Predevelopment Program. He recognizes Ms. Baldwin-Johnson.

MS. BALDWIN-JOHNSON recognizes Chris Kowalczewski with the Predevelopment Program who is on the line. Daniel Delfino with Alaska Housing and Finance is also on line in case there are some questions. She states that this memo is in regard to the Predevelopment Program and is a follow-up to the memo and discussion in December for a proposed approval process for how trustees would be able to have input and approve projects that are coming through

Predevelopment prior to allocating any Trust funding through the program. She continues that there are two items that are being attempted to be accomplished in this memo: First, is the approval of a combined Authority Grant in the amount of \$80,000, of which \$10,000 is included. She states that the recommendation was to seek authorization to pull an additional \$10,000 from the prior approved Predevelopment fund and allocate it to predevelopment to be used towards a pooled prediscovery fund for contractual work with projects that are initiating contact with Predevelopment. The second part of the \$80,000 is a \$70,000 Alaska Housing and Finance reimbursable services agreement fund where they are a funding partner of the Predevelopment Program. This is very similar to some of the other relationships with other parts of State government; funds can be RSA'd to other departments and reallocated for certain purposes.

CHAIR NORENE asks if Mr. Delfino would comment on the process of the RSA of funds.

MR. DELFINO states that the \$70,000 is a figure that Bryan Butcher, the executive director, authorized to commit to the Predevelopment Program. He explains that the funds would cover Predevelopment expenses for any type of housing proposals. This could be anything for long-term senior housing, for housing for Trust beneficiaries like under the special needs housing grant program. He continues that this would be a fairly broad purpose as long as it was housing development.

TRUSTEE WEBB makes a motion that the Finance Committee approves an \$80,000 FY17 general authority grant to the Foraker Group Predevelopment Program: \$10,000 is allocated from prior trustee approved FY17 Predevelopment funding to provide the Trust contribution and pooled resource available for funding discovery on Predevelopment projects; \$70,000 of this approval is a reimbursable services agreement from Alaska Housing Finance Corporation to the Trust for the Predevelopment Program.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

TRUSTEE WEBB makes a motion that the Board of Trustees direct staff to bring Predevelopment projects forward for approval utilizing the existing approval process for Authority Grants. Projects under \$50,000 are reviewed and approved by the Finance Committee. Any projects above \$50,000 are reviewed by the Finance Committee and, if approved, forwarded with recommendation to the Full Board of Trustees. He clarifies that those amounts respect amounts of Trust funds only, not full project costs.

TRUSTEE SMITH seconds.

TRUSTEE DERR asks if this motion is necessary. The Finance Committee can now approve anything up to \$50,000. It seems that this is already in effect.

MS. BALDWIN-JOHNSON replies that it is already in effect. But when the verbatim was reviewed and in the request to staff to put together a proposed process for approval, it was discussed that all Predevelopment projects would come to the Full Board of Trustees for approval. Staff realized that was not consistent with existing procedures and wanted to clarify

that was acceptable for trustees to utilize that process versus bringing all Predevelopment projects before the Full Board.

There being no objection, the motion is approved.

PARTNERSHIPS

KEIL CENTER FOR ADAPTIVE SPORTS, THERAPEUTIC RECREATION, AND EDUCATION, CHALLENGE ALASKA

CHAIR NORENE moves to partnerships. He states that the first item is the land acquisition, Keil Center for Adaptive Sports, Therapeutic Recreation, and Education, for Challenge Alaska.

MS. LOFGREN thanks Beth Edmonds, the executive director of Challenge Alaska, for joining us. She states that Nate Boltz, who is a board member, as well as a member of the land acquisition committee, is also here. She states that this project is a request of funding to be able to purchase the land under Challenge Alaska's building. There is a long-term lease agreement, which is ending. There is a clause in there that the land needs to be purchased, and that is the purpose of the funding request.

TRUSTEE MICHAEL asks how much longer it will take to raise the balance of the funds, which is maybe 80 percent.

MS. EDMONDS-MERRITT states that they are over a year into the project and the lease calls for the purchase in November of 2018. However, the CDBG funds received need to be expended by April 2018. She continues that this funding will put it at about \$900,000, and the appraisal is \$1,014,000. She adds that she is presenting to Girdwood 2020 on Saturday, and will present to Rasmuson in the spring.

TRUSTEE WEBB makes a motion that the Finance Committee recommends approval to the Full Board of Trustees for a \$75,000 FY17 partnership grant to Challenge Alaska for the land acquisition of the Keil Center for Adaptive Sports, Therapeutic Recreation, and Education project.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

HOPE COMMUNITY RESOURCES FOR THE KENAI INTENTIONAL NEIGHBORHOOD.

MS. LOFGREN introduces Roy Scheller, the CEO of Hope, and Kris Jez, the director of Hope Community Resources. She states that this project has been a long time coming and the amount of community and parent and beneficiary direction that this project has brought forward has been huge. They have purchased the land on the Kenai and it is to build six group homes on that property. This funding is for the first phase, specifically to get the utilities on-line this summer. She continues that this project provides many opportunities. It is in a residential community.

The plan is to have a barn, an apartment, and beneficiaries to have some employment opportunities through microenterprise-type projects.

TRUSTEE DERR makes a motion that the Finance Committee approve a \$50,000 FY17 partnership grant to Hope Community Resources, Inc., for the Kenai Intentional Neighborhood project.

TRUSTEE WEBB seconds.

TRUSTEE EASLEY states that there are approximately 575 individuals on Hope's census and asks if that is 575 people on a waiting list for facilities, or are they already in the facility.

MR. SCHELLER explains that they are young people already in the service system. He continues that in talking with families with children living at home, they describe more this sense of having some type of intentional neighborhood that is operated as a co-op.

There being no objection, the motion is approved.

ALASKA CHRISTIAN COLLEGE

CHAIR NORENE states that the next partnership grant would be to Alaska Christian College for establishing an associate in arts degrees in behavioral health.

MS. BALDWIN-JOHNSON introduces Keith Hamilton, president of Alaska Christian College. She states that the Trust has been working collaboratively with ACC over the past few years and has supported some of their efforts. She continues that this is a two-phase project. The first phase was to develop the curriculum and some funding support that enabled the hiring of a curriculum specialist to develop a behavioral health AA degree curriculum. The second phase is enabling the hiring of the faculty and getting them on board. It will cover the operational cost of that expense. The ACC has proposed to split that cost with the Trust over a two-year period.

TRUSTEE SMITH makes a motion that the Finance Committee approve the \$48,000 FY17 partnership grant to the Alaska Christian College for the establishment of the associate in arts degree in behavioral health project.

TRUSTEE DERR seconds.

TRUSTEE EASLEY comments that in the workforce development efforts over the years, we have really tried to get people from the villages who have the potential of being educated in behavioral health and then returning to the village. She states that the successes have not been many. She is thrilled that this degree program is coming on board.

TRUSTEE DERR asks how the van is working.

MR. HAMILTON replies that there are two vans with not a scratch, and they are almost seven months old. He states that they are grateful for the vans.

There being no objection, the motion is approved.

CHRISTIAN HEALTH ASSOCIATES FOR PATIENT BENEFITS AND PATIENT SERVICES.

MS. LOFGREN introduces Charlene Vassar, the executive director of Project Access. She states that this has been a longstanding partnership with Project Access to provide healthcare services to beneficiaries, and also some translation services and transportation. She continues that there are only eight certified application counselors in the state which are important in terms of individuals applying through the Affordable Care Act and, basically, the Medicaid expansion population. These counselors can help with enrollment. Having two of these counselors doing outreach to beneficiaries at Bean's Café is a really critical component for beneficiaries to be able to access and enroll in Medicaid. She states that the main focus for this year will be for this outreach and engagement to be able to enroll in Medicaid.

TRUSTEE WEBB makes a motion that the Finance Committee approve the \$25,000 FY17 partnership grant request to Christian Health Associates for the Patient Benefits and Patient Services project.

TRUSTEE DERR seconds.

There being no objection, the motion is approved.

UNIVERSITY OF ALASKA FOR BEHAVIORAL INTERVENTION TEAM TRAINING

MS. BALDWIN-JOHNSON states that Kathy Craft has been working with this project very closely and asks her to continue.

MS. CRAFT introduces Lisa Terwilliger, the University of Alaska Anchorage's CARE team coordinator. She adds that Bill Hogan, the dean of College of Health was here, but had a meeting to attend. She states that this proposal gives an opportunity to train and certify university faculty and staff in evidence-based case management and intervention techniques. She continues that, right now, there are approximately 12,000 Trust beneficiaries getting higher education and they need additional support and services by a skilled and trained workforce. She adds that the first phase was targeted intervention and screening and extreme campus threats. This second phase would certify the teams in case management and intervention.

TRUSTEE WEBB makes a motion that the Finance Committee approve a \$20,500 FY17 partnership grant to the University of Alaska Anchorage for the Behavioral Intervention team training.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

CHAIR NORENE asks if there is anything else to be considered. If not, he asks for a motion to adjourn.

TRUSTEE WEBB makes a motion to adjourn the Finance Committee meeting.

TRUSTEE MICHAEL seconds.

(Finance Committee meeting adjourned at 1:26 p.m.)