

**ALASKA PERMANENT FUND CORPORATION**  
**Special Meeting of the Board of Trustees**  
**Friday, July 10, 2015**

**Location of Meeting:**

**Atwood Building**  
**Room 670, Dept. of Revenue Conference Room**  
**550 West 7<sup>th</sup> Avenue**  
**Anchorage, Alaska 99501**

**SUMMARY MINUTES**

**Trustees Present:** Trustee Bill Moran, Chair  
Trustee Carl Brady, Vice Chair  
Trustee Larry Cash  
Trustee Gary Dalton (via teleconference)  
Trustee Larry Hartig  
Trustee Randall Hoffbeck

**Staff Present:** Valerie Mertz  
Christopher Poag  
Laura Achée  
Joan Cahill  
Robin Strader

**FRIDAY, JULY 10, 2015**

**CALL TO ORDER**

CHAIR MORAN called the meeting to order at 1:32 p.m. on Friday, July 10, 2015.

**ROLL CALL**

TRUSTEES MORAN, BRADY, CASH, DALTON (via teleconference), HARTIG and HOFFBECK were present to form a quorum.

**APPROVAL OF AGENDA**

TRUSTEE CASH moved approval of the agenda. TRUSTEE HARTIG seconded the motion. There was no objection to proceed with the agenda as submitted.

**PUBLIC COMMENTS**

None.

CHAIR MORAN observed that the purpose of today's meeting was to review the

recruitment planning process for a new Executive Director (ED) for the APFC, and noted that materials had been distributed in advance to the Trustees. Due to some personnel questions which had arisen, however, he stated that the Trustees first needed to convene in Executive Session to discuss.

#### **EXECUTIVE SESSION**

**MOTION:** TRUSTEE BRADY moved, per Alaska Statute 44.62.310(c), pertaining to the open meetings act, that the Board of Trustees convene in executive session to discuss personnel matters. This topic falls under subsection (2) of that statute, as “subjects that tend to prejudice the reputation and character of any person, provided that person may request a public discussion.”

TRUSTEE HARTIG seconded the motion. Following a roll call vote, the MOTION was UNANIMOUSLY APPROVED.

*Executive Session convened at 1:35 p.m. and ended at 2:09 p.m.*

CHAIR MORAN announced that while in Executive Session, the Board considered only the matters mentioned in the motion and took no action.

#### **RECRUITMENT PROCESS FOR EXECUTIVE DIRECTOR**

CHAIR MORAN stated that staff had put together a very thorough and comprehensive draft recruitment plan, but the concern raised by several Trustees was around the six-month timeframe it anticipates before hiring a new Executive Director. The Trustees are interested in accelerating the process as much as possible. He continued that the Trustees assume that the most qualified candidates will be responsive immediately, and therefore, they would like to have the recruitment plan and application package in place as soon as possible.

After some discussion among the Trustees and HR Director JOAN CAHILL, it was agreed to establish a 3-week recruitment period, from time of posting until the review of initial applications begins. It was also agreed that there did not need to be a “hard close” for the application deadline, so that very qualified applicants would not be unintentionally ruled out.

CHAIR MORAN emphasized that the Board would like to have the new ED in place and ready to lead the organization by the time the Legislature gavels back into session.

MS. CAHILL noted that the next step in the process would be to establish minimum qualifications for applicants. These would be objective criteria, such as whether or not a candidate has a degree from an accredited university. It is important that the process does not unintentionally exclude candidates with different experiences. If the Trustees want to prioritize certain criteria, these

could be added under minimum qualifications.

The Board agreed that there should be an “Alaska preference” for candidates. The focus when advertising should be selectively restricted to Alaska-based news media, with the understanding that the ads will likely be forwarded to nationwide online job sites.

It was further agreed that candidates should have “substantial” experience at the senior executive level, in the private or public sector. At a minimum, candidates should possess a Bachelor’s degree in business administration or other related field, with an advanced degree (Master’s or JD) preferred.

MS. CAHILL added that other considerations, such as “cultural fit” with the organization, may be more difficult to quantify. TRUSTEE HOFFBECK suggested that this position needs someone who possesses good public presence, who is comfortable doing radio/TV interviews, testifying at the legislature, and serving as the public face of the Permanent Fund.

TRUSTEE BRADY commented that the posting should make it clear that the job is based in Juneau. MS. CAHILL responded that the ads can state that Alaska residents are preferred, although others will be considered. The expectation is that the ED will work in Juneau, and a fair amount of travel is required.

In response to MS. CAHILL’s question regarding which board members plan to be active at each stage of the recruitment process, CHAIR MORAN suggested that he and Acting Executive Director VALERIE MERTZ would take the responsibility for the first cut review of all applicants. Following this initial screening, and perhaps a round of telephone interviews to narrow the field, the full Board would be involved in interviewing the 3-5 finalist candidates in person.

General Counsel CHRIS POAG stated that all initial applications received will be considered and held confidential in nature. At the point where candidates are under formal consideration by the Board, they will be given an opportunity to withdraw from further consideration, as their applications will become public knowledge at this stage. TRUSTEE HARTIG suggested that staff should include this public disclosure information in the application materials. Staff agreed to do so.

With regard to communications around the search process, MS. CAHILL stated that she would provide regular email notifications to all Trustees, summarizing the search to date and providing general statistics on candidate applications received.

Candidates will be sourced via job postings in Alaska newspapers – the *Alaska Dispatch News*, *Fairbanks Daily News-Miner*, and the *Juneau Empire*. In

addition, MS. CAHILL urged the Trustees to spread the word through word-of-mouth, networking and referrals. She promised to send along copies of the recruitment notice to Board members so that they could share the information with any interested friends or colleagues.

MS. CAHILL said that she would strive to draft, approve and publish the recruitment notice by the latter half of next week. The 3-week recruitment period will conclude with a “soft close” so that applicants after that date may still be considered. Initial review will occur around the first week in August.

Candidate screening will include evaluating résumés, vetting education and work history, and looking for well-written and articulate responses.

MS. CAHILL also suggested that Trustees consider the possibility of utilizing an “assessment center”, as does the City/Borough of Juneau, a work test/cognitive testing, or requesting that candidates submit an essay or presentation for use as a further evaluation tool. CHAIR MORAN stated that once the initial applications come in, a decision could be made as to whether further screening tools would be necessary to delve more deeply into candidates’ capabilities.

CHAIR MORAN also noted that finalists will be interviewed in public session, which should serve as an indication of their level of comfort and skill in public speaking.

TRUSTEE BRADY commented that former Executive Director MIKE BURNS had set the bar very high for the next candidate. While it may prove difficult to find a candidate with his exact experience and skill set, it will be important to find a successor capable of growing into this job.

TRUSTEE HARTIG recommended that final candidates undergo a background check before hiring. The State already has a process in place to conduct these checks on executive-level appointments; MS. CAHILL will follow up with the appropriate officials on implementing that process. CHAIR MORAN added that this requirement should be noted in the application materials – if selected as a finalist, the candidate will undergo a background check and his/her application will be in the public domain.

MS. CAHILL pointed out to the Trustees that she had distributed a folder to each of them with several white papers on the executive search process, including information on executive level traits, cultural fit, legal do’s and don’ts in interviewing, the “rise of the not-so-experienced CEO”, and biases to be aware of when looking at candidates.

CHAIR MORAN asked that staff take the draft recruitment bulletin to use as a starting point, incorporate any comments offered today, and then give the Trustees

an opportunity for a final read-through before the bulletin is sent out for newspaper publication.

Any inquiries received from candidates should be directed to MS. CAHILL for response.

On behalf of the staff, MS. CAHILL expressed appreciation for the leadership provided by MS. MERTZ, who has made the ED transition as seamless as possible.

#### **TRUSTEE COMMENTS / FUTURE AGENDA ITEMS**

No comments were expressed or future agenda items suggested by the Trustees.

#### **ADJOURNMENT:**

There being no further business, CHAIR MORAN adjourned the meeting at 3:15 p.m.

#### **APPROVAL OF MINUTES**

/s/William G. Moran, Chair

September 30, 2015