

**ALASKA PERMANENT FUND CORPORATION  
GOVERNANCE COMMITTEE MEETING  
WEBEX/TELECONFERENCE**

December 5, 2022

9:00 a.m.

Originating at:

Alaska Permanent Fund Corporation  
801 West 10<sup>th</sup> Street  
Juneau, Alaska 99801

Trustees Present:

Steve Rieger, Chair  
Ellie Rubenstein  
Craig Richards  
Jason Brune

Trust Staff Present:

Deven Mitchell, CEO  
Val Mertz, Acting CFO  
Chris Poag, General Counsel  
Jennifer Loesch  
Paulyn Swanson  
Nellie Metcalfe  
Norix Mangual  
Adam Kane  
Alex Smith  
Larissa Murray  
Chad Brown  
Cody Graves  
Adam Kane  
Jedediah Smith  
Lacey Sanders  
Julia Mesdag  
Sebastian Vadakumcherry

Other Participants:

John Springsteen

## PROCEEDINGS

### CALL TO ORDER

CHAIR RIEGER called the Governance Committee to order and asked for a roll call.

MS. LOESCH called the roll and stated that Trustees Rubenstein, Richards, Brune, and Chair Rieger were present.

CHAIR RIEGER stated there was a quorum and moved to approval of the agenda.

### APPROVAL OF AGENDA

CHAIR RIEGER asked if there were any objections to the agenda as presented.

*There being no objections, the AGENDA was APPROVED.*

### APPROVAL OF MINUTES

CHAIR RIEGER moved to the Minutes of May, 2 2022 and asked for a motion.

**MOTION: A motion to approve the minutes from May 2, 2022, was made by TRUSTEE RUBENSTEIN; seconded by TRUSTEE BRUNE.**

TRUSTEE BRUNE stated that both he and Trustee Rubenstein were not present for the meeting and were going on faith that what occurred was reflected in the May minutes.

CHAIR RIEGER asked Mr. Poag if only two of the trustees were present at the May meeting, were they adequate to approve the minutes.

MR. POAG explained that the bylaws adopt Robert's Rules of Order to govern procedure. After reviewing Robert's Rules regarding approval of minutes, he noted that although it is a tradition of the committee and the board to approve the minutes through a formal vote, it was not necessary. The minutes come before the board for the purpose of insuring that they are correct and accurate. He added that a motion to allow the board members the opportunity to correct any misstatements was certainly appropriate if there was a correction to be noted, and that issue could be debated. Unless there were any corrections to the minutes, then they are just adopted by unanimous consent, and a formal motion and vote is not required.

CHAIR RIEGER asked if there were any objections to the minutes as presented.

TRUSTEE RUBENSTEIN stated that the minutes say that there were things that needed to get submitted and she was nervous about adopting things that predated some of the trustees.

CHAIR RIEGER deferred approval of the minutes for further review and approval at the next meeting.

MR. POAG indicated that it did not matter that members present today were not present at that meeting, and it did not matter that they cannot identify any corrections. He stated that the point is that the committee is supposed to approve at its very next meeting minutes from the prior meeting unless there were corrections to be noted.

CHAIR RIEGER asked for any further objections to approve the minutes.

*There being no objections, the MINUTES were APPROVED.*

### **GOVERNANCE REVIEW**

CHAIR RIEGER stated that the next item on the agenda was a discussion of governance review. He continued that in the meeting materials was a copy of the charter of the Governance Committee. The Governance Committee Charter states that it would review its own charter, and also review the other charters in the time frame prescribed in those individual charters. He added that there had been some interest in hiring an external consultant to do that. The action item would be to discuss hiring an external consultant and then launching that process by directing staff to get going on a procurement process.

TRUSTEE RICHARDS asked about the scope of what the external consultant would do.

CHAIR RIEGER stated that he envisioned hiring someone with experience in governance policies to look at what we were doing, and then comment on whether it was consistent. It would be to have the benefit of the assistance of someone who had seen different governance policies, for them to give feedback on whether ours need anything.

TRUSTEE RICHARDS stated that a complete policy overview was done sometime in the early 2010s, which brought the policies to where they are now. And unless there was a specific, particular policy to look at, he did not see the need. He continued that the one policy that needed review was the executive director review policy. The Alaska laws require confidentiality, and because of the lack of confidentiality of the process, there was a need for change.

TRUSTEE RUBENSTEIN stated appreciation for the history. She explained that having an unbiased review would give the Legislature the trust and confidence that the board or commissioners would not do something to try to take away the power from the board. She continued that one of the ways to do that was to work with a consultant that does work with pension funds, and that it would not need to be a massive governance overhaul. Helping to strengthen the executive director review process and strengthen this gap needed to be taken on by the committee.

TRUSTEE RICHARDS was in total agreement on the executive director review piece and the need that it be overhauled to return confidence in that limited piece.

TRUSTEE RUBENSTEIN stated that it would be best to review the Governance Committee structure and do it thoroughly so that in a year it is not the same situation. Since it had not been looked at since 2010, it is a fiduciary responsibility to look at strengthening.

TRUSTEE BRUNE agreed with respect to the executive director evaluation process, and that it would not be that big of a deal to have a look at other components, and he stated support for that.

CHAIR RIEGER agreed, and he liked the idea of having someone look at all of the policies from the outside to see if there was anything that they would want to bring to our attention. He added that he expected this would be a small procurement and not a huge contract.

TRUSTEE RUBENSTEIN reaffirmed that having a consultant versus the pressure on the board to do this was a good way to de-risk the process.

CHAIR RIEGER asked Mr. Poag if a motion was needed.

MR. POAG asked if the committee was planning to participate in the process for procuring the consultant, or whether the committee was directing staff to conduct the process.

CHAIR RIEGER stated that administratively the committee would direct staff to handle the procurement. He was hoping to have one or more board members serve on the selection committee.

MR. POAG replied that a motion was appropriate, and it would be good to have the vote on the record.

TRUSTEE RICHARDS suggested providing some scoping for the contract, and giving a maximum amount for the consultant.

CHAIR RIEGER asked Mr. Poag what the limits were for a small procurement.

MR. POAG explained that there were different categories in the regulations. He suggested a \$10,000 to \$50,000 level.

**MOTION: A motion that authorized a procurement in the \$10,000 to \$50,000 range for a consultant with experience with governance policies coming back to the Governance Committee for approval before the award was given was made by TRUSTEE RICHARDS; seconded by TRUSTEE BRUNE.**

*After the roll-call vote, the MOTION was APPROVED. (Trustee Richards, yes; Trustee Brune, yes; Trustee Rubenstein, yes; Chair Rieger, yes.)*

TRUSTEE BRUNE stated that he and Chair Schutt received an e-mail addressed from a citizen indicating that she was unable to access the WebEx meeting. She is questioning the transparency of the group. He did not know if other members of the public were on the Webex, and asked to make sure that if the public wants to engage, they were able to.

MS. LOESCH stated that staff was aware of this, and IT was working with the citizen.

TRUSTEE BRUNE apologized for interrupting.

MR. POAG asked if there were other public participants participating in the meeting.

MS. LOESCH replied that there is one member from the public online.

MR. POAG asked if there was any contact from any other members of the public that would like to participate besides the one individual.

MS. LOESCH replied that there was that one, and noted that staff had tested it from nonAPFC accounts, and it worked.

CHAIR RIEGER asked Mr. Poag if there was any problem proceeding with the meeting.

MR. POAG replied that it sounded like the public in fact has access and could log in. He stated that there were no other difficulties, and the meeting could proceed.

CHAIR RIEGER apologized to the person who could not get on and invited that person to submit any comments. He moved to the second part of the agenda item and extended an invitation to any committee member who wished to be a liaison or participate on the selection committee to contact him. He hoped that one or more would volunteer. He moved to the Acting Executive Director review and stated that would be best handled in Executive Session.

### **ACTING EXECUTIVE DIRECTOR REVIEW**

CHAIR RIEGER asked for a motion.

**MOTION: A motion was made by TRUSTEE BRUNE to go into Executive Session to discuss the previous Acting Executive Director's evaluation.**

MR. POAG stated that the executive director evaluation process involved a discussion of whether the acting executive director did a good job, bad job or in between. The discussion of the merits and successes at the position of executive director could be possibly harmful to her reputation or character, and, therefore, the Open Meetings Act provides an avenue for the board to have that discussion. It should take place in Executive Session because it is personal to her and her reputation or character. That is the traditional grounds for proceeding to Executive Session.

TRUSTEE RICHARDS asked why this review was being conducted.

CHAIR RIEGER replied that there was an informal discussion with staff, and his conclusion was that every employee at the Permanent Fund Corporation had a personnel file with regular periodic reviews of performance from that employee's supervisor, and that constituted a personnel record. The purpose of this was to participate in the process of getting her a review.

TRUSTEE RICHARDS asked about staff getting reviewed, and if she would be doing them.

MR. BROWN stated that staff reviews were completed for the year; they were reviewed in May and November.

MR. POAG highlighted the issue that this Governance Committee's role in the executive director evaluation process was as a coordinator and a facilitator. Traditionally, the discussion of the actual evaluation survey results and whether the executive director had any comments or concerns would take place in Executive Session at the Full Board meeting and not typically at the Governance Committee level.

CHAIR RIEGER believed that there existed an aggregate summary of responses that came in from the trustees, and he would like to have a chance for the committee to look at that

aggregation that was prepared to make sure that the committee members were comfortable with that being sent on to the Full Board.

MR. POAG stated that that seemed appropriate.

CHAIR RIEGER noted that Trustee Brune made a motion, and he asked for a second.

The motion was seconded by TRUSTEE RUBENSTEIN.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Brune, yes; Trustee Richards, yes; Trustee Rubenstein, yes; Chair Rieger, yes.)*

(Executive Session from 9:58 a.m. until 10:20 a.m.)

CHAIR RIEGER called the meeting back into regular session and stated that while in Executive Session the trustees considered only the matters mentioned in the motion and took no action. He directed staff to forward the summary of comments received to Ms. Mertz in preparation for action at the Full Board meeting later this week. He concluded the Acting Executive Director review, and proceeded to other matters, future agenda items, or trustee comments. Hearing none, he asked if there was anyone who would like to participate and comment.

MS. LOESCH stated that there was no public comment.

CHAIR RIEGER asked for a motion to adjourn.

**MOTION:** A motion to adjourn the meeting was made by TRUSTEE BRUNE.

*There being no objection, the meeting was adjourned.*

CHAIR RIEGER thanked all.

(Alaska Permanent Fund Corporation Governance Committee meeting adjourned at 10:22 a.m.)