



CREDIT UNION COMMISSION
Commissioner Evaluation Committee Meeting

Credit Union Department Building
914 East Anderson Lane
Austin, Texas

Friday, June 10, 2022
8:30 a.m.

*** * * AGENDA * * ***

This meeting of the Texas Credit Union Commission will be held at the Credit Union Department Building at 914 E. Anderson Ln., Austin, Texas 78752 and is open to the public. Only onsite testimony will be allowed; however, the meeting will be transmitted live through a link on the Department's webpage at www.cud.texas.gov on the day of the meeting, June 10, 2022 at 8:30 a.m.

An electronic copy of the agenda is now available at www.cud.texas.gov under Credit Union Commission, Commission Meetings, along with a copy of the meeting materials. A recording of the meeting will be available after June 18, 2022. To obtain a recording, please contact Isabel Velasquez at 512-837-9236.

Public comment on any agenda item or issue under the jurisdiction of the Credit Union Commission is allowed. Unless authorized by a majority vote of the meeting quorum, the comments of any persons wishing to address the Commission will be limited to no more than ten (10) minutes.

The Committee may discuss and/or take action regarding any item on this agenda.

<u>TAB</u>		<u>PAGE</u>
A.	Call to Order (8:30 a.m.) – Committee Chair Karyn Brownlee	4
	a. Ascertain Quorum	
	b. Appoint Recording Secretary	
	c. Acknowledge Guests	
	d. Invitation for Public Input	
B.	Approve Minutes of the Last Committee Meeting (January 27, 2022)	7
C.	Commissioner Succession Plan	10
D.	Future Committee Meeting Dates	17

Adjournment

Commissioner Evaluation Committee Meeting Agenda

June 10, 2022

Page 2

Executive Session: This Committee of 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 this Committee of the Credit Union 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 Joel Arevalo, 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

- *Karyn Brownlee, Chair*
- *Sherri Merket, Vice Chair*
- *Kay Swan*
- *David Shurtz*
- *Jim Minge, Ex-officio*

Legal Counsel

- *Nancy Elmilady*

Staff

- *John J. Kolhoff*
- *Isabel Velasquez*
- *Nancy Elmilady*

COMMISSIONER EVALUATION COMMITTEE
MEETING MINUTES

A draft copy of the minutes of the Committee's meeting held on January 27, 2022, 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 January 22, 2022 meeting be approved as presented.

B

**CREDIT UNION COMMISSION
COMMISSIONER EVALUATION COMMITTEE
MEETING MINUTES
Credit Union Department Building
914 East Anderson Lane, Austin, Texas**

January 27, 2022

A. CALL TO ORDER – ASCERTAIN A QUORUM – Chair Karyn Brownlee called the meeting to order at 1:24 p.m., in the conference room of the Credit Union Department Building, Austin, Texas pursuant to Chapter 551 of the Government Code, and declared that a quorum was present. The other members present were Sherri Merket, David Shurtz, and Commission Chair Yusuf Farran, ex-officio via videoconference. Nancy Elmilady, General Counsel was in attendance to serve as legal counsel. Representing the Department staff were John J. Kolhoff, Commissioner; and Isabel Velasquez, Executive Assistant. Mrs. Brownlee appointed Isabel Velasquez as recording secretary. The Chair also inquired regarding notice, and the Commissioner confirmed that the notice of the meeting was properly posted (**January 14, 2022 TRD#2022000266**).

❖ RECEIVE REQUESTS AND MOTIONS FOR EXCUSED ABSENCES – Chair Brownlee inquired if there were any requests or motions to excuse an absence. Mr. Farran moved to excuse committee member Kay Swan from the Committee meeting on January 27, 2022. Mr. Shurtz seconded the motion, and the motion was unanimously adopted.

There being no other business to come before the committee, Mrs. Brownlee adjourned the meeting at 2:45 p.m.

Karyn Brownlee
Chair

Isabel Velasquez
Recording Secretary

Distribution:

Legislative Reference Library

DRAFT

C

COMMISSIONER SUCCESSION PLAN

C. Commissioner Succession Plan.

governing the purpose, mission, structure and use of the advisory committee it creates.

- C. The Commission shall determine the number of individual members that will constitute the advisory committee. The number of members may not exceed 24. In appointing members to the committee, the Commission must provide a balanced representation between the industry and credit union members.
- D. The committee shall meet as prescribed by Commission rule and shall select a presiding officer from its members. All meetings shall be posted and conducted in compliance with the Open Meetings Act. The presiding officer shall report to the Commission.
- E. The Department may reimburse committee members for travel expenses if, and to the extent, permitted by applicable statutes and the availability of funds in the Department's budget.
- F. The Department shall provide the Commission an annual evaluation of the committee's work, the committee's usefulness, and the costs associated with the committee, including the cost of staff time spent in support of the committee's activities.
- G. The committee shall serve until abolished as set out in Commission rule.

X. STANDING COMMITTEES

A. Commissioner Evaluation Committee

- 1. **Members.** The Commission Chair shall appoint a Commissioner Evaluation Committee of at least three members and shall designate one member as Chair. The Commission Chair will serve as an ex-officio member of this committee.
- 2. **Purpose.** The purpose of the Committee shall be to coordinate the annual evaluation of the Commissioner's performance and to oversee the development and maintenance of a Commissioner succession plan.
- 3. **Responsibilities and Duties.** In furtherance of the Committee's purpose, and in addition to any other responsibilities that may be assigned to it from time to time by the Commission, the Committee shall have the following responsibilities and duties:
 - a. Develop and review periodically the evaluation form to be used for the

Commissioner's evaluation.

- b. Establish the policies and procedures that will be used to carry out the Commissioner's performance review.
 - c. Prepare the Commissioner's evaluation for the Commission's review, comment, and revision, with the intent to accomplish the following:
 - i. Clarify the Commissioner's leadership and management role as viewed by the Commission.
Maintain a harmonious working relationship between the Commission and the Commissioner.
 - ii. Assure the Commission that the Department is being effectively administered by the Commissioner.
 - d. Make recommendations to the Commission with respect to the establishment of performance standards for the coming fiscal year.
 - e. Make recommendations to the Commission on the Commissioner's remuneration.
 - f. Oversee the Department's succession plan for the Commissioner's position, including policies and procedures for new Commissioner selection, as well as policies regarding succession in the event of an emergency.
4. **Evaluation.** The evaluation process will be completed at the last regularly scheduled Commission meeting of the calendar year.

B. Rules Committee

1. **Members.** The Commission Chair shall appoint a Rules Committee of at least three members and shall designate one member as Chair. The Commission Chair will serve as an ex-officio member of this committee.
2. **Purpose.** The purpose of the Committee is to conduct thorough deliberations and scrutiny of proposed rulemaking and assigned projects, and to bring to the Commission the results of its deliberations and its recommendation for Commission action.
3. **Responsibilities and Duties.** In furtherance of the Committee's purpose, and in addition to any other responsibilities that may be assigned to it from

**CREDIT UNION DEPARTMENT, STATE OF TEXAS
COMMISSIONER SUCCESSION PLAN**

Purpose. The purpose of this succession plan (“the Plan”) is to have a process for choosing a Commissioner in the event of a planned or unplanned departure of the incumbent.

Definitions.

A *planned departure* is a voluntary retirement or resignation, or a resignation requested by the Commission with an effective date of thirty days or more.

An *unplanned departure* is one that results by reason of death, an immediate termination of an incumbent Commissioner by the Commission, or the inability of the Commissioner to discharge the duties of the office. An unplanned departure may also be deemed to occur in the event of the Commissioner’s resignation or retirement with an effective date of less than 30 days.

Inability of the Commissioner to discharge the duties of the office can be signified upon either:

1. A written declaration of the Commissioner that he or she is unable to discharge the duties and responsibilities of the office of Commissioner; or
2. Receipt by the Commission of information, which leads the Commission to conclude, in its sole judgment, that the Commissioner is unable to discharge the duties and responsibilities of the office of Commissioner.

Implementation. When this Plan becomes operative, the Commissioner Evaluation Committee (“the Committee”) shall immediately assume responsibility for the succession process. The Committee will also serve as the Commission’s search committee for purposes of carrying out the Plan. As soon as possible, the Chair of the Committee shall call for a meeting of the Committee to consider its action plan. This action plan should address, at least, the following matters:

1. If the incumbent Commissioner will continue in office, the effective date of the retirement or resignation. The date should be acceptable to the Commission and the Commissioner, should provide a reasonable time to search for a successor, and should be sufficiently in the future to permit orientation of the new Commissioner and an orderly transition.

2. If the incumbent Commissioner continues in office, whether there should be a change in the authority, duties, and responsibilities of the office.
3. The extent to which the Committee wishes to call upon the incumbent Commissioner and other staff members to assist the Committee during the transition to an interim or permanent Commissioner.
4. Whether an interim Commissioner will be required and, if so, the date upon which the person should assume office.
5. The identification of possible candidates for interim Commissioner and procedures for the selection of an interim Commissioner. The job description of the Deputy Commissioner specifies that he or she may exercise the powers and prerogatives of the Commissioner during the Commissioner's absence or inability to act.
6. Whether a search should be undertaken and, if so, how broad the search should be.
7. If a search is to be undertaken, whether to engage a consultant or search firm to assist the Committee with the search, and, if so, engaging the consultant or firm in accordance with State procurement requirements.
8. The Committee should also determine the specifics of the application process such as the deadline for applications, the confidentiality of its proceedings, procedures for identifying and interviewing candidates, whether to do background checks, procedures for narrowing the list of candidates, for checking references and for final interviews, whether final interviews should be conducted by the full Commission, and procedures for making an offer of employment.

Interim Commissioner. If the Committee determines that the appointment of an Interim Commissioner is necessary or advisable, the Chair of the Commission shall call for a meeting of the Commission to consider the matter. Any person appointed by the Commission as Interim Commissioner shall have the full authority for decision-making and independent action as the incumbent Commissioner. The Interim Commissioner shall receive a temporary salary increase to the entry-level salary of the Commissioner position (Schedule Exempt Position Salary Rates Group 5) or to 5% above his or her current salary, whichever is greater.

Transition Planning. In the case of any planned or unplanned departure of the incumbent Commissioner, the Chair of the Commission, the Chair of the Committee, and the incumbent or interim Commissioner shall meet as often as necessary to plan, among other matters, the following:

1. The availability of funds for the transition, including the potential compensation package to be offered to a Commissioner candidate.
2. The orderly transition of the duties and responsibilities of the office of Commissioner to any successor; and
3. The manner in which succession events (concerns with confidentiality, departure, selection process, press releases) are to be announced, including the notification of key interested persons.

Attributes. Candidates should have the requisite personal attributes for the office of Commissioner, including:

- Sufficient experience, stature, and reputation in the credit union movement, regulation, or professional life to command respect as Credit Union Commissioner.
- Professional and business management skills preferably gained in a credit union or regulatory agency.
- Experience of relationships at Board level in one or more majorbodies.
- Intellectual strength, sound business acumen, integrity, and an ability to consider and discuss issues laterally and strategically.
- Awareness of political, regulatory, market, and consumer issues together with an understanding about not-for-profit cooperative financial institutions.
- Sound interpersonal skills and an ability to make good judgments of people.

Plan Review. The Committee shall review the Plan periodically in the context of current affairs within and outside of the Department. The review of the Plan should include a review of the most recent position description for the Commissioner. It should also include recommendations to the full Commission for any amendments to the Plan or to the Commissioner position description. In addition, after each use of the Plan, the Committee shall meet to discuss how the Plan worked and shall make recommendations for modifications to the Plan based on its experience with the Plan.

D

FUTURE COMMITTEE MEETING DATES

D. Future Committee Meeting Dates.

ADJOURNMENT