

ALASKA MENTAL HEALTH TRUST AUTHORITY
SPECIAL BOARD OF TRUSTEES MEETING

August 11, 2016
12:02 p.m.

Taken at:

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

OFFICIAL MINUTES

Trustees present:

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

Trust staff present:

Jeff Jessee
Steve Williams
Kevin Buckland
Katie Baldwin-Johnson
Carrie Predeger
Heidi Wailand
Valette Keller
Carley Lawrence
Michael Baldwin
Lucas Lind
Amanda Lofgren
Miri Smith-Coolidge

Trust Land Office:

John Morrison

PROCEEDINGS

CHAIR WEBB calls the meeting to order and notes that all trustees are present. He moves to the agenda. He states that there is an issue of timber sales coming from the Resource Management Committee and asks that it be included on the agenda. He adds that there is also the Denardo-Fahrenkamp discussion as a follow-up from the previous meeting. He asks for any other changes to the agenda.

TRUSTEE EASLEY proposes adding the trustee election process after the Denardo-Fahrenkamp discussion.

TRUSTEE NORENE states the need for an Executive Session and we should change the order to dispose of the Denardo-Fahrenkamp first, and then move into Executive Session.

CHAIR WEBB asks for any objections. Hearing none, the agenda is approved. He asks for any ethics disclosures. He states that there were previous ethics disclosures in the earlier committee meetings. He moves to the Denardo-Fahrenkamp proposal, and recognizes Mr. Morrison.

MR. MORRISON gives a brief introduction and states that the Fahrenkamp and Denardo Center have been owned by the Trust for roughly two years. The discussions with the Department of Health and Social Services to transfer those facilities were initiated approaching three years now. He continues that, at the outset, the desire was to hold the Denardo Center specifically vacant while various things were proposed and, since then, the Fahrenkamp Center is now vacant. He states that at the last meeting staff was asked to provide more information on how the trustees want to move forward.

CHAIR WEBB recalls that one of the issues was to try to find as much information as possible about what the potential is for the need of the Denardo Center for programmatic purposes.

MR. JESSEE states that he was able to learn that the Division of Behavioral Health is going to put out that \$6 million, three-year appropriation and have made a \$49,000 grant to Fairbanks to develop a needs assessment and a gaps analysis. He continues, that is one of the requirements that any community is going to need in order to bid on these funds. He adds that the Division of Behavioral Health is anticipating having the RFP out in the November, December timeframe.

TRUSTEE MICHAEL asks if any more is known about whether this is their priority building.

MR. JESSEE replies that there was a very large community meeting led by Tanana Chiefs Conference. He states that most of the other providers were there, and the opportunity to potentially have a site for the sobering center is a huge factor to any proposal to be feasible. He asks if there is an estimate of the value of these two buildings.

MR. MORRISON replies that he believes that the value of the buildings together is about \$8 million.

MR. BUCKLAND states that there was an appraisal or a broker's opinion of value done for those properties.

MR. MORRISON adds, that did not include the surface and, at \$200 a square foot, the Denardo would be worth a million, two.

MR. JESSEE reminds all that Health and Social Services owned these buildings and had beneficiary-related programs in both of them.

CHAIR WEBB recalls from the last discussion that the issue is one of how to balance out the cost of operation of these facilities when they are empty with the potential for having a programmatic use.

A discussion ensues.

TRUSTEE MICHAEL comments that there are two potential tenants here, and we do not want to lose two potential tenants or end up having two tenants fighting over one building.

The discussion continues.

CHAIR WEBB asks if there is money in the budget to keep both facilities available.

MR. MORRISON replies that there is full funding through FY17.

CHAIR WEBB states that it is a question of what the will of the trustees is.

TRUSTEE SMITH states that it seems to be a management recommendation, and we should look at some different options.

MR. MORRISON states that staff recommendation is to proceed with the lease. This way, instead of a negative cash flow, a positive one can be produced.

The discussion continues about a description and setup of the buildings.

TRUSTEE MICHAEL asks, on Fahrenkamp, if an area similar to what the needs of the existing requesting tenant are could be designated or modified.

MR. MORRISON replies that it is possible to relegate them to half of Fahrenkamp and save the other half for whomever.

The discussion continues.

CHAIR WEBB asks if representation has been made to the community in Fairbanks that the Trust is going to make the Denardo Center available for a sobering center.

MR. JESSEE replies yes.

TRUSTEE SELBY makes a motion to direct staff to offer the potential lessee a portion of the Fahrenkamp Center at a fair market value lease.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

MR. MORRISON states that there is currently an operating budget for Fahrenkamp. He continues, with this tenant, those operating funds will not be needed, but funds to facilitate the tenant improvements will likely be needed and asks that the funds be redirected.

TRUSTEE SELBY makes a motion to redirect the use of the operating budget for Fahrenkamp, the funds, to facilitate tenant improvements.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

CHAIR WEBB makes a point to staff to not make representations in advance without getting trustee guidance first. He moves on to the issue of the proposed timber sale and asks for a motion to move into Executive Session.

TRUSTEE NORENE makes a motion to move into Executive Session for the purpose of potential negotiations.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

(Executive Session from 12:32 p.m. to 12:41 p.m.)

TRUSTEE SELBY makes a motion to go back on the record.

TRUSTEE MICHAEL seconds.

There being no objection, the motion is approved.

TRUSTEE SELBY reports out of Executive Session that financial matters were discussed and no action was taken.

CHAIR WEBB states that the next item would be bylaws. He continues that some decisions were made last year that changed how the Trust operated, and some specific decisions were also made about committee operations. He adds that he has created a document that has the proposed changes, as well as a purpose and rationale statement for each of those changes. He states that he will send that out for future conversation.

TRUSTEE DERR asks if the bylaw changes will be looked at in September. She states that it cannot because it is not 30 days.

MR. JESSEE replies that it could if there was a unanimous vote.

CHAIR WEBB states that it could be a unanimous vote or a special meeting. They will be sent by e-mail.

TRUSTEE EASLEY makes a motion to move into Executive Session for Item 2, subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

(Executive Session from 12:47 p.m. to 1:47 p.m.)

CHAIR WEBB states, for the record, that Executive Session came out at 1:47 p.m.

TRUSTEE SELBY makes a motion to adjourn the meeting.

TRUSTEE DERR seconds.

There being no objection, the motion is approved

(Special Board of Trustees Meeting adjourned at 1:48 p.m.)