

ALASKA MENTAL HEALTH TRUST AUTHORITY

SPECIAL FULL BOARD MEETING

October 27, 2017
9:07 a.m.

Taken at:

Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 110
Anchorage, Alaska

OFFICIAL MINUTES

Trustees present:

Mary Jane Michael, Chair
Christopher Cooke
Laraine Derr
Paula Easley
Carlton Smith
Jerome Selby
Greg Jones

Trust staff present:

Steve Williams
Andy Stemp
Carley Lawrence
Heidi Wailand
Michael Baldwin
Katie Baldwin-Johnson
Valette Keller
Lucas Lind
Jimael Johnson
Miri Smith-Coolidge

TLO staff present:

Wyn Menefee
Sarah Morrison

Others participating:

Kathy Craft; Patrick Reinhart; Catherine Woods; Stuart Goering.

PROCEEDINGS

CHAIR MICHAEL calls the meeting to order and states that all trustees are present except for Laraine Derr, who will be here in about ten minutes.

MR. WILLIAMS states that Stuart Goering is going to be on-line as a resource when the bylaws are gone through. He will be present around the lunch hour, and will be here for the remainder of the afternoon, if needed.

CHAIR MICHAEL asks for any other announcements. She asks Trustee Smith to give the Resource Management Committee report.

RESOURCE MANAGEMENT COMMITTEE REPORT

TRUSTEE SMITH reports that the Resource Management Committee met on October 26, 2017, and reviewed four consultations and approvals presented by TLO staff. Three consultations required an RMC consultation. After consultation, the committee members concurred with each proposal: Item A, which is MHT 9100862, B&W Enterprises Negotiated Sale; Item B, MHT 9100817, this is the Johnson Construction and Supply Negotiated Sale; Item D, Disposal of Missed Settlement Land on Homer Spit, SM 7025. He states that the following proposed actions require Full Board action per the October 26 RMC meeting: Item No. C, MHT 9100904, Naukati Land Exchange, Negotiated Timber Sale.

TRUSTEE SELBY makes a motion that the Trust Authority Board of Trustees concur with the disposal of timber through negotiated sale on Trust land located near Naukati on Prince of Wales Island

TRUSTEE JONES seconds.

MR. MENEFEE states that this will bring in \$15 million in revenue from the sale over a five-year period. This is maximizing revenues as a result of doing the land exchange. This will occur as soon as the lands are conveyed to the Trust.

TRUSTEE COOKE asks about the wording where the motion says that this is a negotiated sale on Trust land, but the Trust does not actually have the land yet. He asks if that creates any kind of ambiguity in this motion, or if more words are needed.

MR. MENEFEE responds that it could potentially be changed, but the timber will not be sold until it is Trust land.

TRUSTEE JONES makes a motion, with the concurrence of the maker of the motion, an amendment that adds the words starting with “on Trust land to be acquired through an exchange with the Forest Service and then located near Naukati.”

TRUSTEE SELBY considers it a friendly amendment, and asks the Chair to call the question.

There being no objection, the motion is approved.

TRUSTEE SMITH moves to Item 1, Icy Cape Gold and Industrial Heavy Minerals Project.

TRUSTEE SELBY makes a motion that the Alaska Mental Health Trust Authority Board of Trustees approve proposed asset enhancement action to fund the Icy Cape Gold Industrial Heavy Mineral Project with principal from the Trust Authority Development Account, Fund Code 3320, with \$3 million. These funds do not lapse.

TRUSTEE JONES seconds.

MR. MENEFEE states that this is a very good source of potential revenue for the Trust in the future. This investment has to be done now to identify the size of the resource and all the minerals.

TRUSTEE EASLEY asks if there was a separator in the budget.

MR. MENEFEE replies that there is a small unit that will be used out there. He continues that the intent is to do a reconditioning to a used one from the east coast. It has already been identified, and that would be part of that cost of a separator.

There being no objection, the motion is approved.

TRUSTEE SMITH states that the final item for approval is Item No. 2, the Land Exchange Budget Approval.

TRUSTEE SELBY makes a motion that the Trust Authority Board of Trustees approve the appropriation of an additional asset enhancement expenditure of \$3,165,000 from Fund 1092, Income, and Fund 3320, Principal, be added to the TLO's budget for the land exchange. These funds do not lapse, and staff is directed to negotiate and spend as minimum as possible of these funds.

TRUSTEE COOKE seconds.

MR. MENEFEE states that this is the money that is required to complete the land exchange as approved in both the state and federal legislation. This repositions the assets to make available a bunch of land for timber harvest. It is expected that the completion of the land exchange would probably generate between \$30 to \$50 million in revenue from timber from those lands. He adds that this will help complete the exchange with the Forest Service.

There being no objection, the motion is approved.

TRUSTEE SMITH concludes the Resource Management Committee Report.

CHAIR MICHAEL states that next on the agenda is the Finance Committee Report.

FINANCE COMMITTEE REPORT

TRUSTEE SELBY states that the committee met on October 26, 2017, and started with a review of the year-to-date financial report by Chief Financial Officer Andrew Stemp, and then

proceeded with a number of actions. He continues that there were seven smaller focus area allocations and partnership grant allocations that were approved by the committee. Then the committee moved to the land exchange budget approval which was just discussed at the Finance Committee.

TRUSTEE SELBY makes a motion that the Full Board of Trustees approve the appropriation of an additional asset enhancement expenditure of \$3,165,000 from Fund 1092, Income, and Fund 3320, Principal, to be added to the TLO's budget for the land exchange. These funds do not lapse. Staff is directed to negotiate and spend as minimum as possible of these funds.

TRUSTEE JONES seconds.

There being no objection, the motion is approved.

TRUSTEE SELBY states that the next item is the mine matter.

TRUSTEE SELBY makes a motion that the Full Board of Trustees approve the proposed asset enhancement action to fund the Icy Cape Gold and Industrial Heavy Mineral Project with principal from the Trust Authority Development Account, Fund Code 3320, with \$3 million. These funds do not lapse.

CHAIR MICHAEL reminds all that a second is not required once it has been approved in a committee.

There being no objection, the motion is approved.

TRUSTEE SELBY states that, then, the committee took up three of the larger partnership grants.

TRUSTEE SELBY makes a motion that the Full Board approve the Finance Committee's recommendation of a \$200,000 FY18 partnership grant for the Statewide Independent Living Council for the Innovation to Independence through Enabling Technology Project.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board approve the Finance Committee's recommendation of a \$199,300 FY18 partnership grant to the Alaska Child and Family for the Day Treatment Partnership for Children on the Autism Spectrum.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board approve the Finance Committee's recommendation of a \$75,000 FY18 partnership grant to the Anchorage Library Foundation for the Social Worker in the Library Pilot Program

There being no objection, the motion is approved.

TRUSTEE SELBY states that the final item considered by the committee was the matter with regard to the allocation of the income for the year and its use for enhancement of assets versus

investment. That action was deferred to the board meeting later in November. Also deferred was the focus area allocation beneficiary employment engagement program, because additional information is needed. He concludes the Finance Committee Report.

CHAIR MICHAEL calls a recess until 9:30 when the meeting will continue with the Trust Governance Project.

(Break.)

CHAIR MICHAEL calls the meeting back to order and asks Catherine Woods, who will facilitate the process, to begin.

MS. WOODS begins by stating that she took the revisions to the bylaws and sent them back to the Trust and to Stuart Goering for legal review. There was a very minor technical correction on an error she had made on the bylaws; otherwise, they are exactly as what you have seen. Also, during that time, trustee comments were received, and the door was opened to comments from the advisory groups for both the bylaws and the committee charters. She continues that comments from board members received were stylistic in nature, not substantive changes to the body of the document, and they have been incorporated. She states that there is an opportunity today to move this all across the line which will leave a strong, intact governance structure. That is the goal. She adds that there is time set at the November 17 board meeting, if additional time is needed. She asks Mr. Goering to introduce himself.

MR. GOERING states that he is an assistant attorney general in the commercial area and support section. He continues that his other client agencies are the Regulatory Commission of Alaska and the Alaska Retirement Management Board. The common thread there is the finance and investment-related things, and the highly technical nature of the work that is done.

MS. WOODS begins with the bylaws and reminds all that some things were pulled out of the bylaws and moved into charters because it makes the bylaws a more evergreen document. She states that the bylaws will be looked at, also the authorities, with the possibility of adopting; being very clear about what is complete and what may need more clarity.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the revised bylaws as presented or amended.

TRUSTEE JONES seconds.

TRUSTEE COOKE states that he would like to know where the trustees stand in the spectrum of moving from the old bylaws to the new bylaws. He asks if this meeting is the time when these can be adopted.

MS. WOODS replies yes.

TRUSTEE COOKE asks if this is the final.

MS. WOODS states the requirement for amendment was that the bylaws be given 30 days of public notice, which happened. The board can take action today to adopt, which would become

effective from the date of adoption. She states that there is a motion on the floor.

CHAIR MICHAEL asks for any comments, concerns, or changes, and if there are any recommendations to the bylaws at this time.

MS. WOODS states that there was one singular change to the bylaws and it is on page 9, Article VII, Section 1, Letter A, the language previously stated, “ensure development of policies for governing the Trust Authority in the best interest of beneficiaries for approval by the board.” The language clearly mirrored the language in the Program and Planning Committee. She continues that the advice of legal counsel stated that because it is implicit that the trustees will work in the best interest of the beneficiaries, that language could be deleted in order to be more clear about the differentiation between the Executive Committee and the Program and Planning Committee. That is the singular change that was made to that document after a work session on September 8. All the other changes suggested by the Board of Trustees were adopted and approved in legal review.

CHAIR MICHAEL states that, given that, is there still a desire to go through each section, or if all are comfortable with this document.

TRUSTEE SELBY states that he wanted to make sure that there was the opportunity to identify everything that has happened since the last meeting.

MS. WOODS states that there were no other changes beyond the one just talked about.

There being no objection, the motion is approved.

CHAIR MICHAEL states that there is a new set of bylaws.

(Applause.)

A short discussion ensues on the format and addition of a last page stating the date when amended, plus a signature page with the secretary’s signature.

MR. WILLIAMS moves to page 12 regarding the CEO approval authorities. He states that this is a memo that outlines increased authority for grant approval for the CEO up to \$100,000. He asks for any questions about the authority, the document, or any changes.

A brief discussion ensues.

TRUSTEE SELBY makes a motion that the Full Board of Trustees delegate approval authority to the CEO to allocate grant funds previously approved by the Full Board, but not allocated to a specific grantee up to \$100,000.

TRUSTEE JONES seconds.

The discussion and explanation continues.

CHAIR MICHAEL asks Mr. Williams to describe how the higher spending limit would report out.

MR. WILLIAMS explains that today, applications are received on an ongoing basis and are called letters of interest. That comes into the Trust Authority office through the grant software. The program team goes over all of those letters of interest. This is an opportunity to look at an overview of what the project is, how it impacts the beneficiaries, what the anticipated request amount is. Then if any of those projects meet the mission, the trustees' priorities, are within a focus area and serving beneficiaries, a link is sent to the applicant and a full application is completed. Then, that full application gets reviewed and gets put together into a packet. The requests that are between \$10,000 to \$50,000 are submitted, in the current process, to the Finance Committee, which has the authority to approve those. He states that the new scenario would be the same process, but will come back to the board and the Planning Committee, and reporting out on a quarterly basis what grants the CEO had approved. The Planning Committee and the board would know that for this quarter four grants came in, and were approved by the CEO up to \$100,000, with a summary of the proposals, the actions, and the reasons why.

A discussion on the wording of the motions ensues.

CHAIR MICHAEL asks for any objections.

With one objection, the motion is approved.

The discussion continues about the dollar limits from a legal point of view.

CHAIR MICHAEL states that there is another motion.

TRUSTEE DERR makes a motion that the Full Board of Trustees delegate approval authority to the Program and Planning Committee to allocate grant funds previously approved by the Full Board but not allocated to a specific grantee up to \$500,000.

TRUSTEE SELBY seconds.

TRUSTEE COOKE makes a motion to include: This delegation of authority shall remain in effect so long as the Program and Planning Committee remains a committee of the whole board.

TRUSTEE SELBY seconds the amendment.

There being no objection, the motion is approved.

TRUSTEE SELBY states a point of order. The amendment was approved. Now the main motion on the motion as amended needs to be approved.

There being no objection, the motion is approved.

MS. WOODS states that the next motion before the board is from Wyn Menefee, clarifying how consultation happens between the TLO and the Trust.

TRUSTEE SELBY makes a motion that the Full Board of Trustees delegate authority to the CEO to receive consultation on behalf of the Trust Authority from the TLO as required by law regarding project total sale revenue below \$250,000 or projected total land or mineral lease or easement below \$50,000, and to quarterly report such consultations to the board.

TRUSTEE DERR seconds.

MR. MENEFEE states that the TLO does two types of actions with the board: consultations and approvals. Consultations are where the executive director already has the authority to take the action, but for regulation is required to consult before going on a best-interest decision to dispose of land. That can be a sale or lease. Approvals are about getting money for things. This deals with the consultations, and the aspect is to do this in two layers. It has been in the bylaws this way: The CEO has a certain amount of delegated authority, and then the RMC has a certain amount of delegated authority. Although there is not delegation, it was just in the bylaws. Because this is moving out of the bylaws, this delegation is needed.

TRUSTEE SMITH asks if it is fair to say that most of this relates to parcel sales.

MR. MENEFEE replies when talking about sales, that is correct, it is mostly parcel sales.

A brief discussion and explanation ensues.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees delegate authority to the CEO to approve projects to specific expenditures from the principal budget reserves or facility maintenance account below \$50,000 per approval, with a cumulative maximum of \$100,000 per year, and to quarterly report such approvals to the board.

TRUSTEE JONES seconds.

MR. MENEFEE states that in the bylaws before, the CEO did not have this authority. This would be a new authority, but the aspect of keeping it below \$50,000 would be so that the CEO is not going out and doing more than \$100,000 in a year without board review. At the same time, it will be reported back quarterly to see what has been approved.

TRUSTEE COOKE asks if there should be something in this motion that refers specifically to the TLO.

MR. MENEFEE replies that it is an assumption, and if more clarity is needed, it can be done.

TRUSTEE COOKE makes a motion to amend the motion to include “delegates authority to the CEO to approve project-specific expenditures by the TLO.”

TRUSTEE JONES seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL moves to the original motion.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees delegates authority to the Resource Management Committee to receive consultations on behalf of the Trust Authority from the TLO as required by law regarding disposals of an annual lease rental between \$50,000 and \$500,000 and disposals with sale revenue between \$250,000 and \$1 million. This authority includes disposals that could produce revenues in the form of royalties that exceed this revenue limit and to the disposal that is an extension or expansion of an existing lease that has previously been subject to the consultation process so long as the expansion or addition to the lease does not exceed 25 percent of the original lease acreage.

TRUSTEE JONES seconds.

MR. MENEFEE explains that this is similar to what was already in the bylaws. That whole part about the expansion of lease acreage was verbatim from what was already in the bylaws and was carried forward. The amounts have been raised from what it was before for the consultation for sale revenues from \$100,000 to \$500,000. It is trying to keep the expediency of getting the business done.

TRUSTEE COOKE asks if something has not been left out.

MR. MENEFEE states that he may have misspoken. The lease would be the annual.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion to reconsider the previous motion concerning the delegation of consultation.

TRUSTEE DERR seconds.

TRUSTEE SELBY explains that his intention would be to go back to the motion to reconsider to approve Motion No. 1, to put in annual totals so that it is similar to the one just approved. He thinks that there is value in having clarity. He asks if it is total value over the term or the lease, or whether it is the annual lease rental.

TRUSTEE MICHAEL asks for any objections to the reconsideration of Motion No. 1.

There being no objection, the motion is approved.

TRUSTEE DERR makes a motion to amend the original motion by inserting the word "annual" in the second half of the motion to "projected annual total land or mineral or easement rental below \$50,000."

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL asks for any objection to the original motion.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees delegates authority to the Resource Management Committee to approve project-specific expenditures from the principal budget reserves for the facility maintenance account between \$50,000 and \$100,000.

TRUSTEE DERR seconds.

MR. MENEFEE explains that this moves from what existed before under project-specific expenditures, which had delegation in the bylaws to the RMC up to \$50,000, and now moves it to \$100,000.

TRUSTEE COOKE makes a motion to amend and insert the word “by the TLO” after the word "expenditures."

CHAIR MICHAEL asks if the amendment is accepted.

TRUSTEE SELBY states that he considers it a friendly amendment, and incorporates it into the original motion.

There being no objection, the motion is approved.

MS. WOODS states that the bylaws have been taken care of, as well as the authorities investing appropriately. She moves to the charters. The first charter is the charter of the Board of Trustees, and she states that there have been some changes.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the Board of Trustees as presented, and before amended.

TRUSTEE JONES seconds.

MS. WOODS states that she believes that this is a blanket comment that will apply to all of the remainder of the charters. In general, Mr. Goering advised that it was better to simply cite statutes where they lie rather than trying to restate it. There was a technical amendment made, which is the only amendment in Section 1.

The discussion ensues on the technical amendments in the charter.

MS. WOODS states that the paragraph would be changed consistently throughout all the charters so that each charter would be a stand-alone document that indicates the need to comply with the Open Meetings Act.

MR. GOERING states that AS 17.30.100 specifically said the quorum of the board is four members. It is very specific to the Trust Authority by statute.

MS. WOODS states that a statutory reference could be added on 33.

MR. GOERING stated that would be helpful in the event if for some reason that statute changed, that would flag it for reconsideration of that particular requirement.

MS. KELLER asks for the statute reference.

MR. GOERING replied that it is AS 47.30.016(d).

MS. WOODS moves to No. 48 and the question about the honorarium. Discussed in September was that the Trust had implemented a graduated schedule of honoraria for the Trust that directed Mr. Williams to speak with counsel about how to resolve the discrepancy between a graduated schedule and the \$200-per-day that is set as per diem. The language here states board members are entitled to an honorarium of \$200 for each or in part of the day spent in a meeting of the board, a meeting of the committee of the board, or as a representative of the board. Attorney advice was to define part of a day. It is defined as any in-person attendance at a meeting, whether it is a five-minute meeting, or any telephone contact over 60 minutes. Any conflicts will be resolved by the Executive Committee.

A discussion ensues.

TRUSTEE JONES states that he would like to amend the motion that is on the floor with several amendments. He continues that his understanding is there is a motion on the floor to approve the version dated 10/27/17, which is noted in the upper right-hand corners.

TRUSTEE JONES makes a motion to amend the motion, on page 16, by moving item 40 to the bottom of the list, so it would become 6, and everything else would move up. On page 17, he would like to amend by adding Section 6 under Governance, Section 6H, "chief executive officer," which adds a charter for the chief executive officer. On page 22, under "board meeting practices," he would like to amend by removing Sections 42 and 44 and replacing them with the same language that is in the bylaws of Section 3, page 8 of the packet, into one paragraph appropriately numbered. On No. 43 he would like to amend by adding the phrase to the sentence after it says "four board members," put in parentheses, "statutory reference of AS 47.30.016(d)." Then, on page 48, remove the sentence that says "part of a day is defined as any in-person attendance at a meeting or telephone contact over 60 minutes."

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL asks for any objection to the original motion.

There being no objection, the motion is approved.

MS. WOODS asks for the scheduled break.

CHAIR MICHAEL calls a break.

(Break.)

CHAIR MICHAEL asks Ms. Woods to continue.

MS. WOODS states that the next step is to look at the charters of the board officers.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter for the chair of the board as presented or amended.

TRUSTEE DERR seconds.

MS. WOODS states that the substantive amendment that was offered was to item 20 under "duties and responsibilities." The previous text said that the board chair would serve as a member of the Executive Committee, and an ex officio voting member of all other committees. At present, the board operates with committees of the whole. Mr. Goering noted that if the board, at some point, chose not to operate as committees of the whole, which was provided for in the bylaws, that requiring that the board chair be an ex officio voting member results in potential scheduling challenges because of not being able to schedule committee meetings concurrently. The language offered was that the chair would serve as a nonvoting ex officio member of all committees as a standard, but the chair may be appointed as a voting member of the committee.

MR. GOERING points out that the chair is by definition a voting member of the Executive Committee, and that is not captured in this language, but it is on the record, being part of the charter of the Executive Committee.

CHAIR MICHAEL asked for any other suggestions from trustees or staff on changes to this one.

TRUSTEE SELBY states that he would remove item J on page 26, "review of the travel and other expenses of the CEO."

MS. WOODS states that language was left in, not because it is administratively valuable, but because it affords a protection to the challenges of decisions that a commissioner might make around travel that need not necessarily pertain to the Trust.

TRUSTEE SELBY continues that he has a simple solution to that problem. At every board meeting there be a consent agenda item of approval of travel for the CEO and the three chief officers for the organization.

A discussion ensues.

CHAIR MICHAEL asks for any objections to the motion to adopt the charter for the chair.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the vice chair of the board as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there were no substantive changes to this charter.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the secretary of the board as presented or amended.

TRUSTEE JONES seconds.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the Executive Committee as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there were no substantive changes to this charter.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustee adopt the charter of the Finance Committee as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there were no major changes. She continues that Mr. Goering did catch that the terms "financial" and "fiscal" were used interchangeably. That was corrected. There was one substantive change, Item 6, "the committee will consist of at least three trustees appointed by the board chair, each of whom have or are willing to develop a basic understanding of finance and accounting and be able to reach and understand financial statements." By inserting the language "have or be willing to develop basic understanding of the required skill" would give the trustees more latitude. She adds, that was the one substantive change, and it was made throughout the committee charters to be consistent.

TRUSTEE SELBY asks if identifying that the committee will consist of a committee of the whole be considered.

TRUSTEE DERR agrees that it should be defined some way.

A brief discussion ensues.

TRUSTEE SELBY makes a motion to amend the charter on page 32, replacing the current No. 6 with a simple sentence that says "the committee will consist of a committee of the whole board."

TRUSTEE JONES seconds.

There being no objection, the motion is approved.

TRUSTEE SELBY asks if there should be a provision in these committee meetings for some public hearing opportunity for folks that may be impacted. Should there be an opportunity for recipients or beneficiaries to come and speak at the committee meeting about what is needed to be considered.

MR. WILLIAMS states that is a good point. Right now, the CEO has information from the application information from staff, then any of the advisory boards who wish to provide any particular comment. That could also be incorporated out in the quarterly reports to the Planning Committee and to the Full Board.

TRUSTEE SELBY asks if that opportunity should be provided at the committee meeting level.

TRUSTEE EASLEY asks to move an amendment to Item 5 under "authority."

TRUSTEE EASLEY makes a motion to amend Item 5 under "authority" so that the committee through the CEO will have access to the CFO, legal counsel, as well as all advisers, consultants, and asset managers.

TRUSTEE DERR seconds.

A brief discussion ensues.

There being no objection, the motion is approved.

TRUSTEE COOKE asks if each of the committees are subject to the Open Meetings Act, and should there be public comment at each of the committee meetings.

MR. GOERING explains that the purpose of the Open Meetings Act is to let people transparently see what actions government agencies are taking, but not necessarily to participate in those meetings. The fact that some people are allowed to do that in some cases and not allowed in other cases is acceptable by law.

TRUSTEE SELBY makes a motion to amend this charter on page 32 by inserting a new No. 11, 11 and 12 to 12 and 13. The amendment would read: "The committee will provide a public comment period early in the meetings before taking action on funding decisions."

TRUSTEE JONES seconds.

TRUSTEE DERR makes a motion to insert the words "based upon recommendation by staff."

TRUSTEE SELBY accepts that as a friendly amendment.

TRUSTEE SELBY states that it would probably read: "The committee will provide a public comment period based on a recommendation by the staff early in their meetings before taking action on funding decisions, if needed."

There being no objection, the motion is approved.

MS. WOODS states that the goal is to revisit those agreements at least every three years.

TRUSTEE SELBY makes a motion to amend and add that the agreements would be revisited not less than every three years.

TRUSTEE JONES seconds.

TRUSTEE COOKE asks about the frequency of memorandums of agreement.

TRUSTEE JONES replies never.

CHAIR MICHAEL replies that they have been reviewed but have never changed anything. It requires talking to the commissioners, and it has never made it that far. She asks for anything further on the Finance Committee's charter.

There being no objection, the motion is approved.

CHAIR MICHAEL moves to the original motion with all the amendments, and asks for any objections.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the Audit and Risk Committee as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there were no substantive changes to the Audit and Risk Committee.

TRUSTEE DERR makes a motion to amend paragraph 5 to be consistent on the CEO language as in the Finance Committee, and that item No. 6, also be consistent with the Finance Committee.

TRUSTEE JONES seconds.

A discussion ensues.

CHAIR MICHAEL asks if the board wants to be a committee of the whole or to go back and have it be a smaller group.

TRUSTEE SELBY states that this is a new thing and urges the board to initially continue being involved in the audit process. He continues that maybe at a later time the board may feel comfortable to have some subset do it. This is a learning opportunity for all board members to understand the whole process better, and to keep on top of the budget operations in the future.

There being no objection, the motion is approved.

CHAIR MICHAEL asks for any further amendments to the charter for the Audit and Risk Committee.

TRUSTEE COOKE makes a motion to amend the paragraph to read: "Provide written input and feedback to the CEO from the entire committee," delete "as a whole," "in support of the annual performance evaluation."

TRUSTEE JONES seconds

TRUSTEE EASLEY suggests stating: "Provide the committee's written input and feedback to the CEO in support of the annual performance evaluation of the chief financial officer." That same thing could be for the CEO.

CHAIR MICHAEL asks Trustee Cooke if he accepts that as a friendly amendment.

TRUSTEE SELBY suggests saying: "Committee as a body instead of as a whole."

There being no objection, the motion is approved.

A discussion ensues.

CHAIR MICHAEL moves to the original motion with amendments, and asks for any objections.

There being no objection, the motion is approved.

MS. KELLER asks if the board wants to include an opportunity for public comment with the Audit Committee charter.

TRUSTEE DERR replies that she does not think so.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the Resource Management Committee as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there were no substantive changes to the Resource Management Committee other than the increase in levels of authority that the board adopted this morning.

TRUSTEE DERR makes a motion to amend the motion to make a change in item 5 where it says, "The committee will have access to," and make it the same as in the Finance Committee.

TRUSTEE JONES seconds.

MS. WOODS suggests adopting on letter 3E: "Provide the committee's written feedback and input to the CEO," to make that consistent with what was just added.

TRUSTEE DERR adds the amendment on adopting on letter 3E: "Provide the committee's

written feedback and input to the CEO," to make that consistent with what was just added as a motion.

There being no objection, the motion is approved.

A discussion on what the Resource Management Committee needs to be able to do ensues.

TRUSTEE DERR makes a motion that under "operating procedures" a paragraph stating, "based upon recommendations of staff, there will be opportunity for public comment at each meeting."

TRUSTEE SELBY seconds.

MS. KELLER asks Trustee Derr about the wording of her motion. Would she like to keep it the way she said it, or should it be the same language used in the Finance Committee.

TRUSTEE DERR replies the same language as the Finance Committee.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the Program and Planning Committee as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there are no substantive changes to the Program and Planning Committee charter other than inclusion of the change in approval limits that was approved by the board this morning.

TRUSTEE DERR makes a motion to amend Trustee Selby's motion to paragraph 5 that the committee will have direct access through the CEO. The same language in paragraph 5, paragraph 6, and adding the paragraph in regard to open meetings or public comment at meetings. The same that were in the Finance Committee.

TRUSTEE SMITH seconds.

MS. WOODS asks if item 3, about providing the committee's written input, would be included.

TRUSTEE DERR replies yes.

There being no objection, the motion is approved.

MR. MENEFEE asks about under 9 and 10, modifying that to under operating procedures 9 and 10. That is the public records thing.

TRUSTEE DERR includes that.

There being no objection, the motion is approved.

TRUSTEE DERR makes a motion to approve her former amendment and would further amend that paragraphs 9 and 10 be consistent in each committee throughout the charters.

TRUSTEE JONES seconds.

TRUSTEE SELBY asks for a point of order. This charter needs to be finished, and then we can make Trustee Derr's motion a blanket as a separate motion; otherwise, it is within this charter.

CHAIR MICHAEL asks for any other amendments to the charter for the Program and Planning Committee.

There being no objection, the motion is approved.

TRUSTEE DERR makes a motion to make paragraphs 9 and 10 consistent among all of the committees.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

TRUSTEE SELBY makes a motion that the Full Board of Trustees adopt the charter of the chief executive officer as presented or amended.

TRUSTEE JONES seconds.

MS. WOODS states that there are changes in the fact that this did not exist when we last met. She continues that in the introduction is that the Alaska law requires board of trustees to employ a chief executive. The bylaws states that the CEO will be the chief executive officer of appropriation and serve at the pleasure of the board. The bylaws set out in general terms the duties of the CEO. She continues going through the charter.

TRUSTEE JONES states that the board has an expectation and a right to require the CEO to report regularly to the board, which is done on a fairly informal basis at each meeting. He continues that the charter ought to require that the CEO should report to the board of trustees at each regular scheduled meeting on activities and the status of financial activities of the Trust.

TRUSTEE JONES makes a motion to amend and add, under "duties and responsibilities," Section 5, and reorder the following paragraphs appropriately after that: "The CEO is required to report to the board of trustees at each of the four regularly scheduled meetings per year on the major program activities, progress against the annual goals, and status of the progress against the budget. "

TRUSTEE EASLEY seconds.

TRUSTEE COOKE suggests including the TLO since the CEO is supervisor of the TLO.

TRUSTEE JONES amends the motion that the executive director of the TLO report to the CEO, and the CEO should make sure that happens.

TRUSTEE EASLEY seconds.

There being no objection, the motion is approved.

TRUSTEE JONES amends the motion and states that No. 6 under "duties and responsibilities" with the following paragraphs being renumbered: "That the CEO is responsible for developing and executing a legislative program on an annual basis, with the goal of implementing the Trust mission with a legislative program on an annual basis, and reporting to the trustees on progress."

TRUSTEE SMITH seconds.

TRUSTEE SELBY asks for a friendly amendment to insert "timely."

TRUSTEE JONES accepts the friendly amendment.

There being no objection, the motion is approved.

TRUSTEE EASLEY states that she has a problem with item 10: "The CEO will actively consult with the board and receive their consent for the employment or termination of the following key roles: Executive director, executive director and chief financial officer."

MR. STEMPEL states that this is a critical discussion point for the board governance. As trustees, you want to be fully informed of what is happening at that level of leadership.

TRUSTEE JONES states that Mr. Stempel thinks that the consult language is adequate.

MR. STEMPEL replies yes, in this situation. There is a manager and there is confidence in that manager. It is disconcerting to require someone to validate their hiring or dismissal decisions with the board.

TRUSTEE EASLEY makes a motion that the CEO will actively consult with the board on the following key roles: Executive Director of the Trust Land Office and Chief Financial Officer.

TRUSTEE JONES seconds.

TRUSTEE DERR speaks against this motion from the standpoint of being able to change this in a year or so, but the Trust is bringing in a new person and he probably is not going to come in and change everything and everyone. She adds that she would like that level of protection for Mr. Stempel, Mr. Williams and Mr. Menefee.

A discussion on the subject ensues.

TRUSTEE SELBY states that this is complicated enough and recommends saying something along the lines, this is important to put in the charter, that these three key people are critical to the success or lack thereof in the future. He suggests saying: "The CEO will actively inform the board concerning the performance of those three key roles."

The discussion continues.

TRUSTEE EASLEY withdraws that amendment. She states that she agrees with Trustee Selby about having this year period where the board could have more control over the decisions of the CEO.

CHAIR MICHAEL states that Trustee Easley has withdrawn her amendment.

TRUSTEE COOKE makes a motion that among the duties and responsibilities of the CEO, assist the board in the development and implementation of the comprehensive communication program.

TRUSTEE JONES seconds.

MS. WOODS states that it is in the job description, and the comprehensive mental health plan is also in the job description. She cautions the board against reiterating the job description.

MS. KELLER states that under the authorities, when the board passed the amendments earlier this morning regarding authorities of the CEO regarding the TLO, there were some more amendments to add "annual" to that language. She suggests doing that in here.

TRUSTEE SELBY makes a motion to amend the authorities to true up with what was approved earlier today by the board.

TRUSTEE DERR seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL calls a ten-minute break.

(Break.)

CHAIR MICHAEL recognizes Trustee Cooke.

TRUSTEE COOKE makes a motion to go to paragraph 3, "duties and responsibilities," and to amend that paragraph with the following wording: "The board has approved a position description that is filed with the State of Alaska and which is incorporated herein by reference and attached hereto."

TRUSTEE SMITH seconds.

A discussion ensues.

CHAIR MICHAEL asks Trustee Cooke to clarify his motion.

TRUSTEE COOKE explains that Paragraph 3 would read: "The board has approved a position description that is filed with the State of Alaska and is incorporated by reference and attached hereto." It would leave No. 5, delete No. 6 and 7, and anything else that is added.

TRUSTEE JONES seconds

There being no objection, the motion is approved.

CHAIR MICHAEL goes back to the original motion and asks for any objections.

There being no objection, the motion is approved.

TRUSTEE SELBY states that a roll call vote is needed on all of the things adopted today.

CHAIR MICHAEL calls the vote: Trustee Easley, yes; Trustee Jones, yes; Trustee Selby, yes; Trustee Smith, yes; Trustee Derr, yes; Trustee Cooke, yes; Trustee Michael, yes. The motion is approved.

MS. WOODS states that this is a job well done and tells the trustees to give themselves permission to know that things are not 100 percent as amended and that is okay. She reminds all that November 17 is the advocacy board meeting.

MS. LAWRENCE states that that is an opportunity to meet with the executive directors of the statutory boards and discuss joint legislative priorities. She adds that she will send details. She asks if it would be an appropriate time to also talk about the proposed statute changes in the draft bill.

CHAIR MICHAEL replies that she wants to appoint Trustee Jones to head up an ad hoc committee on the audit. She asks for any volunteers who would like to be on the Audit Committee.

TRUSTEE DERR states that she will.

CHAIR MICHAEL states that Trustee Derr is the chairman of the Audit Committee. She asks for any other comments.

TRUSTEE SMITH expresses his appreciation to Steve Williams for his role as acting CEO and to Mr. Menefee for his role in this interim period, and to the program officers. He appreciates the work.

TRUSTEE DERR thanks Catherine Woods, stating that she is the best facilitator that she has ever worked with.

TRUSTEE COOKE echoes Trustee Derr's comments regarding Ms. Woods.

CHAIR MICHAEL states that there will be a final draft that will come out to everyone. The plan is to get it signed and sealed today.

TRUSTEE SELBY thanks Mr. Williams and Mr. Menefee, in particular, and the entire staff for the way they hung in through the reorganizational process. He appreciates the fact that they have kept the ship on course and did a great job delivering service. It has been outstanding and he really appreciates it, as well as the Board. He moves on to a letter that was received in the public comment period and asks that Mr. Williams talk to the attorney general's office.

TRUSTEE EASLEY also commends Mr. Menefee for keeping the staff together over this last period, stating that they are doing a fine job. She adds that Trustee Jones has done a fine job as a new board member.

CHAIR MICHAEL states that staff have been incredible and thanks all. She really appreciates it.

MR. WILLIAMS thanks all for the recognition and appreciation for staff. All have gone through a significant amount of organizational transitions, and we have all just accomplished a bunch of work that is setting the foundation.

CHAIR MICHAEL recognizes Patrick Reinhart.

MR. REINHART states, on behalf of the beneficiary boards, all the hard work put into this is greatly appreciated.

CHAIR MICHAEL asks for a motion to adjourn.

TRUSTEE DERR makes a motion to adjourn the meeting.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

(Special Full Board Meeting adjourned at 1:27 p.m.)