

I. Introduction

On December 9, 2021, the Alaska Permanent Fund Corporation (APFC) trustees voted five-to-one to terminate Ms. Angela Rodell's employment as its Executive Director. Ms. Rodell had served in that capacity for approximately six years as an at-will employee. The news of Ms. Rodell's termination surprised many Alaskans because the permanent fund had performed well during her tenure.

On January 10, 2022, Ms. Rodell wrote a letter to the Chair of the Legislative Budget and Audit Committee (the Committee) claiming the Governor's Office may have orchestrated her termination as an act of political retribution.¹ The Committee opened an investigation to determine whether the trustees were pressured into firing Ms. Rodell and whether they followed their own procedures in terminating her employment. APFC hired the law firm of Sedor Wendlandt & Filippi to represent them during the investigation.

To date, the Committee has not agreed to provide APFC Trustees a preliminary review of their report prior to its dissemination to the public. The APFC trustees have authorized my release of this report in advance of the Committee's September 28, 2022, hearing.

Having defended the depositions and reviewed the documents provided during the investigation, I find that the Committee's report should conclude Ms. Rodell's claims of political retribution lack any basis in fact. Here, five of the six trustees voted to terminate Ms. Rodell's employment because they felt the \$78 billion fund demands top-level management, and Ms. Rodell's performance was not adequately meeting the needs of the organization as a whole. The report should also conclude the trustees followed all laws and a majority of their processes in terminating Ms. Rodell's employment. Deviations from APFC processes were minor and would not have impacted the Board's decision to terminate Ms. Rodell's employment.

¹ <https://www.alaskasnewssource.com/2022/01/13/former-alaska-permanent-fund-corp-executive-director-calls-firing-political-retribution/>

II. Background

Since 1980, a six-member board of volunteer trustees has managed APFC. The sitting Governor appoints the trustees without legislative approval, except in the case of two Commissioners, who are approved by the Legislature when they initially take office. At the time of Ms. Rodell's termination, the board members were:

- Craig Richards, a former State Attorney General who holds degrees in law, finance, and business;
- Lucinda Mahoney, a certified public accountant, a Commissioner of Revenue, and the overseer of a \$50 billion fund;
- Corri Feige, the Department of Natural Resources Commissioner who has had an extensive career in the oil and gas sector;
- Ethan Schutt, a Stanford Law graduate and executive at Bristol Bay Native Corporation;
- Steve Rieger, a Harvard Business School graduate and former legislator; and
- William Moran, a high-level banking manager from Ketchikan, Alaska.

The trustees serve four-year terms and oversee APFC's Executive Director, who in turn manages a full-time staff of approximately fifty state employees. Half of the staff is referred to as "investment staff"—they make the investment decisions for the fund. The "operations staff" constitutes the other half, and they play a pivotal support role within the organization. APFC's fiscal year 2023 budget is over \$200 million dollars.²

The Committee's investigators interviewed the six trustees in office at the time of Ms. Rodell's termination. The investigators interviewed members of the

² APFC's budget is comprised mostly of management fees to outside consultants. Approximately \$20 million of APFC's budget is internal to the organization.

operations staff, but they did not interview any member of APFC’s investment team, which typically scored Ms. Rodell low during performance reviews.

APFC’s Executive Director is one of the highest paid public employees in the State of Alaska. When Ms. Rodell started as the Executive Director in 2015, she was paid \$290,000.00 per year.³ By 2021, Ms. Rodell made \$389,000 per year.⁴

III. Ms. Rodell started as APFC’s Executive Director in 2015 and the trustees evaluated her performance each year under its Corporate Governance policies.

From 2004 to 2015, Mike Burns acted as APFC’s Executive Director. In 2015, he resigned due to health concerns. APFC sought applicants to fill the Executive Director position and Ms. Rodell applied. She was a strong candidate for three reasons. First, although Ms. Rodell did not have an extensive background in investment management—APFC’s core function—she did have an advanced degree in public finance and she did have experience in publicly issued debt instruments. Second, in 2013, Governor Sean Parnell appointed Ms. Rodell Alaska’s Revenue Commissioner. This provided Ms. Rodell insight into Alaska’s budgetary processes. Third, as the Revenue Commissioner, Ms. Rodell was an APFC trustee during her tenure. This provided Ms. Rodell insight into what makes an effective and perhaps ineffective leader of this organization.

a. Ms. Rodell’s 2018-2019 performance evaluations showed a need for improvement.

Ms. Rodell’s tenure as Executive Director was not a model of excellence. She struggled to garner support from APFC’s investment staff and she did not effectively communicate with the trustees.

In the fall of 2018—prior to Governor Dunleavy taking office—trustees noted a strained relationship between Ms. Rodell and her staff. The Chief Investment Officer—who is largely responsible for analyzing the investments of the fund—had recently left APFC, citing (in part) a strained relationship with Ms.

³ <https://www.adn.com/alaska-news/article/rodell-starts-work-new-permanent-fund-ceo/2015/11/06/>

⁴ <https://www.juneauempire.com/news/former-apfc-ceo-says-firing-was-politically-motivated/>

Rodell.⁵ In 2018, one trustee ranked Ms. Rodell's performance as low as 2 out of 5 on a survey. This trustee believed Ms. Rodell could grow into a stronger manager if she could take a more collaborative approach with the trustees and APFC staff.⁶ A different trustee felt that Ms. Rodell had to improve on maintaining a harmonious working relationship with the trustees.⁷ As a result of her 2018 evaluation, the trustees mandated that Ms. Rodell take executive leadership coaching.⁸

In 2019, Craig Richards was serving as a trustee for the second time. In a February 2019 meeting with Governor Dunleavy, Trustee Richards relayed to the Governor concerns regarding Ms. Rodell's performance. Trustee Richards stated under oath the Governor declined to get involved in any decision related to Ms. Rodell's continued employment.⁹

Despite management training and a less than exemplary 2018 evaluation, Ms. Rodell's 2019 performance review showed little progress related to unifying the APFC staff around a common purpose.¹⁰ Certain trustees felt Ms. Rodell had not created a strong sense of teamwork and that Ms. Rodell would put herself before that of the APFC.¹¹ The trustees instructed Ms. Rodell to spend more time on the functioning of APFC instead of investment decisions.¹² The trustees further noted staff morale problems.¹³ Moreover, certain trustees sensed a fractured relationship between the Executive Director and the trustees at quarterly meetings.¹⁴

b. In 2020, the trustees evaluated Ms. Rodell's performance using an outside consultant.

At the September 2020 quarterly meeting, the trustees elected Steve Rieger Vice Chair. Part of Trustee Rieger's duties for the coming year included preparation of Ms. Rodell's performance review.

⁵ Trustee Richards Deposition; pg. 35-36; Trustee Moran Deposition; pg. 86.

⁶ PRA 260.

⁷ PRA 253.

⁸ PRA 251; Trustee Richards Deposition; pg. 37.

⁹ Trustee Richards Deposition; pgs. 83-84.

¹⁰ Trustee Richards Deposition; pgs. 51-53.

¹¹ Trustee Moran Deposition Exhibit 23.

¹² Trustee Moran Deposition Exhibit 23.

¹³ Trustee Moran Deposition Exhibit 23.

¹⁴ Trustee Moran Deposition Exhibit 23.

Trustee Rieger recalled hearing that prior-year evaluations could be improved upon.¹⁵ In response to hearing this criticism, he hired an outside consultant—Dr. Vicki Graham of Westminster College—to perform a 360-degree review, wherein Ms. Rodell’s superiors and some of her subordinates weighed in on her performance.¹⁶ Dr. Graham then tabulated the data.

Dr. Graham’s December 2020 report highlighted positives within the organization. However, Ms. Rodell scored average or below average on questions related to organizational culture, internal partnerships, effective communication, and internal communication.¹⁷ APFC staff reported a continuing silo effect amongst the investment staff and operations staff.¹⁸

IV. Ms. Rodell made questionable decisions in 2021 and five trustees vote to terminate her employment at the December 2021 meeting.

After the 2020 performance evaluation, Ms. Rodell’s performance initially improved—she was trying to provide trustees bi-monthly updates between the quarterly meetings.¹⁹ But certain trustees continued to feel they were being talked at during board meetings as opposed to engaging in open dialogue about the best interests of the fund.²⁰

Ms. Rodell made several missteps in 2021 which, in part, led to her termination.

a. Ms. Rodell’s 2021 interactions with the Alaska Legislature concerned certain trustees.

In 2021, various trustees concluded Ms. Rodell did a poor job interacting with the Alaska Legislature.

In June 2021, The Alaska Legislature and the Governor’s Office remained deadlocked on funding state government for the coming year. A government

¹⁵ Trustee Rieger Deposition; pgs. 11-12.

¹⁶ Trustee Rieger Deposition; pgs. 12-13.

¹⁷ LBA 1-0003.

¹⁸ LBA 1-00018-00021.

¹⁹ Trustee Feige Deposition; pg. 35.

²⁰ Trustee Feige, Deposition; pg. 80.

shutdown loomed as elected officials debated funding state services versus a full permanent fund dividend. This had been a common debate during periods of low oil prices. 2021 was not the first year Ms. Rodell faced a looming shutdown as Executive Director.

Historically, the trustees and its high-level management steer clear of such debates—they prefer to keep their focus on the fund itself and providing objective information to lawmakers about the impact of proposed legislation on the fund’s goal to provide intergenerational wealth to Alaskans.

On June 18, 2021—without seeking the advice of her trustee board—Ms. Rodell inserted APFC into the debate over the potential 2021 shutdown. She issued a press release to Legislators and the Governor’s Office stating APFC would not pursue new investments during any government shutdown because it would not have the staff to do so.²¹ In this press release, Ms. Rodell encouraged the Alaska Legislature and the Governor’s Office to “get back to the table” so that APFC can continue providing management of the fund’s assets. Four days later, Ms. Rodell and Chairman Moran followed up with a more in-depth discussion of the impacts of a government shutdown on APFC and some trustees felt this provided cover for the June 18, 2021, press release.²²

Ultimately, certain trustees felt blind-sided by Ms. Rodell’s decision to place the fund front and center during political debates over the FY 2022 budget.²³ And certain trustees did not find the statements in the press release accurate. APFC, like other state agencies, have the power to designate staff members “essential” during a government shutdown—and there was no indication that Ms. Rodell had been denied requests to deem most of her staff essential.²⁴ Several trustees felt this foray into politics should have been vetted by the trustees.²⁵

Then, on August 20, 2021, Ms. Rodell utilized social media to disagree with a witness before a Legislative Committee.²⁶ Certain trustees felt Ms. Rodell should have gone through more formal channels to advise Legislators of a potential calculation error. As a result of the social media post, Trustee Mahoney received a

²¹ Trustee Moran Deposition Exhibit 24.

²² Trustee Feige Deposition; pg. 63.

²³ Trustee Richards Deposition; pg. 92; Trustee Feige Deposition; pgs. 58-59.

²⁴ Trustee Feige Deposition; pg. 59; Trustee Schutt Deposition; pg. 29

²⁵ Shutt Deposition; pg. 30.

²⁶ Trustee Mahoney Deposition Exhibit 11.

call from a staffer in the Governor’s Office expressing concern over the Executive Director’s use of social media in this instance.²⁷ As a result of that call, Trustee Mahoney called Ms. Rodell to caution her about the use of social media for such purposes.²⁸ Trustee Mahoney testified she intended the call to be non-adversarial.²⁹ But Ms. Rodell responded poorly—she became angry and asked if she was being asked to resign over her use of social media in this instance.³⁰ Trustee Mahoney felt Ms. Rodell overreacted.³¹

b. Ms. Rodell did not perform well during trustee meetings held in September 2021.

On September 2, 2021 and September 8, 2021, the trustees met with Ms. Rodell to prepare APFC’s FY 2023 proposed budget. Ms. Rodell’s initial proposals appeared disconnected to APFC’s status as a public corporation.³² For example, Ms. Rodell proposed a personal services budget increase at a time when other state agency budgets were either flat or declining.³³ Ms. Rodell also sought \$3.2 million of incentive compensation (bonuses) and \$988,000 of raises for her team.³⁴ She sought staff increases as well—seven new investment positions and eight new operations staff positions. The new positions would cost \$3 million and increase APFC staffing by over twenty percent.³⁵ When trustees asked Ms. Rodell to justify these increases, Ms. Rodell and her team could not crisply define the need.³⁶ Certain trustees felt this showed a lack of leadership and insight on her part.³⁷ The

²⁷ Trustee Mahoney Deposition; pg. 60-61.

²⁸ Trustee Mahoney Deposition; pg. 63.

²⁹ Trustee Mahoney Deposition; pg. 63-64.

³⁰ Trustee Mahoney Deposition; pg. 63.

³¹ Trustee Mahoney Deposition; pg. 64.

³² <https://apfc.org/bot-video-archive/> September 2, 2021 Budget Work Session; 1:23:00-1:25:00.

³³ <https://apfc.org/bot-video-archive/> September 2, 2021 Budget Work Session; 2:15:17.

³⁴ <https://apfc.org/bot-video-archive/> September 2, 2021 Budget Work Session; 2:15:17.

³⁵ Trustee Richards Deposition; pg. 29; <https://apfc.org/bot-video-archive/> September 2, 2021 Budget Work Session; 1:40:00-1:43:00.

³⁶ Trustee Mahoney Deposition; pg. 54. Trustee Schutt Deposition; pg. 60; <https://apfc.org/bot-video-archive/> September 2, 2021 Budget Work Session at 1:20:00-1:22:00; <https://apfc.org/bot-video-archive/> September 8, 2021 Budget Work Session at 1:28:00.

³⁷ Trustee Richards Deposition; 69; <https://apfc.org/bot-video-archive/> September 29, 2021; 4:03:00-4:05:00; Trustee Schutt Deposition; pg. 60-61

board ultimately approved seven new positions and sought half of the incentive compensation amount.³⁸

Then, the trustees held a quarterly meeting on September 28-29, 2021, in Kodiak, Alaska. At this meeting, Ms. Rodell made two observable mistakes. First, Ms. Rodell called into question Trustee Mahoney's integrity over matters related to staff compensation.³⁹ One trustee concluded this showed a significant disconnect between the trustees and the executive director.⁴⁰

Second, although Chair Moran had some awareness of Ms. Rodell's decision to bring a mediator to the meeting, Ms. Rodell had not relayed this to the remainder of the trustees.⁴¹ The meeting agenda did not provide the other trustees any notice that a mediator would join them for discussions about strategic planning for the fund.⁴² Just before this particular session, the mediator explained to one of the trustees that he was there to mediate a conversation between the trustees and Ms. Rodell about the future of the fund, and it was going to be a pretty hard conversation.⁴³

Ultimately, the trustees were not interested in mediating such an important topic with their Executive Director without advanced notice. After the trustees rejected Ms. Rodell's pursuit of mediation, she told the trustees she was not the best person to facilitate a conversation about the long-term goals of the fund.⁴⁴ Certain trustees felt Ms. Rodell's conduct—setting up a mediation between herself and the trustees on a matter of significant importance—showed a lack of transparency and an inability on her part to engage with the trustees.⁴⁵

c. The trustees prepare Ms. Rodell's 2021 performance review.

At the September 28-29, 2021, meeting, the trustees elected its officers for the coming year. Trustee Richards became Chair and Trustee Mahoney became

³⁸ <https://apfc.org/bot-video-archive/> September 8, 2021 Budget Work Session at 1:42:00-1:46:00-1:52:00.

³⁹ Trustee Mahoney Deposition; pgs. 57-58.

⁴⁰ Trustee Schutt Deposition; pgs. 23-24.

⁴¹ Trustee Moran Deposition; pg. 47.

⁴² Trustee Richards Deposition; pg. 71.

⁴³ Trustee Richards Deposition; pg. 72.

⁴⁴ <https://apfc.org/bot-video-archive/> September 29, 2022 at 2:45:00-2:46:00.

⁴⁵ Trustee Mahoney Deposition; pg. 57; Trustee Richards Deposition; pg. 72-73; Trustee Schutt Deposition; pg. 32.

Vice Chair. After the September meeting, the trustees held informal one-on-one conversations where they discussed Ms. Rodell's performance. Certain trustees questioned whether it was time to terminate Ms. Rodell's employment.⁴⁶

Chair Richards told the Governor's Chief of Staff in the fall of 2021 the trustees may terminate the Executive Director at the December 2021 meeting.⁴⁷ The Governor's Office did not weigh in on that decision other than to say such decisions should be well documented and that the Board should speak to legal counsel to ensure proper procedures were followed.⁴⁸

As Vice Chair, Trustee Mahoney started the process of evaluating Ms. Rodell's performance. To save money, Trustee Mahoney made non-material changes to the prior year's 360-degree survey and submitted the questionnaire to all APFC staff and all trustees. In the prior year, Dr. Vicki Graham had only provided the survey to Ms. Rodell's direct reports and a random sample of other staff. In 2021, sixty-one percent of the trustees and staff responded to the survey created by Trustee Mahoney, which was largely a repeat of the prior year survey.

After receiving the results, Trustee Mahoney collated the data and completed a report for the trustees. The report included a sampling of comments made by survey participants. APFC's Human Resources Director Chad Brown stated that at Trustee Mahoney's request he reviewed the comments and thought they were a fair representation of what was in the survey results.

The 2021 survey results raised the same issues as years past.⁴⁹ Ms. Rodell scored well amongst operations staff. But she continued to score low amongst the investment staff and trustees.⁵⁰ The trustees noted their discontent with her management style.⁵¹ Trustees were concerned about attrition amongst the fund's investment staff given their scoring of her performance.⁵²

⁴⁶ Trustee Feige Deposition; pgs. 52-53.

⁴⁷ Trustee Richards Deposition; pgs. 78-81.

⁴⁸ Trustee Richards Deposition; pgs. 78-81.

⁴⁹ Trustee Mahoney Deposition Exhibits 7; 8; 13.

⁵⁰ Trustee Mahoney Deposition; pg. 49.

⁵¹ Trustee Mahoney Deposition; pg. 51.

⁵² Trustee Mahoney Deposition; pg. 50.

In preparation for the December 2021 meeting, Ms. Rodell submitted a self-evaluation.⁵³ Ms. Rodell also provided a response to the survey wherein she agreed she needed to work on leading staff effectively. But then Ms. Rodell took issue with some of the comments, calling them flat out falsehoods that did not reflect who she was.⁵⁴ Ms. Rodell further claimed survey comments impugned her integrity and that of her team.⁵⁵

Although APFC's Governance Charter requires a subset of the trustees to meet and confer about the Executive Director's performance before the December meeting, this was not done in 2020 or 2021. And there is no evidence to suggest APFC trustees ever conducted this "premeeting." Certain trustees consider it redundant to the larger conversation held with all the trustees at the quarterly meeting.⁵⁶ And the evidence reflects that the outcome of the Board would not have changed had an earlier meeting occurred given that all Trustees on the Governance Committee ultimately voted to terminate Ms. Rodell's employment.

Prior to the December 2021 quarterly meeting, Trustee Mahoney provided the trustees a copy of the survey results and Ms. Rodell's one-page response to the survey wherein she referred to certain comments as falsehoods. The trustees may have received Ms. Rodell's four-page self-evaluation prior to the meeting—some recall seeing the document, some do not, and some are unsure.⁵⁷

d. Five trustees vote to terminate Ms. Rodell's employment at the December 2021 quarterly meeting.

On the first day of APFC's meeting—December 8, 2021—Trustee Feige was not in attendance because she was traveling for work as Alaska's DNR Commissioner. On this first day, five of the trustees met in closed session to begin Ms. Rodell's annual performance evaluation. They started by examining the survey results.⁵⁸ The trustees discussed the fund's performance as part of Ms. Rodell's evaluation.⁵⁹ On the second day—December 9, 2021—Trustee Feige joined a

⁵³ Trustee Mahoney Deposition Exhibit 5.

⁵⁴ Trustee Schutt Deposition Exhibit 15.

⁵⁵ Trustee Schutt Deposition Exhibit 15.

⁵⁶ Trustee Rieger Deposition; pg. 18.

⁵⁷ Trustee Schutt Deposition; pg. 17; Trustee Moran Deposition; pg. 52; Trustee Rieger Deposition; pg. 42; Trustee Feige Deposition; pg. 50.

⁵⁸ Trustee Mahoney Deposition; pgs. 31-32.

⁵⁹ Trustee Moran Deposition; pgs. 55-56.

closed session by phone, offering her opinion the trustees should terminate Ms. Rodell's employment, citing tense and unproductive quarterly meetings, a lack of collaboration, and a lack of transparency.⁶⁰

During this second meeting, it became apparent that at least four trustees had lost faith in Ms. Rodell's ability to lead APFC and there was an overall sense that Ms. Rodell would be terminated due to a lack of confidence in her performance.⁶¹

At their 2022 depositions, each trustee further reflected on the Board's decision to terminate Ms. Rodell's employment. Trustee Moran, for instance, voted to retain Ms. Rodell, explaining that fund performance constituted eighty-five percent of his decision.⁶² Trustee Feige felt the quarterly meetings were poorly managed and that Ms. Rodell was not an effective communicator—and Trustee Feige was particularly troubled by Ms. Rodell's foray into government shutdown politics.⁶³ Trustee Schutt generally noted that Ms. Rodell was unprofessional at the September 2021 meetings and he was concerned that Ms. Rodell's leadership would lead to the departure of key investment staff.⁶⁴ Trustee Schutt took a particularly negative view of Ms. Rodell's politicization of the fund relative to the potential of a 2021 government shutdown.⁶⁵ Trustee Schutt was also concerned with some of the low scores on Mr. Rodell's survey, namely from investment staff.⁶⁶ Trustee Richards was highly concerned about the eroding relationship between the Executive Director and investment staff.⁶⁷ Trustee Mahoney sensed that Ms. Rodell was not going to improve as Executive Director and that APFC needed a leader that would grow alongside the fund.⁶⁸ Trustee Rieger felt that because a majority of the trustees had lost confidence in the Executive Director, it would be untenable for Ms. Rodell to continue.⁶⁹

During the December 9, 2021 discussion whether to terminate Ms. Rodell's employment, the trustees considered placing Ms. Rodell on a performance plan of

⁶⁰ Trustee Moran Deposition; pgs. 71-72.

⁶¹ Trustee Moran Deposition; pgs. 70-71.

⁶² Trustee Moran Deposition; pg. 85.

⁶³ Trustee Feige Deposition; pg. 60.

⁶⁴ Trustee Schutt Deposition; 30.

⁶⁵ Trustee Feige Deposition; pg. 61.

⁶⁶ Trustee Schutt Deposition; 34.

⁶⁷ Trustee Richards Deposition; pgs. 68-69.

⁶⁸ Trustee Mahoney Deposition; pgs. 26; 88.

⁶⁹ Trustee Rieger Deposition; 70.

improvement.⁷⁰ But several trustees felt that as a highly paid executive, Ms. Rodell already had multiple opportunities to improve.⁷¹ The trustees also decided against a consulting role for Ms. Rodell after her departure as it could have caused undue volatility at the fund.⁷² Prior to terminating Ms. Rodell's employment, the trustees agreed to name APFC's Chief Financial Officer Valerie Mertz interim Executive Director until a replacement could be found.

After the trustees concluded their deliberations, the trustees invited Ms. Rodell into executive session. Chair Richards thanked Ms. Rodell for her service and relayed that the trustees would vote to terminate her employment. Chair Richards offered Ms. Rodell an opportunity to resign in lieu of termination. Ms. Rodell had an unprofessional reaction to the news of her departure. She stated she would not allow the trustees to "take the coward's way out," or something to that effect.⁷³ She instructed the trustees to vote on her removal in open session and she forecasted a "political firestorm" over her firing, which came to fruition due in part to her conjecture that Governor Dunleavy's administration orchestrated her firing.⁷⁴

Ms. Rodell's conduct during this final executive session provided further evidence to some trustees that their relationship with the Executive Director had deteriorated beyond repair.⁷⁵

After Ms. Rodell excused herself from executive session, the trustees sought out Chief Financial Officer Valerie Mertz to determine whether she would take the position of Executive Director on an interim basis.⁷⁶ Ms. Mertz had been the interim executive director before and she agreed to do so. The trustees provided Ms. Mertz no instructions and she was provided full authority to lead APFC.

⁷⁰ Trustee Richards Deposition; pg. 100.

⁷¹ Trustee Richards Deposition; pg. 100.

⁷² Trustee Richards Deposition; pg. 105.

⁷³ Trustee Schutt Deposition; pg. 76.

⁷⁴ Trustee Mahoney Deposition; pg. 84; Trustee Schutt Deposition; pg. 75; Trustee Richards Deposition; 103.

⁷⁵ Trustee Feige Deposition; pg. 98.

⁷⁶ Trustee Richards Deposition; pg. 96.

e. The trustees formally vote to terminate Ms. Rodell’s employment.

On December 9, 2021, the trustees returned to open session and voted 5-1 to terminate Ms. Rodell’s employment. Trustee Feige—who was traveling at the time—relayed the news to Governor Mike Dunleavy in person moments after the decision was made, to which Governor Dunleavy expressed surprise.⁷⁷

That same day, APFC issued a three-paragraph press release thanking Ms. Rodell for her service and announcing the appointment of Chief Financial Officer Valerie Mertz as the interim executive director.⁷⁸

f. In the aftermath of Ms. Rodell’s termination, APFC fielded inquiries from the Alaska Legislature and the media.

Given the importance of the permanent fund to everyday Alaskans, both the media and the Alaska Legislature inquired about the trustee’s decision to terminate Ms. Rodell. APFC received public records act requests for Ms. Rodell’s personnel file. Governor Dunleavy released the following statement:

“I was not involved in any decision-making related to the termination of APFC’s executive director. Alaska Statute 37.13.100 states that it is the responsibility of the board of trustees, not the Office of the Governor, to make decisions about the Executive Director.”⁷⁹

The Legislative Budget and Audit Committee—which oversees the work of APFC—opened an investigation into Ms. Rodell’s termination. Ms. Rodell provided the following statement to the Committee:

“I believe my removal to be political retribution for successfully carrying the board’s mandate to protect the fund and advocate against any additional draws over the (percent of market value) spending rule ... which is contrary to Governor Dunleavy’s agenda.”⁸⁰

⁷⁷ Trustee Feige Deposition; pgs. 99-100.

⁷⁸ <https://apfc.org/fund-news/page/3/>.

⁷⁹ <https://www.alaskasnewsresource.com/2022/01/13/former-alaska-permanent-fund-corp-executive-director-calls-firing-political-retribution/>.

⁸⁰ https://www.newsminer.com/news/alaska_news/gov-dunleavy-responds-to-the-firing-of-permanent-fund-chief/article_0b523fb8-77ef-11ec-b666-836286e8fb91.html.

In this same letter, Ms. Rodell told the Committee that the Board changes often and members brought their own ideas as to what APFC's priorities should be.

V. Conclusions

Contrary to Ms. Rodell's claim, there appears to be no evidence of collusion between the Executive Branch and the trustees over whether to fire Ms. Rodell. In other words, her firing was not an act of political retribution. Rather, as a function of sound corporate governance, the APFC trustees decided to replace their Executive Director, which is not uncommon when a corporate leader's skill set does not match the needs of an organization. The trustees are fiduciaries to the fund, and they decided the fund needed new leadership.

a. The trustees had sufficient reasons to terminate Ms. Rodell's employment.

The evidence shows that APFC's trustees held historical concerns related to Ms. Rodell's performance.⁸¹ Under Ms. Rodell's management, the fund grew in value *despite* silos and rifts between the Executive Director, investment staff, and operations staff. And there is no question Ms. Rodell was at odds with the trustees—by September 2021 she could not even engage with them directly about strategic planning.

Certain trustees believe the fund needs a high performing team before the fund sees more growth.⁸² Because Ms. Rodell was not working particularly well within confines of state budgeting, and she did not have a vision for scaling up the organization in an effective manner, it was time for new management. Certain trustees felt her request for staff increases were not well vetted at the September 2021 meetings.⁸³

b. The trustees followed their procedures in terminating the Executive Director.

APFC followed the law and its own policies in terminating Ms. Rodell's at-will employment. There is no evidence of bad faith or tampering with the annual

⁸¹ The Committee's investigators did not interview prior Trustees to determine the validity of their concerns.

⁸² Trustee Mahoney Deposition; pg. 50.

⁸³ Trustee Feige, Deposition; pgs. 52-53; 74.

surveys to achieve preordained results. In fact, Trustee Mahoney's 2021 survey appears to have gone beyond what was done in the prior year because it was provided to all staff. In Ms. Rodell's letter to the Committee on January 10, 2022, she appears to attribute her termination to her advocacy against additional draws over the percent of market value spending rule.⁸⁴ The evidence belies this. The Committee's investigation did not focus on this question and no trustee testified this was the reason they voted to terminate Ms. Rodell's employment.

c. There is no evidence to suggest the Dunleavy Administration, or any political actor pressured the trustees to terminate Ms. Rodell's employment.

There is no evidence to suggest that Governor Dunleavy or some other political actor orchestrated Ms. Rodell's termination. Ultimately, Ms. Rodell and APFC staff have two important duties. First, they are expected to maximize returns as instructed by the trustees. Second, they are expected to provide lawmakers unbiased information about how legislation could impact to the fund. There is little to no evidence Ms. Rodell played some outsized role in the more tectonic political discussions about the future of the fund and its uses. And there is no evidence that Ms. Rodell's purported incursions into debates about spending APFC money compelled the Governor or any executive branch official to seek her dismissal. Ms. Rodell's allegations of political retribution ignore the fact that trustees began raising concerns about her performance in 2018.

d. Ms. Rodell's termination should not act as some sort of catalyst for changing APFC's corporate governance.

In her January 10, 2022, memorandum to the Committee, Ms. Rodell implied that the trustees tend to change over rapidly and this made it difficult to achieve the fund's goals. Ms. Rodell's appears to be claiming "had I been dealing with a more static board of trustees, I would have been able to do the job as assigned."

If this is indeed what Ms. Rodell meant in her letter, her premise is flawed. First, this supposes the trustees cannot be trusted to act as fiduciaries to the fund. The board that terminated Ms. Rodell's employment included high-level executives and individuals with experience managing organizations much larger

⁸⁴ See also <https://www.adn.com/alaska-news/2022/01/11/alaska-permanent-fund-corps-former-director-says-her-firing-was-political-retribution/>

than APFC. Second, Board turnover should not have surprised Ms. Rodell—she was, after all, a trustee prior to taking the Executive Director position. And there is no evidence the fund’s mission moved away from maximizing returns as new trustees took office. In 1980, the Alaska Legislature built trustee turnover into the model for this public corporation. Executive Directors of the fund are required to forge relationships with newly appointed trustees while also effectively managing the staff. This is by no means an easy task, which is why it is one of the highest paid positions in state government.

The Legislature has left APFC’s corporate governance model in place for over forty years. For the reasons stated above, the decision to remove Ms. Rodell as Executive Director does not mandate changes to APFC’s corporate governance model and the Legislature should be wary of changing a model that has worked quite well. Changes to the corporate governance model could lead to a less dynamic board of trustees, which may result in unforeseen challenges as the fund grows in value.