



Board of Trustees Meeting

March 28, 2019



Presented for Review and Approval

May 22, 2019

1.	CALL TO ORDER	1
	1.1 Call Meeting of the ERS Board of Trustees to Order	1
2.	EXECUTIVE SESSION	1
	2.1 Executive Session – In accordance with Section 815.3016, Texas Government Code, the ERS Board of Trustees will meet in executive session to consider and discuss an alternative investment or a potential alternative investment in a private equity fund. Thereafter, the Board may consider appropriate action in open session.....	1
3.	INVESTMENT ADVISORY COMMITTEE REAPPOINTMENT	2
	3.1 Consideration of Reappointment of ERS Investment Advisory Committee member with term expiring May 31, 2019 - (ACTION)	2
4.	INVESTMENT ADVISORY COMMITTEE NEW APPOINTMENT	2
	4.1 Consideration of new appointment to the Investment Advisory Committee - (ACTION).....	2
5.	ADJOURNMENT	3
	5.1 Adjournment of the ERS Board of Trustees meeting	3

**BOARD OF TRUSTEES MEETING
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
March 28, 2019
ERS Building – 2nd Floor Brazos Conference Room
200 E. 18th Street
Austin, Texas 78701**

TRUSTEES PRESENT

I. Craig Hester, Board Chair
Ilesa Daniels, Board Vice Chair (*Via Video Conference*)
Doug Danzeiser, Member
Cydney Donnell, Member
Jim Kee, Member

TRUSTEE ABSENT

Catherine Melvin, Member (*Excused by the Board*)

ERS STAFF PRESENT

Porter Wilson, Executive Director
Cathy Terrell, Deputy Executive Director
Paula A. Jones, Deputy Executive Director & General Counsel
Tony Chavez, Director of Internal Audit
Tom Tull, Chief Investment Officer
Jason Avants, Information Systems
Kelley Davenport, Executive Office
Peter Ehret, Investments
Ricky Lyra, Investments
Betty Martin, Investments
Roger Nooner, Benefits Communications
Aris Oglesby, Investments
Aaron Ismail, Internal Audit
Cheryl Scott Ryan, Office of General Counsel
Tanna Ridgway, Investments

Meeting of the ERS Board of Trustees

1. CALL TO ORDER

1.1 Call Meeting of the ERS Board of Trustees to Order

Mr. Craig Hester, Chairman of the Board of Trustees of the Employees Retirement System of Texas (ERS), noting a quorum was present, called the meeting to order at 2:30 p.m. and read the following statement:

“A public notice of the ERS Board of Trustees meeting containing all items on the proposed agenda was filed with the Office of the Secretary of State at 10:29 a.m. on Tuesday, March 19, 2019, as required by Chapter 551 Texas Government Code, referred to as the Open Meetings Law.”

2. EXECUTIVE SESSION

2.1 Executive Session – In accordance with Section 815.3016, Texas Government Code, the ERS Board of Trustees will meet in executive session to consider and discuss an alternative investment or a potential alternative investment in a private equity fund. Thereafter, the Board may consider appropriate action in open session.

Mr. Craig Hester, Board Chairman, introduced the agenda item and noted that in accordance with Texas Government Code Section 815.3016, the Trustees met in executive session earlier in the month with the Asset Class Investment Committee to discuss and answer any questions they may have had

regarding the private equity investment that is before the Board for consideration. Mr. Hester asked if any Trustees needed to meet in executive session to further discuss the investment.

There being no discussion or expressed need to meet in executive session, Mr. Hester opened the floor for a motion.

Move that the Board of Trustees of the Employees Retirement System of Texas authorize the Executive Director to make the investment in the alternative investment fund previously discussed during the Executive Session held under Texas Government Code Section 815.3016 by negotiating and executing documentation for the investment, with terms and conditions acceptable to ERS; and to authorize the Executive Director to thereafter administer the investment in accordance with negotiated terms and conditions.

Motion by Doug Danzeiser, second by Cydney Donnell

Final Resolution: Motion Carries

Aye: Craig Hester, Cydney Donnell, Doug Danzeiser, Ilesa Daniels, Jim Kee

3. INVESTMENT ADVISORY COMMITTEE REAPPOINTMENT

3.1 Consideration of Reappointment of ERS Investment Advisory Committee member with term expiring May 31, 2019 - (ACTION)

Mr. Tom Tull, Chief Investment Officer presented the staff recommendation to reappoint Mr. Ken Mindell to the Investment Advisory Committee (IAC).

Mr. Tull highlighted the importance of the IAC members' expertise to the successful operations of the ERS Investment program. IAC members together with ERS' staff and investment consultants or advisors, recommend asset mix, portfolio strategy, investment policy, and eligible securities to the Board.

Mr. Mindell's current term on the IAC expires on May 31, 2019, and Mr. Mindell has expressed an interest to continue to serve. Mr. Mindell brings 37 years of investment expertise on a variety of asset classes to the committee.

The ERS Investment staff recommends the following motion to the Board of Trustees:

Move that the Employees Retirement System of Texas Board of Trustees reappoint Mr. Ken Mindell to the Investment Advisory Committee for a three-year term beginning June 1, 2019 and ending May 31, 2022.

Further move that the Executive Director be authorized to execute and administer a contract satisfactory to ERS in connection with the reappointment of Mr. Mindell.

Motion by Cydney Donnell, second by Doug Danzeiser

Final Resolution: Motion Carries

Aye: Craig Hester, Cydney Donnell, Doug Danzeiser, Ilesa Daniels, Jim Kee

4. INVESTMENT ADVISORY COMMITTEE NEW APPOINTMENT

4.1 Consideration of new appointment to the Investment Advisory Committee - (ACTION)

Mr. Tom Tull, Chief Investment Officer, presented information on a potential new member of the Investment Advisory Committee.

Mr. Tull gave a brief background on the Investment Advisory Committee (IAC). He noted that the IAC was established at the discretion of the Board of Trustees and consists of at least five, and not more than nine members. The IAC currently has eight members. Mr. Tull noted that members are selected on the basis of experience in the management of a financial institution or other business in which investment decisions are made, or as a prominent educator in the fields of economics or finance. IAC members serve at the pleasure of the ERS Board of Trustees (Board) for staggered three-year terms and are subject to compliance with ERS Investment Policy.

Mr. Tull reported that members of the ERS Board and staff recently conducted an assessment of the IAC member experience and determined that in addition to broad investment expertise, additional experience was needed in the area of real estate and infrastructure. Mr. Tull presented information about Ms. Laurie Dotter for consideration by the Board. Mr. Tull explained that Ms. Dotter has a broad background that will serve the committee and agency well.

Both Mr. Hester and Ms. Donnell said that they know Ms. Dotter in a professional capacity and believe that she will be a great addition to the Investment Committee.

Staff recommends that the Board of Trustees of the Employees Retirement System of Texas appoint Ms. Laurie Dotter for a three-year term effective May 1, 2019.

Mr. Hester opened the floor for a motion:

Move that the Employees Retirement System of Texas Board of Trustees appoint Ms. Laurie L. Dotter to the Investment Advisory Committee for a three-year term beginning May 1, 2019 and ending May 31, 2022.

Further move that the Executive Director be authorized to execute and administer a contract satisfactory to ERS in connection with the appointment of Ms. Dotter.

Motion by Cydney Donnell, second by Doug Danzeiser

Final Resolution: Motion Carries

Aye: Craig Hester, Cydney Donnell, Doug Danzeiser, Ilesa Daniels, Jim Kee

5. ADJOURNMENT

5.1 Adjournment of the ERS Board of Trustees meeting

The Board of Trustees meeting adjourned at 2:40 p.m.