

AGENDA ITEM DETAILS

Subject: Review and Consideration of New Appointment to the Investment Advisory Committee
- (ACTION)

RECOMMENDED ACTION:

(Board Only Vote):

Move that the Employees Retirement System of Texas Board of Trustees appoint Mr. Milton Hixson to the Investment Advisory Committee for a three-year term beginning March 1, 2020 and ending March 31, 2023.

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

Background:

In accordance with the Employees Retirement System of Texas (ERS) Investment Policy, Chapter III: Governance, ERS' Investment Advisory Committee (IAC) was established at the discretion of the Board of Trustees in Texas Administrative Code § 63.17(b). The committee consists of at least five, and not more than nine, members. The IAC currently has eight members. 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 and Texas Government Code § 815.509 and §§ 815.5091 through 815.5092.

A quorum of the IAC meets at least quarterly with the Board. The IAC assists the Board in carrying out its fiduciary duties with regard to the investment of assets of the system and related duties. Together with ERS' staff and investment consultants or advisors, the IAC recommends asset mix, portfolio strategy, investment policy, and eligible securities to the Board. IAC members also participate in Asset Class Investment Committees and in assessing investment advisors and strategies. IAC members may periodically participate on selection and review committees. This involvement allows staff to benefit from IAC member expertise and allows IAC members to provide further insights to the Board and staff and the overall investment program.

Mr. Milton Hixson has a broad background that will serve the committee and agency well. Mr. Hixson is familiar with the responsibilities of IAC membership, having served previously as both an ERS Board of Trustee and a member of the IAC. His biographical and professional background information is included with this agenda item as Exhibit A. An updated skills gap analysis of the IAC including Mr. Hixson's expertise is attached as Exhibit B.

STAFF RECOMMENDATION:

Staff recommend that the Board appoint Mr. Milton Hixson for a three-year term beginning March 1, 2020 and ending March 31, 2023.

ATTACHMENT(S):

1. Exhibit A - Milton Hixson Bio
2. Exhibit B - IAC Skills Assessment