

ALASKA MENTAL HEALTH TRUST AUTHORITY

BOARD OF TRUSTEES MEETING

January 26, 2017
11:25 a.m.

Taken at:

Elizabeth Peratrovich Hall
320 West Willoughby Avenue
Juneau, Alaska

OFFICIAL MINUTES

Trustees present:

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

Trust staff present:

Greg Jones
Jeff Jessee
Steve Williams
Heidi Wailand
Carley Lawrence
Michael Baldwin
Miri Smith-Coolidge
Katie Baldwin-Johnson
Amanda Lofgren
Carrie Predeger (via speakerphone)

Trust Land Office:

John Morrison
Wyn Menefee

Others Participating:

Patrick Reinhart; Kevin Buckland.

PROCEEDINGS

CALL TO ORDER

CHAIR WEBB reconvenes the meeting, noting that all trustees are present, with Trustee Norene appearing via speakerphone. He states that the first item on the agenda is the Planning Committee report.

PLANNING COMMITTEE REPORT

TRUSTEE MICHAEL states that there is an overview of the items discussed at the Planning Committee meeting in the packet. She continues that there is also a letter of support that was requested by Faith Myers and Dorrance Collins regarding API and patient rights. She adds that they were very pleased and thanks the trustees for supporting that letter. She moves on to an update on the performance summary of the MHTAAR grants, and states that Carrie Predeger will review the report.

MS. PREDEGER states that the Trust issues grants from two different fund sources: The Authority Grant Funds, which go to the community organizations around Alaska; and the Mental Health Trust Authority Authorized Receipts, or the MHTAAR funds, which go to State agencies for specific operating capital projects. She continues that the grants team is currently managing 164 active projects; 151 are FY17 Authority Grants, and 53 are FY17 MHTAAR grants. She reviews the FY16 grants performance summary which provides an overview of the MHTAAR projects that began July 1, 2015, and ended June 30, 2016. She states that in FY16, 8,915 primary and secondary Trust beneficiaries were served or impacted by these MHTAAR projects. She continues that 25,579 individuals were also served through training, outreach and educational efforts. In total, 34,494 individuals were served or impacted by MHTAAR projects in this past fiscal year. She notes the Aging and Disability Resources Center project, and states that Phase 2 began which expanded the Pilot First project. This pilot project required a lot of outreach and education of the public, both beneficiaries and nonbeneficiaries. She adds that, in FY18, it is projected that all the ADRC sites will transition to the same data collection software program. She moves to project performance and states that the evaluation is based upon progress made on the performance measures and whether the project is on schedule in accordance with a pre-established timeline. She explains in greater detail as she goes along.

TRUSTEE EASLEY asks about FASD.

MR. WILLIAMS replies that the FASD projects were begun at a time when the State started producing and not providing PCNs. The initial plan was for this to be a position within DOC. He states that there were several unsuccessful attempts of getting an actual long-term nonperm PCN.

TRUSTEE DERR asks if therapeutic court is the same as last year.

MR. WILLIAMS replies that the Fairbanks Juvenile Treatment Court, which has been Trust-funded for several years, has gone through a stability and demonstrated outcomes for

beneficiaries and then had decreased in both areas. He states that this was due to turnover within the team; utilization of the court dropped recently; and there is talk about the closure of youth facilities, and the decrease in youth going through the juvenile justice system. He continues that in the first quarter of FY17, the court stopped providing services and the balance of the FY17 funds are going to be restricted. He adds that there were no recommendations to Trustees for FY18 funding at this point.

MS. LOFGREN states that in looking at the projects, reading reports and reviewing them, there are quite a few things that go into rating them. Each of the projects have specific components that are being currently being addressed. She continues that OCS was very different and unique, and the Trust did not have that experience in the past. Repayment on that is being worked on with them. Essentially, the funding was spent on other projects.

TRUSTEE EASLEY asks if there was something that could answer Senator Dunleavy's questions on the details of the projects.

CHAIR MICHAEL replies that she had a conversation with Natasha afterwards. Her comment was that it would be helpful to have a map of Alaska that would show the amount of treatment plans in Fairbanks, Juneau, and others; how many are new; how many people are served. They are interested in numbers.

The discussion continues.

MS. PREDEGER states that the next section will look at project impact and whether Trust beneficiaries are better off because of the Trust funding. She continues that of the 44 projects in FY16, 14 were categorized as direct-service projects. The project funds for one project were not used as intended. For that reason, only the 13 remaining direct-service projects were included in this section's analysis. She states that for FY16, 100 percent reported direct beneficiary improvements in quality of life. She goes through a few examples of the direct beneficiary improvements. She continues that all but one of these projects have been funded for five or more years. This shows that Trust staff has really made a continual effort over the years to develop performance measures that demonstrate the overall impact that projects have for the beneficiaries. She completes her report.

TRUSTEE DERR comments that over the last ten years staff has done a phenomenal job on showing how the money is being used and reporting the numbers. She thanks them.

MS. LOFGREN states that Jackie Stewart, the long-term contractor for the microenterprise projects, passed away unexpectedly. She continues that there will be a memorial service in the coming weeks in Juneau. She adds that she wanted to recognize Jackie on behalf of the Trust and beneficiaries because her impact is long-lasting and irreplaceable.

CHAIR MICHAEL asks for any questions for staff, and if there are any other issues that need to be brought up.

MR. BALDWIN states that Ms. Lofgren will give a brief update on some of the work that has been done on some of the systems.

MS. LOFGREN states that, about a year ago, the Alaska Association on Developmental Disabilities requested some support with the developmental disabilities systems assessment and to look at the economic impact of what the DD systems provide into the communities through direct service work, wages, and staffing. She continues that this year all the groups are pulling together to put together this document that reflects both the history of the DD system and where it is going in the future with all the transformation that is happening. She adds that a concerted effort was made to try and identify the number of jobs in each region so that all the advocacy groups could have consistent messaging. More time was needed to be able to come up with more information on that. She states that the power about this is watching all the partners coming together and that it is going to take everybody moving forward together to make it happen. She continues, explaining as she goes along.

TRUSTEE EASLEY states that this is fabulous.

MS. LOFGREN states that trustees will get copies.

TRUSTEE MICHAEL concludes the Planning Committee meeting.

CHAIR WEBB calls a lunch break.

(Lunch break.)

CHAIR WEBB calls the meeting back to order and states that next on the agenda is the Resource Management Committee report.

RESOURCE MANAGEMENT COMMITTEE REPORT

TRUSTEE SMITH states that there are two memos in the packet, and asks Mr. Morrison to begin with the land exchange update.

MR. MORRISON states that, since the last meeting, we have been successful in working with the entire congressional delegation to have new legislation submitted to Congress to facilitate the exchange. He continues that Senate Bill 131 and House Bill 513 have been introduced. It is a top priority to proceed with this exchange. In the interim, we are not pursuing other options for parcels involved in the exchange.

CHAIR WEBB states that at the last meeting it was decided that no further actions would be taken pursuing the exchange.

MR. MORRISON replies that what is understood is that it is not known if it is necessary for the board to take any further action. He states that if an action other than pursuing the land exchange is done, then it will be brought back before the board. He continues that at this time there is every indication from the congressional delegation that the passing of these bills is on track. He

moves to the Cushman Building in Fairbanks, a large institutional-grade building that is currently the home of the Fairbanks Community Mental Health program and is situated next to a detox facility. He adds that it is a complicated situation in that there are multiple lenders, and we have attempted to work with them and the bankruptcy trustee to figure out a way to get the property into Trust ownership or ownership of Fairbanks Community Mental Health. He states that Fairbanks Community Mental Health and the community have a strong need for uninterrupted services for Trust beneficiaries that occur daily at this facility. There is a current understanding that the timeline for the lienholder in first position on the property is expressing that on or before June 1st foreclosure of the loan will proceed. That has prompted the bankruptcy trustee to be more reasonable in the expectations of price. The first position loan is much closer to the price that the Trust is willing to pay, and much less than what the bankruptcy trustee was willing to accept previously. He reminds the trustees that this authority is outstanding and, unless there are some strong negatives, we will proceed with trying to find terms with which to either acquire the building for the long term or acquire it with the intention of getting it into the control of Fairbanks Community Health. He states that he anticipates that actions would be taken at the next scheduled meeting, but he is not sure if any further action from the board is needed now.

CHAIR WEBB states that the directions previously given by the trustees was to try to secure that facility so it continues to be used and is accessible to the Fairbanks Community Mental Health Center for Trust beneficiaries.

MR. MORRISON states that it seemed appropriate to review the subject and see if there was a change of heart. He reminds all that it could potentially be a wonderful opportunity to also provide some space for other collaborative efforts for Trust beneficiaries. Looking back at the record, Trustee Webb made the motion, and it was adopted by the full board: "The Trust Land Office negotiated a purchase price with the bankruptcy trustee for the facility at 3830 South Cushman Street, Fairbanks, on terms acceptable to the Executive Director of the TLO, or no more than the market value of the facility as determined by the Executive Director considering the age of the appraisals of the facility and the respective economic and market conditions."

CHAIR WEBB suggests going forward.

MR. MORRISON states that in the Community Park, across from the Trust Authority building, across Nichols Street, is a large area. He continues that the Arc is currently leasing the Trust land there. There is an opportunity behind the Arc to acquire from Hope a five-acre parcel that was original Trust land, as well as the facilities that are currently on there with the potential for a lease back to Hope for some continued use of some of those facilities. He states that the key is that it would reconsolidate some original Trust land and provide some much-needed exit access to the Arc facility and at the same time allow the Trust to clean up some of the oversights of the current lease in place with the Arc.

MR. JONES states that this parcel would be a very valuable consolidation.

MR. MORRISON explains the lease and states that there are some significant opportunities beyond just some access and reconsolidation of this parcel.

A discussion ensues.

MR. MORRISON continues with an update on some further conversations with Attorney General Wasden of Idaho. He is from the Idaho Department of Land Board, as well as the Attorney General. He happens to sit on their land board, as well as the school trust lands. He is willing and available to come to Alaska.

TRUSTEE SMITH asks if there are any objections to proceeding forward. There being none, we will proceed forward.

MR. MORRISON states that they will endeavor to get Attorney General Wasden here for the May meeting. He moves on to an update on Icy Bay and states that all the necessary ins and outs of setting up significant efforts in Icy Bay this summer are being worked through. It is a well-coordinated effort with Karsten doing an excellent job. He moves to the Subport C sale and, because of all the interest, he finalized the decision to move forward with that sale. We are working with the purchaser to finalize that transaction. He states that there was some back and forth over the Denardo and Fahrenkamp Centers. Potential use has been looked at, but no action has been taken on a potential charter school that may or may not work out in the long run.

MS. BALDWIN-JOHNSON states that the Department is going to be releasing a press release and formally announce the three awardees for the SUD treatment money.

CHAIR WEBB asks, without naming names, if there will be someone who is able or willing and interested in utilizing the Denardo facility.

MR. JESSEE replies that is distinctly possible. He states that it does not mean that it is a commitment to use the facility, and we are waiting for a decision period.

A short discussion on the two facilities ensues.

MS. BALDWIN-JOHNSON states that there were two applicants from Fairbanks. One was by FNA for an opiate detox, and TCC was an applicant for a sobering center.

MR. MORRISON states that the process will continue to be monitored. He continues that, outside of the specific need of this current facility, marketing the properties for potential private-sector use will begin. He reminds all that the process for potential less-than-fair-market use is rather lengthy and cumbersome, and he describes it in more detail. He adds that the grant process would be much more efficient and easier. He moves on, stating that there is one recommended motion.

TRUSTEE MICHAEL moves that the Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 470 subdivision lots and small- to medium-sized parcels to offer through the TLO Statewide Land Sale Program.

There being no objection, the motion is approved.

TRUSTEE SMITH concludes the RMC report.

CHAIR WEBB states that next on the agenda is the Finance Committee report.

FINANCE COMMITTEE REPORT

TRUSTEE NORENE asks if someone could be appointed to preside for him.

CHAIR WEBB asks Mr. Buckland to go through the cash management report.

MR. BUCKLAND states that the cash management update sheet, which is through December 31, 2016, with 50 percent of the year complete. He continues, explaining as he goes along, and asks for any questions.

CHAIR WEBB states that there are a couple items to be taken up by the Full Board. He begins with the annual payout transfer.

CHAIR WEBB makes a motion that the Full Board approve the Finance Committee's recommendation that the Full Board of Trustees authorize the transfer of \$20,613,000 from the Alaska Permanent Fund Budget Reserve accounts to the Mental Health Settlement Income account to finance the FY2017.

There being no objection, the motion is approved.

CHAIR WEBB states that the next item is a partnership, land acquisition, Keel Center for Adaptive Sport, Therapeutic Recreation and Education to Challenge Alaska.

CHAIR WEBB makes a motion from the Finance Committee that the Full Board approve the Finance Committee's recommendation for a \$75,000 FY17 partnership grant to Challenge Alaska for the land acquisition of Keel Center for Adaptive Sports Therapeutic Recreation and Education project.

MS. LOFGREN states that Beth Edmonds came to the Finance Committee meeting to talk about purchasing the land on which the center currently stands. She continues that their lease is terminating with the landowner, and there is a clause in the lease that allows them to purchase it. She continues that they have done an extraordinary job working with various partners and other funding entities to raise nearly a million dollars, and they will be going forward this spring with making an offer and working with the landowner.

There being no objection, the motion is approved.

CHAIR WEBB states that there are three new items to be addressed by the board. There is the FY17/18 MHTAAR budget adjustments for reallocations.

MS. BALDWIN-JOHNSON states that work on that will continue, and we will be arranging a special telephonic meeting so that the proposals can be addressed.

MR. JESSEE states that he talked to Pat Pitney, and she would like to make any of the changes in the Legislature at the subcommittee level.

CHAIR WEBB states that the next item is a partnership fund to contract home- and community-based services for implementation of SB 74 and CMS final rule.

MS. LOFGREN states that a pretty extensive update on the reform efforts that are going on and related to SB 74 and home- and community-services was given at the Planning Committee with Duane Mayes. She requests that funding go forward with a sole-source contract.

TRUSTEE SELBY makes a motion that the Board approve \$200,000 from Partnership Authority Funds for contractual services to support the Trust and SDS, Senior and Disabilities Services, with implementing SB 74 and CMS rules that relate to long-term services and supports.

TRUSTEE MICHAEL seconds.

TRUSTEE DERR asks if the \$200,000 comes out of a focus area, or whether that is coming from the remaining \$456,000.

MR. WILLIAMS replies that the current available amount of partnership funds for FY17 is \$344,690. If all the partnerships before the trustees get approved, including this \$200,000 request, there will be a balance of about \$20,000 in partnerships remaining for FY17. He adds that this is on track.

There being no objection, the motion is approved.

CHAIR WEBB states that the next item is a partnership grant for Anchorage Cold Weather Shelter to United Way of Anchorage.

MR. WILLIAMS reminds the trustees that he sits on the board for Bean's Café, which is involved with the cold weather emergency shelter in Anchorage. He states that this project is an incredible recognition to the work that is going on in Anchorage and the collaboration in working to address homelessness. He continues that a memorandum of agreement was established with all the partners. This funding is a request from the partnership to cover some of the additional unexpected costs.

TRUSTEE SELBY makes a motion that the board approve a \$50,000 FY17 partnership grant request for the United Way of Anchorage for cold weather shelter.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

CHAIR WEBB states that the remaining issues are matters of action that occurred at the previous Finance Committee. He continues that there is no action required, and all have participated in those decision processes. He states that the agenda is completed, and asks for a motion to adjourn.

TRUSTEE SELBY states concern about the input that was received on Tuesday. There are a couple of big issues for this board, and he is uncomfortable leaving this meeting with no direction to deal with the boards and the fracture that exists between the Trust and the boards. The other issue is the staff morale. He states that he heard the Chair state that he intended to leave the board chairmanship in September. He asks if he would consider, for the good of the organization and the beneficiaries, stepping aside sooner so that the vice chair could start immediately working with the boards to try to resolve or heal the fracture there, and work with the staff on getting staff confidence back, showing that they are supported and appreciated for what they do.

CHAIR WEBB asks Mr. Jones to comment.

MR. JONES replies that he will continue to engage with the boards between now and the May meeting and may ask for another workshop between now and then. He continues that he would like some feedback from the boards on how many issues got resolved and, in going forward, what the organization should look like. He adds that he would also like to begin talking about what is needed in the way of a CEO. The boards have asked to have input into that. He states that, regarding staff morale, he will continue to try to keep people motivated and get them recognized for what they do.

CHAIR WEBB states that he thinks it is inappropriate for the advisory boards to be determining the leadership of this board. He continues that they are welcome to an opinion on that and recognizes that, for a variety of reasons, he has become a target. He adds that it is not the first time he has ever had that role, and he is not unaccustomed to it. He states that if he becomes convinced that he needs to step aside, he will.

TRUSTEE SELBY appreciates that, but when there is a fractured relationship, how much success will there be with Mr. Jones' efforts because those folks were fairly straightforward about their concerns and their positions. He states that he is concerned about not being a blockage to accomplishing two very critical things that need to be done, which is to restabilize a strong relationship with the boards and legislators.

CHAIR WEBB asks for a motion to adjourn the meeting.

TRUSTEE SMITH makes a motion to adjourn the meeting.

TRUSTEE MICHAEL seconds.

There being no objection, the meeting is adjourned.

(Full Board of Trustee Meeting adjourned at 1:45 p.m.)