

ALASKA MENTAL HEALTH TRUST AUTHORITY

FINANCE COMMITTEE MEETING

October 21, 2015

3:15 p.m.

Taken at:

Alaska Mental Health Authority
3745 Community Park Loop, Suite 120
Anchorage, Alaska 99508

OFFICIAL MINUTES

Trustees present:

Carlton Smith, Chair
Paula Easley
Russ Webb
Mary Jane Michael
Laraine Derr (via telephone)
Larry Norene

Trust staff present:

Jeff Jessee
Steve Williams
Miri Smith-Coolidge
Kevin Buckland
Carrie Predeger (via telephone)
Carley Lawrence
Amanda Lofgren
Mike Baldwin

Also participating:

Charlene Spadafore-Vassar; Lori Grassgreen (via telephone); Linda Hoyt; James Sears; Lisa Wade; Marlene Johnson; Jamie Cole; Meredith Noble; Violet Rice; Chris Perez; Ellen Kazary.

PROCEEDINGS

CHAIR SMITH convenes the October 21, 2015, Finance Committee meeting. He asks for any announcements. There being none, he asks for any ethics disclosures. There being none, he moves to the agenda and asks for a motion to approve.

TRUSTEE NORENE makes a motion to approve the agenda as presented.

TRUSTEE WEBB seconds.

MR. JESSEE clarifies that where it says “FY16 unobligated funds, \$870,000” it should read “FY16 Unallocated Partnership Funds”.

CHAIR SMITH moves to the minutes of August 5, 2015 and asks for a motion.

TRUSTEE WEBB makes a motion to approve the minutes of August 5, 2015.

TRUSTEE MICHAEL seconds.

CHAIR SMITH moves to the staff report items and recognizes Kevin Buckland with the cash management report.

MR. BUCKLAND states that he handed out the cash management sheets, explaining that some of the pie charts have been dropped. He continues that the State is working on implementing the IRIS systems conversion and explains that it is a \$19 million systems conversion that the Trust is in the midst of, and some of the processes are slower than desired. He goes through the report, explaining as he goes along. He asks for any questions.

CHAIR SMITH asks for any comments or questions.

MR. BUCKLAND moves on and runs through the FY16 payout calculation and then the TLO spendable income, explaining as he goes through both sheets.

CHAIR SMITH asks for any comments or questions. There being none, he moves on to the continued suspension of quarterly transfers, which is action item No. 1.

MR. BUCKLAND states that this is a request for the Finance Committee to make a recommendation to the full Board of Trustees to continue what was at one time a quarterly transfer of principal from the Trust Authority Development Account. This is the cash that builds up from the activities and the Land Office generating principal revenues. He explains that the Finance Committee has recommended continuing to suspend the quarterly transfer for another year.

TRUSTEE WEBB makes a motion that the Finance Committee recommend that the full Board of Trustees suspend transfers of cash principal from the Trust Authority Development Account to the Alaska Permanent Fund Corporation through November 2016.

TRUSTEE NORENE seconds.

There being no objection, the motion is approved.

CHAIR SMITH moves on to action item No. 2, PRI facility maintenance.

MR. BUCKLAND states that the subject of the memo is “PRI facility appropriation request.” He explains that this is to request funds that were previously approved by the board. There are unexpended funds that have not yet been advanced to the TLO and to the third-party property manager for management of the PRI facilities; which are the Assets and Denardo and Fahrenkamp facilities in Fairbanks. He continues that this gives authorization to book an appropriation to be able to access that money and get it back on the books.

TRUSTEE NORENE makes a motion to recommend that the Alaska Mental Health Board of Trustees approve an appropriation of \$195,000 for program-related facility maintenance and operations; the CFO may transfer up to this amount from IRIS fund 1092 or 3322 in one or more transfers to the Trust Land Office and/or a third-party property manager at the request of the TLO. These funds do not lapse.

TRUSTEE WEBB seconds.

There being no objection, the motion is approved.

CHAIR SMITH moves on to the next series of items. He asks Ms. Pineda to talk about the Christian Health Associates item.

MS. PINEDA introduces Charlene Spadafore-Vassar, the executive director of Anchorage Project Assess, who will be able to answer any detailed questions. She states that the Anchorage Project Access is a critical safety net service for the beneficiaries and provides access to care for low and uninsured individuals in Anchorage. This partnership request includes many community partners including Providence, United Way of Anchorage, Alaska DHSS, Premera Blue Cross/Blue Shield, and other private donors.

TRUSTEE DERR states that the requested motion is to approve a partnership grant to Christian Health Associates and asks who Anchorage Project Access is.

MS. SPADAFORÉ-VASSAR replies that Christian Health Associates is the umbrella and the legal 501(c)(3). She explains that they are the administrative arm and all the monies go through them legally. She states that this is for patient benefits which include pharmacy, transportation, and interpreters. She continues that Project Access is evolving and turning into a new entity because of Medicaid expansion.

CHAIR SMITH asks for any questions.

TRUSTEE EASLEY states that about 54 percent of the applicants in Oregon were women. She asks how Medicaid expansion breaks out in the people being seen.

MS. SPADAFORÉ-VASSAR replies that, based on the 2014 annual report, 57 percent of the population was women; white woman, single, working, children with no health benefits.

TRUSTEE DERR states that in reading the project description, homelessness is emphasized. She continues that, necessarily, homeless are not Trust beneficiaries and the makeup of Caucasian females are also not beneficiaries. She adds that she is okay with the money going to the Trust beneficiaries.

CHAIR SMITH asks for a motion.

TRUSTEE WEBB makes a motion that the Finance Committee approves a \$25,000 FY16 partnership grant to Christian Health Associates for the Patient Benefits and Patient Services project.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

MS. SPADAFORE-VASSAR thanks everyone.

CHAIR SMITH moves on to action item No. 4, the Association of Alaska School Boards, Culturally Responsive, Embedded, Social and Emotional Learning, and recognizes Natasha Pineda.

MS. PINEDA states that Lori Grassgreen, the director of the Alaska Initiative for Community Engagement, also known as Alaska ICE, which is a part of the Alaska Association of School Boards. She continues that this application is asking for \$100,000 of partnership funds to be a part of a 15 percent required match for a large federal grant that is a four-year project that is designed to work in six specific communities, six school districts. The overall effort is to increase resiliency and increase protective factors to start working against some of those high-risk issues going on in those communities and school districts that have been identified and working with the Alaska Association of School Boards. She explains more fully. She believes that this project itself and embedding it into the school districts with the teachers, the individuals, the families, and the communities will have long-term benefits to the beneficiaries.

TRUSTEE MICHAEL asks if this is one-time funding.

MS. PINEDA replies yes.

MS. GREENGRASS explains that this is a part of a federal grant, the i3 Innovation grant, and over four years that would be \$3.4 million to invest in all of the six districts and approximately 16 to 20 communities. She states that there are a lot of startup costs, including the evaluation to make sure that the impact intended is in a culturally responsive way.

TRUSTEE NORENE notes that this is primarily for rural school districts and no buy-in by the Native corporations. He asks if there is a reason for that.

MS. GREENGRASS replies that one of the requirements from the i3 grant was that it could not be federal pass-through funds in any way. She states that folks that would have either state or

private foundation or other funding sources were approached. She adds that in each of the districts, a part of the MOA that has been developed, there is a partnership with the tribal organization.

TRUSTEE NORENE states concern that this is not tracking perfectly with Trust interests and is more of an education request.

MS. GREENGRASS replies that there are definitely implications for education that will be positive, but there is significant research indicating that the social and emotional learning skills that students gain as being a part of social and emotional learning environments help reduce emotional distress, depression, anxiety, and promote resiliency.

TRUSTEE WEBB asks that the relationship that is implied or stated actually in regard to trauma-informed schools and how the development of resiliency factors within the schools, the ability of the schools to promote resiliency factors within the kids can assist in overcoming trauma issues encountered, as well as helping to avoid substance abuse and dealing with mental health issues being addressed.

A discussion ensues.

MR. JESSEE states that the staff was very excited about this proposal as this is the first time that the educational system is leaning into the science and is starting to do something different from what has been done in the past with kids with disabilities.

The discussion continues.

TRUSTEE WEBB makes a motion that the Finance Committee recommend that the full Board of Trustees approve a \$100,000 FY16 partnership grant to Association of Alaska School Boards for the Culturally Responsive, Embedded, Social and Emotional Learning project, contingent on the award of U.S. Department of Education Innovation Fund (i3) program funds.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

MS. PINEDA thanks all.

CHAIR SMITH moves to action item No. 5. The grantee is the Native Village of Eklutna, and the project title is Eklutna Clinic and Community Center. He recognizes Katie Baldwin-Johnson.

MS. BALDWIN-JOHNSON recognizes Marlene Johnson and also Meredith Noble. She states that Ms. Noble is a funding specialist and has been working closely with the Native Village of Eklutna on the capital funding for this project. She continues that Jamie Cole, social services provider for the clinic, and Violet Rice, a family nurse practitioner, are also here. She states that this request is in the amount of \$55,900. The Native Village of Eklutna is moving forward with

construction of their new clinic to provide primary care and behavioral health services, and in addition to that, dental services. It is a remedy for the current clinic location which is very small, without running water and all kinds of things.

MS. JOHNSON states that the clinic has been open for about 24 years, funded through Indian Health Service, Alaska Native Health Consortium, and Southcentral Foundation. It is imperative that the clinic gets a new home.

MS. BALDWIN-JOHNSON covers some of the other confirmed funders and understands that the total project cost is around \$4.7 million.

MS. NOBLE states that the Mat-Su Health Foundation application will be submitted next month, and the Rasmuson proposal was submitted last week. She continues that the business plan is finalized and there is also a \$300,000 grant to the clinic for equipment from Indian Health Services.

CHAIR SMITH asks if the proposed grantee is the federally recognized Tribe of Eklutna.

MS. JOHNSON replies that they are the federally recognized tribe in the Municipality of Anchorage.

TRUSTEE NORENE states concern with this request and the next one, and considering them before the discussion in the next planning meeting about if that is the way to go or not. He hopes to table this until the next meeting so that can be visited.

TRUSTEE WEBB states that he and Mr. Jessee had a discussion on the broad strategy level and the plan and goal ahead. He asks Mr. Jessee to go through that.

MR. JESSEE gives a short background in this area, beginning when the Denali Commission as getting federal funding to start building clinics in rural Alaska. He states that this was well received by many of the communities that now, without the Denali Commission, are struggling to come up with resources. He adds that the Trust has had a long history in this area.

A discussion ensues.

TRUSTEE NORENE asks if this is a tribal request or the Native Village of Eklutna request.

MS. JOHNSON replies that this is the Native Village of Eklutna and does not only serve tribal members. Anyone who comes in is served. She states that this is the only source in town. There are a number of non-Natives that live in these communities who welcome the chance to come to this clinic. She continues that a lot of the funds were raised through the non-Native constituents. She adds that a large base is served, and the base is expected to grow.

TRUSTEE EASLEY states that Ms. Johnson is a very effective advocate. She continues that she has some reservations of the financial aspects, but adds that it is not a huge amount of money. She asks if they have a behavioral health aide.

MS. JOHNSON replies that they do.

TRUSTEE EASLEY makes a motion that the full Board of Trustees approves a \$55,900 FY16 partnership grant to the Native Village of Eklutna for the Eklutna Clinic and Community Center.

TRUSTEE WEBB seconds.

TRUSTEE NORENE objects. There being no other objection, the motion is approved.

CHAIR SMITH moves to item No. 6, Life House Community Health Center construction project, Southcentral Foundation on behalf of Chickaloon.

MS. BALDWIN-JOHNSON states that Linda Hoyt and James Sears, the director of facilities, are online. She adds that Lisa Wade with the Chickaloon Traditional Council is also on the call. She begins with a high-level overview, stating that Southcentral Foundation is submitting this project as the fiscal agent and on behalf of the Chickaloon Traditional Council to contribute to a portion of the total construction cost of a new health center which will provide primary care, behavioral health services. She continues presently the Chickaloon Health Clinic is located in an old church building that does not meet current standards of code and construction and has limited space. She adds that this partnership is a solution to that issue for them. There is a contractual agreement with Southcentral Foundation to operate and manage this facility. She states that the land was donated by Chickaloon Traditional Council, and there has been quite a bit of work in the region and the community around planning and identifying this clinic as a need and a solution.

TRUSTEE WEBB asks Lisa Wade for her perspective on this project.

MS. WADE states that she is really excited about the project and there is a lot of healing in the community. She continues that in operating a community health center, a greater percentage of the population served is nontribal; 75 percent of the people visiting the clinic are non-IHS beneficiaries. She adds that there is a current behavioral health clinician on staff who is also a chemical dependency counselor. She states that this is essentially the only facility between Glennallen and the other community health center in Wasilla. She continues that they operate on a sliding-fee scale and no one is turned away at the door. The services for behavioral health are offered to everyone, not just tribal citizens.

TRUSTEE WEBB makes a motion that the Finance Committee recommends the full Board of Trustees approve the \$75,000 FY16 partnership grant to Southcentral Foundation on behalf of Chickaloon Traditional Council for the Life House Community Health Center construction project.

TRUSTEE DERR seconds.

There being no objection, the motion is approved.

MS. WADE thanks all for their support.

CHAIR SMITH states that the last item on the agenda is No. 7, the Acquisition of the John Thomas Building, which is a tax credit property, 20 units. He understands that timing is an issue.

MR. JESSEE states that a representative from the Municipality is here.

MS. BURKE states that this is a sale that was initiated by the previous administration, the Sullivan administration, to RurAL CAP for acquisition of a building at 325 East 3rd Avenue. The program that will be occupying this building plays an important role in the community, the Homeward Bound program. It has been operating for many years and was one of the successful forerunners to the work that was later done around Housing First and other projects in that area. She states that it was the first housing program that took people who were actively drinking, although they do not drink in the housing program, but are not evicted if they come into the services or into the location intoxicated. It is funded through some federal HUD funds that are part of a community application called the COC or the continuum of care. She continues that the COC funding provides the services and this is transitioning from a transitional housing model to permanent supported housing, which brings the financing for the program into the realm of other resources for housing and a tax credit project that is going forward with this. The sponsor is RurAL CAP, and Ellen Kazary, the development director, is here today. She states that this current proposal for \$125,000 will be matched by the Rasmuson Foundation. She adds that Chris Perez from Rasmuson is also here. She continues that the hope is to secure some resources for the project in advance of closing so the tax credit investors can be confident that this project is a go.

CHAIR SMITH asks if the Rasmuson's match is the same amount.

MS. BURKE replies \$125,000, in addition to their PRI and grant that they are sending forward.

MR. JESSEE asks about the contingencies.

MS. BURKE replies that there are some additional resources that can come into the program in the form of rental vouchers, and AHFC is planning to release competition for rental vouchers for housing programs for projects that have been funded through the special needs housing grant program. She states that the competition round will not be initiated until January, which is another reason why this grant in advance of closing needs to happen.

TRUSTEE NORENE asks if the building is for fair market value or less.

MS. BURKE replies no, that was not what was negotiated with the Sullivan administration.

MS. KAZARY states that she is the development director at RurAL CAP. She explains that, as a tax credit project, there will be a separate entity set up for the 15 years that it operates as a tax credit project that is the legal owner of the project. RurAL CAP will be a member of the LLC, but will not be the owner of the building for that time period.

TRUSTEE WEBB asks if there are some time-sensitive deadlines that will not allow renegotiation of the potential contribution of the Municipality.

MS. BURKE replies yes, there is a contract here.

TRUSTEE NORENE states that this is a good project for the community and for the beneficiaries. He continues that his only concern is putting in capital money to a privately owned project. He adds that he is not comfortable with this.

TRUSTEE WEBB asks if ownership after the tax credit period reverts to RurAL CAP.

MS. KAZARY replies that it does not necessarily revert to RurAL CAP. She states that they would have the option of refinancing, settling, and then purchasing.

The discussion continues.

TRUSTEE WEBB makes a motion that the Finance Committee recommends approval to the full Board of Trustees of a \$125,000 FY16 partnership grant to RurAL CAP for the acquisition of the John Thomas Building at 325 East 3rd Avenue.

TRUSTEE WEBB notes that while the timing on this is critical because of its value to the beneficiaries, it is unlikely that the Trust will do one of these again in the future that required money provided to a private entity in a similar fashion.

TRUSTEE MICHAEL seconds.

There being no objection, the motion was approved.

MS. BURKE asks the Trustees if there might be some sessions to provide information and look at options, because that essentially closes the door to the only tool available if that is the policy that the Trust pursues.

CHAIR SMITH states that is an excellent idea.

TRUSTEE NORENE states that there are many low-income housing tax credit properties in town listed under Anchorage Neighborhood Housing. He continues that the list can be used as an example.

TRUSTEE MICHAEL states that it is an opportunity to develop housing without tax credits.

TRUSTEE WEBB states that a discussion is a good idea, because this is the model that apparently has opportunities.

CHAIR SMITH thanks all and asks for any other business to come before the committee. He states that this is Natasha Pineda's last Finance Committee meeting and asks Mr. Jessee for any comments.

MR. JESSEE states that Natasha Pineda has been a tremendous asset to the Trust and wishes her the best in her new endeavor. He thanks her for all OF her work.

MS. PINEDA thanks everyone and states that she has really enjoyed working with everybody.

CHAIR SMITH wishes her luck and entertains a motion to adjourn.

TRUSTEE WEBB makes a motion to adjourn the meeting.

There being no objection, the meeting is adjourned.

(Finance Committee meeting adjourned at 4:44 p.m.)