

**Mental Health Trust Facilities Maintenance**

**FY2010 Request: \$350,000**

**Reference No: AMD 40474**

**AP/AL:** Appropriation  
**Category:** Development

**Project Type:** Renovation and Remodeling

**Location:** Statewide

**Contact:** Leta Simons

**House District:** Statewide (HD 1-40)

**Contact Phone:** (907)465-3379

**Estimated Project Dates:** 07/01/2009 - 06/30/2014

**Brief Summary and Statement of Need:**

This project was originally set up as one of two allocations. Since one of the allocations has been deleted, this allocation is being changed to an appropriation.

The Trust Land Office (TLO) manages facilities owned by the Alaska Mental Health Trust Authority. As part of our mission to protect and enhance values of and maximize revenues from Alaska Mental Health Trust Land, any improvements upon that land must be maintained accordingly. The TLO will add another professional facility to our list of properties we own and maintain with the completion of the Fairbanks Detox Center in December 2008.

<b>Funding:</b>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
MHTAAR	\$350,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$2,600,000
<b>Total:</b>	\$350,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$2,600,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input checked="" type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

SLA08/CH28 \$350.00 100% obligated or expended  
 SLA06/CH34 \$350.00 100% obligated or expended  
 SLA05/CH5 \$100.00 100% obligated or expended

**Project Description/Justification:**

Sec 37.14.009(a) (2) of the Alaska Statutes requires that the Alaska Mental Health Trust Authority contract with the Department of Natural Resources to manage the land assets of The Trust, in conformity with AS 38.05.801 (Trust Land Management). 11 AAC 99.020(b) requires that Trust land be managed "solely in the best interest of the Alaska Mental Health Trust and its beneficiaries. When determining the best interest of The Trust and its beneficiaries, the TLO must consider specific principles set out in 11 AAC 99.020(c):

- Maximization of long-term revenue from Trust land;
- Protection of the corpus;
- Protection and enhancement of the long-term productivity of Trust land;

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- Encouragement of a diversity of revenue-producing uses of Trust land; and
- Management of Trust land prudently, efficiently, and with accountability to the Trust and its beneficiaries.

Effective management of Trust lands includes Trust owned facilities on the land. The TLO received approval from the Trust Board to establish a sub-account within the Mental Health Settlement Income Account for the purpose of accounting for deferred maintenance payments on facilities located on Trust land; and to further authorize the TLO to spend monies from that account for property maintenance.

To adequately protect the Trust's investment in a facility, the TLO allocates a portion of the annual rental income from that facility into a reserve account that can then be used to maintain the property. Typical maintenance items that would be funded from this account are utilities, roof repairs, boiler replacement, or fixing other structural components. The actual percentage that would be deferred to the maintenance reserve account will be calculated based on a case by case assessment of the particular facility, the annual rental rate, and the potential costs associated with maintaining the facility over the term of the lease. The TLO anticipates the amount to range from two to fifteen percent of the annual rental.

**Why is this Project Needed Now?**

Funds requested for FY10 will enable the TLO to pay for monthly utilities (electricity, gas, trash removal etc.); complete property management responsibilities (snow removal, janitorial etc.) and maintenance (overflowing toilets, light bulb replacement, etc.) for the facilities owned by The Trust.

**Specific Spending Detail:**

<u>LINE ITEM</u>	<u>DOLLAR AMOUNT</u>	<u>DESCRIPTION</u>
Services	\$ 300,000	Monthly utility payments and monthly contractual payments to private sector vendors for services such as janitorial, elevator, HVAC, snow removal, etc.
Commodities	\$ 50,000	Purchasing supplies for building needs (i.e., snow melt, locks, keys, light bulbs, etc.)

**Project Support:**

Trust Land Office projects are supported and approved by the Board of Trustees, Alaska Mental Health Trust Authority. Additional support is from the Dept. of Revenue, Alaska Mental Health Trust, and the Dept. of Natural Resources.