Minutes of the Texas Permanent School Fund Corporation

Board of Directors

May 30, 2023

The Board of Directors of the Texas Permanent School Fund (Texas PSF) Corporation met at 1:35 p.m. on Tuesday, May 30, 2023, in Room #1-104 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas.

Present: Tom Maynard; Keven Ellis; Patricia Hardy; Aaron Kinsey; Marisa Perez-Diaz; Jim Stanislaus; Brad Wright; Commissioner Dawn Buckingham

Public Testimony

The Board of Directors received no presentations of public testimony.

Tom Maynard, Chair of the Texas Permanent School Fund Corporation Board of Directors, requested a roll call. It was determined that the number of board members present constituted a quorum of the board.

DISCUSSION ITEM

1. Update on Chief Executive Officer (CEO) Hiring Process; Search Process for Executive Search Firm and RFP Timeline (Discussion)

Mr. Maynard provided a detailed update on the key action items, events, and timeline related to the Chief Executive Officer (CEO) hiring process. He reported that a Request for Proposal (RFP 706-23-005) for Executive Search Services was issued on May 19, 2023, responses to the RFP are due by June 2, 2023, and that the board was scheduled to meet prior to June 30, 2023, to interview the three firms recommended for consideration by the Executive Search Subcommittee.

Once selected, the Texas PSF Board of Directors will then work with the Executive Search Firm to identify and define the next steps in the search and candidate selection process.

ACTION ITEM

2. Approval of CEO Job Description (Discussion/Action)

Mr. Maynard introduced this item noting that, once selected, the Executive Search Firm would work with the Board to further refine the Chief Executive Officer (CEO) job description.

MOTION AND VOTE: *It was moved by Mr. Wright, and seconded by Ms. Hardy, that the Board approve the CEO Job Description for purposes of providing it to the selected Executive Search Firm to finalize and use for the purpose of advertising the Texas PSF CEO position.*

<u>MOTION</u>: *It was moved by Mr. Kinsey to amend the first sentence of the External Partnerships section on page two of the CEO Job Description to read as follows:*

"Cultivate strategic partnership and collaborative relationships with external entities, such as financial institutions, investment manager, <u>the legislature</u>, and government agencies."

Mr. Kinsey requested permission to withdraw his amendment. With no objections the amendment was withdrawn.

<u>MOTION AND VOTE</u>: *It was moved by Mr. Kinsey, and seconded by Commissioner Buckingham, to amend the first sentence of the Stakeholder Relations section on page two of the CEO Job Description to read as follows:*

"Represent the fund to various stakeholders, including <u>the legislature,</u> government entities, institutional investors, beneficiaries, and the public."

With no objections, the motion to amend the CEO job Description language carried unanimously.

<u>MOTION AND VOTE</u>: *It was moved by Mr. Kinsey, and seconded by Dr. Ellis, to amend the External Partnerships section on page two of the CEO Job Description to include an additional sentence at the end of the paragraph to read as follows:*

"Identify opportunities for cooperation, joint ventures, or co-investment arrangements to enhance the find's capabilities and achieve its objectives. <u>Ensure appropriate leases are executed to secure workspace for the corporation.</u>"

Mr. Kinsey requested permission to withdraw his amendment. With no objections the amendment was withdrawn.

<u>MOTION AND VOTE</u>: *It was moved by Mr. Kinsey, and seconded by Dr. Ellis, to amend the second paragraph of the Governance and Compliance section on page two of the CEO Job Description to include an additional sentence at the end of the first sentence of the paragraph to read as follows:*

"Possess the authority to negotiate, approve, and execute all agreements, leases, contracts, evidences of indebtedness, and other binding obligations on behalf of the corporation. <u>Ensure appropriate leases are executed to secure workspace for the corporation.</u>"

With no objections, the motion to amend the CEO job Description language carried unanimously.

<u>MOTION AND VOTE</u>: *It was moved by Mr. Kinsey, and seconded by Ms. Hardy, to amend the Knowledge/Skills/Abilities list on page three of the CEO Job Description to add an additional bullet to the list immediately after the first bullet of the list to read as follows:*

" <u>* Familiarity with Texas state laws regarding investments and investment decisions.</u>"

With no objections, the motion to amend the CEO job Description language carried unanimously.

<u>VOTE</u>: *With no objections, the motion to approve the CEO job description as amended carried unanimously. The CEO job description is adopted.*

3. Role of Acting CEO and Possible Selection of Acting CEO (Discussion/Action)

Mr. Maynard provided an overview of the strategies related to the appointment of, first, an Acting CEO from within the Texas PSF, and potentially the appointment of a successor Acting CEO from outside of the Texas PSF. The roles and duties of each Acting CEO designee include general management of daily operations, relations with the Texas PSF Board of Directors, and relations with external entities.

MOTION AND VOTE: *It was moved by Commissioner Buckingham, and seconded by Mr. Wright, that the Board appoint John Wright as the acting CEO until such time as a successor CEO is appointed by the Board or until the Board selects and hires a new permanent CEO.*

MOTION: *It was moved by Mr. Kinsey, and seconded by Commissioner Buckingham, to table the motion and discussion of the appointment of an Acting CEO pending the discussion of the duties of the Acting CEO.*

With no objections, the pending motion was tabled.

MOTION AND VOTE: *It was moved by Mr. Kinsey, and seconded by Commissioner Buckingham, to amend the Relations with External Entities section of the Duties of the Acting CEO document to add an additional item (g) to the list to read as follows:*

"g. Ensure appropriate leases are executed to secure workspace for the corporation."

With no objections, the motion to amend the Duties of the Acting CEO language carried unanimously.

MOTION AND VOTE: *It was moved by Mr. Kinsey, and seconded by Commissioner Buckingham, to amend item (h) of the General Executive Charge/Management of Daily Operations section of the Duties of the Acting CEO document to read as follows:*

"h. Oversee implementation of bills passed by the ~~88th~~ Legislature affecting PSF."

With no objections, the motion to amend the Duties of the Acting CEO language carried unanimously.

MOTION AND VOTE: *It was moved by Mr. Kinsey, and seconded by Mr. Wright, to amend the General Executive Charge/Management of Daily Operations section of the Duties of the Acting CEO document to add an additional item (m) to the list to read as follows:*

"m. Ensure compliance with all state laws."

With no objections, the motion to amend the Duties of the Acting CEO language carried unanimously.

MOTION AND VOTE: *It was moved by Mr. Kinsey, and seconded by Mr. Wright, to amend the Relations with Board section of the Duties of the Acting CEO document to add an additional item (i) to the list to read as follows:*

"i. Proactively communicate any issues that may materially impact the corporation."

With no objections, the motion to amend the Duties of the Acting CEO language carried unanimously.

MOTION AND VOTE: *It was moved by Mr. Kinsey, and seconded by Mr. Wright, to amend the Relations with Board section of the Duties of the Acting CEO document to add an additional item (j) to the list to read as follows:*

"j. Ensure high quality onboarding of new board members."

With no objections, the motion to amend the Duties of the Acting CEO language carried unanimously.

MOTION AND VOTE: *It was moved by Commissioner Buckingham, and seconded by Ms. Hardy, that the original motion that the Board appoint John Wright as the acting CEO until such time a successor CEO is appointed by the Board or until the Board selects and hires a new permanent CEO be taken from the table.*

With no objections, the motion is taken from the table.

VOTE: *A vote was taken on the motion to appoint John Wright as the acting CEO until such time a successor CEO is appointed by the Board or until the Board selects and hires a new permanent CEO. With no objections, the motion carried unanimously.*

DISCUSSION ITEM

4. Schedule for Upcoming Meeting (Discussion)

Mr. Maynard stated that the next posted meeting of the Board is June 22, 2023. Current plans are for the Board to interview the three candidates for Executive Search Services on that day, subject to change.

The meeting of the Board of Directors of the Texas PSF Corporation adjourned at 2:31 p.m.