



CREDIT UNION COMMISSION
Commissioner Evaluation Committee Meeting
Credit Union Department Building
914 East Anderson Lane
Austin, Texas

Thursday, November 3, 2016
1:00 p.m.

* * * AGENDA * * *

<u>TAB</u>	<u>PAGE</u>
A. Call to Order (1:00 p.m.) - Chair Sherri Brannon Market	3
a. Ascertain Quorum	
b. Appoint Recording Secretary	
c. Acknowledge Guests	
B. Receive and Approve Minutes of the Committee Meeting on July 8, 2016	5
C. Discussion, Consideration and Possible Vote to Recommend that the Credit Union Commission Approve the Commissioner's Proposed FY 2016 Performance Evaluation	9
D. Review Future Meeting Dates (Next Regularly Scheduled Committee Meeting – July 12, 2017)	21

Adjournment

Note: The Credit Union Commission may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

Meeting Recess: In the event the Commission does not finish deliberation of an item on the first day for which it was posted, the Commission might recess the meeting until the following day at the time and place announced at the time of recess.

Meeting Accessibility: Under the Americans with Disabilities Act, the Credit Union Commission will accommodate special needs. Those requesting auxiliary aids or services should notify Linda Clevlen, Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752--(512) 837-9236, as far in advance of the meeting as possible.

A

CALL TO ORDER

**TEXAS CREDIT UNION COMMISSION
COMMISSIONER EVALUATION COMMITTEE**

- *Sherri Merket, Chair*
- *Allyson “Missy” Morrow*
- *Beckie Stockstill Cobb*
- *Kay Stewart*
- *Gary Tuma*
- *Manuel “Manny” Cavazos, Ex-officio*

Legal Counsel

- *Melissa Juarez*

Staff

- *Harold E. Feeney*
- *Isabel Velasquez*

B

COMMISSIONER EVALUATION COMMITTEE
MEETING MINUTES

A draft copy of the minutes of the Committee's meeting held on July 8, 2016, is located under **Tab B**.

RECOMMENDED ACTION: The Department requests that the Commission approve the minutes as presented.

RECOMMENDED MOTION: I move that the minutes of the Committee's July 8, 2016, meeting be approved as presented.

**COMMISSIONER EVALUATION
COMMITTEE MINUTES
JULY 7, 2016**

I. CALL TO ORDER – ASCERTAIN A QUORUM – Chair Sherri Merket called the meeting to order at 11:07 a.m. in the conference room of the Credit Union Department - Austin, Texas, and declared that a quorum was present. The other members present were Allyson “Missy” Morrow, Beckie Stockstill Cobb, Kay Stewart, and Gary Tuma. Commission Chairman Manny Cavazos, ex-officio member was absent. Assistant Attorney General Melissa Juarez was in attendance to serve as legal counsel. Representing the Department staff were Harold E. Feeney, Commissioner; and Isabel Velasquez, Executive Assistant. The Chair also inquired and the Commissioner confirmed that the notice of the meeting was properly posted (**June 23, 2016, TRD#2016004285**). Mrs. Merket appointed Isabel Velasquez as recording secretary.

II. APPROVAL OF MINUTES OF PRIOR MEETING (October 15, 2015).

Mrs. Morrow moved to approve the minutes of October 15, 2015 as presented. Mrs. Cobb seconded the motion, and the motion was unanimously adopted.

III. NEW BUSINESS

(a) **Discussion, Consideration and Possible Vote to Recommend that the Credit Union Commission Take Action to Approve the Commissioner’s FY 2017 Performance Objectives and Goals.** While the Committee was generally satisfied with the existing performance objectives, Commissioner Feeney encouraged the Committee to consider changes to two of the objectives. Specifically, he suggested that the reports of examination should be mailed within 21 days of the last day onsite instead of the current 20 days. In addition, he

suggested that the minimum number of job fairs that the Department must attend be reduced from 4 to 2. After a short discussion, Mrs. Stewart moved to recommend to the Commission the re-adoption of the Commissioner's existing performance objectives with the two noted modifications for FY 2017. Mr. Tuma seconded the motion, and the motion passed unanimously.

ADJOURNMENT – There being no other business to come before the committee, Mrs. Merket reminded everyone that our next Committee meeting has been tentatively scheduled for November 3, 2016. The meeting was adjourned at 11:21 a.m.

Sherrí Merket
Chair

Isabel Velasquez
Recording Secretary

Distribution:

Legislative Reference Library

C

NEW MATTERS

C. Discussion, Consideration and Possible Vote to Recommend that the Credit Union Commission Approve the Commissioner's Proposed FY 2016 Performance Evaluation.

BACKGROUND: The Commission's policies manual calls for an annual performance review of the commissioner. Accordingly, the Commission will be looking for a recommendation from the Committee with respect to FY 2016 Performance Evaluation for the commissioner.

RECOMMENDED MOTION: I move that the Committee recommend that the Commission take action to approve the proposed FY 2016 Performance Evaluation for the commissioner.

Performance Review

Texas Credit Union Commissioner

Instructions

The Commissioner review is a management-by-objectives program. The overall objective of this program is to align organizational goals and objectives with performance review and compensation.

Part I - Board Assessment

The Commission's Assessment is designed primarily to provide feedback to the Commissioner from each Commission member about his/her perception of the Commissioner's effectiveness.

Part I is totally subjective. As such, the weight assigned to this part of the review **should not exceed** 25% of the total review.

Each Commission member is asked to complete the Assessment Form annually and return it to the Chairman of the evaluation committee approximately one month prior to the scheduled review with the Commissioner. Data from each Commission member is compiled onto one form and shared with the Commissioner during the review.

Part II - Performance Objectives

The performance objectives section is a critical part of the Commissioner's performance review. Performance objectives are developed from the Department's strategic business plan and the plan year budget. These objectives are measurable/observable indicators that bridge the philosophy of the Texas Credit Union Department with measurable results.

Goals set for the objectives should be achievable. The best way to set goals is to look at absolute and relative measures. An absolute measure would be one in which the goal is established based on the Department's actual results. For example, if the goal is to have all state chartered credit unions examined within 18 months of the effective date of the last exam, and the result of that goal is usually 95%, a relative goal would be to have 100% of all credit unions examined within an 18 month period.

Part II is objective, in that achievement of results is verifiable, preferably measurable. This section of the review should be assigned the most weight.

Part III – Special Projects

The Special Projects section incorporates key, non-measurable strategies from the Department's strategic plan and annual operating plan & budget. Major projects and plans would be indicative of special project goals.

Individual Commission members are to evaluate results for each of the key strategies and submit their evaluations to the Chairman of the evaluation committee. **The Commissioner will provide Commission members with periodic updates regarding progress on each of the strategies throughout the plan**

year, as well as written documentation on the final results shortly after the conclusion of the plan year. Each Commission member's evaluation is compiled onto one form and incorporated into the overall review.

The sum of the weights assigned to Parts I, II, and III should equal 1.00.

Monitoring Results

We encourage everyone to track and review results throughout the year. Often during the course of a year, changes in the environment that are outside the control of the Commissioner may make it necessary to modify a goal. By reviewing the goals and progress toward meeting them on a quarterly basis, you can identify these situations and take action to modify them before the end of the plan period.

Final Review

The Chairman of the evaluation committee or his/her designate is responsible for distributing, collecting and compiling Assessment Forms (Parts I & III) from each Commission member. Normally, this process will begin approximately two months prior to the scheduled review date.

The Commissioner is responsible for reporting results from the Performance Objectives section of the plan. Since many of the results will be dependent on final financial reports, results should be provided to the Board within 15 days after the end of the plan period. The completed review will be given to the Commissioner during a formal performance review process when all data is known and calculated. The Chairman of the evaluation committee (and/or one of his/her designates) will meet with the Commissioner to give the formal review.

Time Table

The performance review should cover a Fiscal Year (September 1 through August 31). Each Commission member will receive electronic copies of both the Evaluation Form and a memorandum from the Commissioner outlining the Department's plan period accomplishments by September 15th.

It is important to create performance objectives for the new plan period before the end of the current plan. It is recommended that the performance objectives and goals for the next plan period be established in the last quarter of the current plan period.

Commissioner Compensation

The Commission has undertaken a market-based compensation strategy for the position of commissioner with an end objective of hiring and retaining a highly qualified commissioner to effectively and professionally discharge the duties of the agency.

The position of commissioner is the only position at the agency that is exempt from the State's Position Classification Plan. As the executive officer of the agency, the guidelines for the position's salary range are detailed in the Schedule of Exempt Positions, Article IX, Section 3.04,

General Appropriations Act (84th Legislature). The exact salary group for the position and the compensation paid to the incumbent is determined by the Commission after review of performance and salary comparisons through reports such as the State Auditor's Office August 2014 Report on Executive Compensation at State Agencies (Report No. 14-705) and comparable salary information of selected positions at state and federal regulatory agencies with similar responsibilities.



**CREDIT UNION DEPARTMENT
COMMISSIONER EVALUATION FORM
FY 2016**

Name: _____

Date Employed _____ Date of Last Evaluation _____

I. 20__ Commission Assessment

Average results from the Commission Assessment Tally Sheet (Part I Attached) are:

$$\frac{\text{Average Points (Part I Average)}}{\text{Average Points (Part I Average)}} \times \frac{25\%}{\text{Weight}} = \frac{\text{Part I Score}}{\text{Part I Score}}$$

II. 2014 Performance Objectives

Average results from the Texas Credit Union Department Performance Grid (Part II Attached) are:

$$\frac{\text{Average Points (Part II Average)}}{\text{Average Points (Part II Average)}} \times \frac{75\%}{\text{Weight}} = \frac{\text{Part II Score}}{\text{Part II Score}}$$

III. 2014 Special Projects

Average results from the Texas Credit Union Department Performance Grid (Part III Attached) are:

$$\frac{\text{Average Points (Part III Average)}}{\text{Average Points (Part III Average)}} \times \frac{0\%}{\text{Weight}} = \frac{\text{Part III Score}}{\text{Part III Score}}$$

IV. Final Evaluation Score:

_____ Final Evaluation Score

*** The total of the weights must equal 100%**

BASE PAY ADJUSTMENT

A base pay adjustment earned for a performance level achieved is strictly at the discretion of the Commission.

Current Base Pay:		\$ _____
Pay Adjustment:	_____ %	\$ _____
New Base Pay:		\$ _____
Effective Date:	_____	

Additional Comments: _____

Commissioner Comments: _____

Commissioner Signature & Date

Evaluation Chair Signature & Date

Part I
Credit Union Department
Commission Member Assessment Form

Commission Member: _____

Below are comments attributed to the Credit Union Commissioner. Please indicate your agreement or disagreement with the statement as follows:

Strongly Disagree	2-----3-----4-----5	Strongly Agree
1-----		-----

1. The Commissioner is effective at identifying strategic long-term needs of the Department and developing and implementing plans that result in achievement of these needs. Able to execute independent action and starts working without supervision.

Rating: _____

Comments:

2. I am satisfied with the level, quality and timeliness of information and communications provided to me by the Commissioner. This includes issues that may arise between Commission meetings of which the Commission should be aware.

Rating: _____

Comments:

3. The level to which the Commissioner directs or influences the operations, activities and performance of all subordinates. Demonstrates an atmosphere of teamwork and ability to motivate others to accomplish their goals. Ensures that the most efficient use is being made of all resources, including staff.

Rating: _____

Comments:

4. The Commissioner provides adequate focus on maintaining effective relationships with the governor's office, legislators and Credit Union leaders to ensure the continued safety and soundness of the credit union industry. Works well with NCUA to coordinate efforts for compliance and NASCUS for continued accreditation.

Rating: _____

Comments:

5. The Commissioner has the technical knowledge necessary to complete the job. Has the capability to hire the necessary personnel to move the department forward to save time and money, while still ensuring the safety of the information that is necessary to examiners to complete their assignments.

Rating: _____

Comments:

6. The Commissioner maintains a professional image at all times while representing the Department. The necessary leadership skills are present to command attention and respect, while displaying confidence in their ability.

Rating: _____

Comments:

Other Comments on the Commissioner's performance this past period:

SUM OF RATINGS: _____

AVERAGE POINTS: _____

II. PERFORMANCE OBJECTIVES

For each performance category, assign a rating from 1 to 5 based on the performance rating definitions described at the bottom of the form. Next, multiply the rating assigned by the weight shown and enter the result in the "weight x rating" box (i.e. 25% x 5 = 1.25).

PERFORMANCE OBJECTIVES	ACHIEVEMENT	W	R	W R
		E	A	E A
		I	T	I T
		G	I	I G
		H	N	H N
		T	G	T G
1. Production		25%		
2. Administration		25%		
3. Budgetary		15%		
4. Legislative		25%		
5. Industry		10%		
Total Score				

PERFORMANCE RATINGS: The annual review will be classified in one of the following areas.

1. **UNSATISFACTORY:** Employee is not performing the minimum requirements of the responsibility area in a satisfactory manner. Performance meets few or none of the key goals/standards. Improved performance is required for continuation in the position.
2. **BELOW REQUIREMENTS:** Employee is not consistently performing all the requirements of the responsibility area. Performance is below expectations showing consistent weakness. Improved performance is necessary. Requires more than expected supervision.
3. **MEETS REQUIREMENTS:** Employee is performing all requirements of the responsibility area. Performance is standard, although some requirements are performed above expectations and occasionally below. Performance meets most key goals/standards. Fully competent performer.
4. **EXCEEDS REQUIREMENTS:** Employee is performing most requirements of the responsibility area consistently above expectations and significantly exceeds some requirements. Requires less supervision than expected.
5. **SIGNIFICANTLY EXCEEDS REQUIREMENTS:** Employee is consistently performing all requirements of the responsibility area significantly above expectations. There are no weaknesses on key goals/standards. Makes significant contributions well beyond job demands.

Part II. Performance Objectives

1. Production

- Intervals between the effective dates of CU examinations shall not exceed 18 months.
- E-Time ratio shall not be less than 65% of available work time.
- 100% of reports of examination should be mailed within 20 days of last date on site.
- 100% applications submitted will be approved/denied not later than the 60th day after the date notice is published in the *Texas Register*.
- 100% of complaints will be responded to within 45 days.
- 100% of rule changes will be provided to credit unions within 60 days of adoption.
- Meet or exceed 90% of the Operating Plan's production targets within +/- 5% of the projected target.

2. Administration

- Attain and maintain at least 95% staffing level with continued.
- Participate in no less than 4 job fair events within the plan period.
- Post job vacancies within 7 days of notice of upcoming vacancy.
- Non-retirement turnover not to exceed 15% for plan period.
- Continue in the implementation and assimilation technology changes to increase efficiency.
- Conduct an annual examiner conference to ensure examiners receive adequate training to perform their duties.

3. Budgetary

- Ensure agency expenditures are necessary, prudent, and within budgetary constraints.
- Present quarterly financial statements to Commission and post on agency website
- Ensure compliance with all regulatory requirements for a SDSI agency
- Ensure revenues collected are adequate to cover expenditures and provide a cash reserve that complies with Commission policies.

4. Legislative

- Submit SDSI biennial and annual report filings in a timely manner.
- Prepare materials for the Legislature as requested or required.
- Respond timely to new legislative issues or requests for information or testimony.
- Remain active and involved at the national level on supervisory issues affecting credit unions.
- Attend at least one conference or training meeting during the plan period.
- Monitor and modify Texas Administrative Code rules as necessary.

5. Industry

- Continue to develop effective communication with credit unions and interested department stakeholders.
- Maintain an ongoing awareness of credit union risk profiles and the condition of the economy.
- Maintain continued accreditation from the National Association of State Credit Union Supervisors
- Publish a monthly newsletter for the industry
- Issue Interpretations and opinions within 30 days of request
- Share monthly accomplish report with Commission Members

Part III
Special Projects/ Other Non-Quantifiable Objectives

Commission Member: _____

Objectives	Weight	(1) Low Achievement	(2)	(3) Medium Achievement	(4)	(5) High Achievement
		()	()	()	()	()

D

FUTURE MEETING DATES

D. Discussion and Consideration of a Tentative Date for Next Committee Meeting (July 13, 2017).

BACKGROUND: The next regular meeting of the Committee has been tentatively scheduled for July 13, 2017.

ADJOURNMENT