



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

Thursday, March 20, 2025
1:00 p.m.

* * * AGENDA * * *

This meeting of the Texas Credit Union Commission’s Commissioner Evaluation Committee 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, March 20, 2025 at 1:00 p.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 March 29, 2025. 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 Commissioner’s Evaluation Committee is allowed. Unless authorized by a majority vote of the meeting quorum, the comments of any person wishing to address the Committee will be limited to no more than ten (10) minutes.

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

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Adjournment

Commissioner's Evaluation Committee Meeting Agenda

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Executive Session: The Credit Union Commission Commissioner's Evaluation Committee may go into an 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 Committee does not finish deliberation of an item on the first day for which it was posted, the Committee 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
(Serving as the Commissioner Search Committee)**

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

Staff

- *Michael S. Riepen*
- *Biancaja Sugars*
- *Isabel Velasquez*
- *Brenda Medina*

B

COMMISSIONER EVALUATION COMMITTEE
MEETING MINUTES

A draft copy of the minutes of the Committee's meeting held on November 7, 2024, 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 November 7, 2024, meeting be approved as presented.

**CREDIT UNION COMMISSION
COMMISSIONER EVALUATION COMMITTEE
MEETING MINUTES**

November 7, 2024

A. CALL TO ORDER – ASCERTAIN A QUORUM – Chair Karyn Brownlee called the meeting to order at 1:00 p.m., in the conference room of the Credit Union Department Building, Austin, Texas pursuant to Chapter 551 of the Texas Government Code and declared that a quorum was present. Committee member Kay Swan and Ex-officio member, Jim Minge were present. As a result of the confusion related to the Chairman’s appointments, the third member of the committee was not present. Staff members in attendance were Michael S. Riepen, Commissioner and Joel Arevalo, Director of Information and Technology. Chair Brownlee appointed Isabel Velasquez as recording secretary. Chair Brownlee introduced Karen L. Miller, General Counsel for the Department, who will serve as legal counsel for the committee at this meeting. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted (**October 28, 2024, TRD#2024006298**).

➤ **GENERAL PUBLIC COMMENT** – Chair Brownlee invited comments, and no public comments were received.

B. APPROVAL OF MINUTES OF PRIOR MEETING (November 2, 2023).

Mrs. Swan moved to approve the minutes of November 2, 2023, as presented. Mrs. Brownlee seconded the motion, and the motion was unanimously adopted.

Chair Brownlee stated moving to agenda items C and D beginning on page 11 of the meeting packet, which deals with the FY 2024 Commissioner's Performance Evaluation Process and Plan. At the same time, the committee will concurrently address agenda item D beginning on page 26 of the meeting packet, which deals with the FY 2025 Performance Goals for the Commissioner. Furthermore, Mrs. Brownlee emphasized the committee's responsibility to develop, establish and review the policies, procedures and forms used to carry out the Commissioner's Annual Performance Review. It is also the committee's responsibility to make the recommendations to the full Commission with respect to the establishment of the Performance Standards for the coming fiscal year. She also conveyed to the committee that this work relates to the evaluation and continued employment of our Commissioner, so we will move into Executive Session at 1:03 p.m., for this portion of the agenda as provided for under the Texas Open Meetings Act, Texas Government Code, Section 551.074 for the Performance Evaluation, and FY 2025 Renumeration and the FY 2025 Goals and Process of Evaluation on Agenda Items C and D.

At 3:40 p.m., the committee returned to open session. Chair Brownlee inquired if there were any members who wished to bring forth any motion related to the committee's discussion in Executive Session.

For the record, Chair Brownlee entertained four motions:

1. To approve the FY 2024 Performance Evaluation for the Commissioner.
2. To recommend to the Commission the proposed salary adjustment for the Commissioner for FY 2025 as discussed in Executive Session.
3. To recommend to the Commission the proposed FY 2025 Performance Standards and Leadership Goals for the Commissioner as discussed in Executive Session.
4. To recommend to the Commission the Proposed FY 2025 updates to the Commissioner Evaluation Process document as discussed in Executive Session.

Mrs. Brownlee moved that the Committee recommend that the Commission take action to approve the FY 2024 Performance Evaluation for the Commissioner and recommend to the Commission the proposed salary adjustment for the Commissioner for FY 2025 as discussed in Executive Session. Mrs. Swan seconded the motion, and the motion was unanimously adopted.

Mrs. Swan moved that the Committee recommend to the Commission the proposed FY 2025 Performance Standards and Leadership Goals for the Commissioner as discussed in Executive Session. Mrs. Brownlee seconded the motion, and the motion was unanimously adopted.

Mrs. Swan moved that the Committee recommend to the Commission the proposed FY 2025 Updates to the Commissioner Evaluation Process document as discussed in Executive Session. Mrs. Brownlee seconded the motion, and the motion was unanimously adopted.

E. Future Meeting Date (Next Tentative Scheduled Committee Meeting) –

Chair Brownlee announced the next meeting of the Committee has been tentatively scheduled for November 6, 2025.

There being no other business to come before the committee, the meeting adjourned at 3:43 p.m.

Karyn Brownlee
Chair

Isabel Velasquez
Recording Secretary

Distribution:

Legislative Reference Library

C

NEW BUSINESS

C. Commissioner Succession Plan Implementation.

Review the Process of Selecting a New Credit Union Commissioner

BACKGROUND: Given the planned retirement of the Commissioner, the Commissioner Evaluation Committee (the “Committee”) assumes responsibility for the process associated with choosing the next Commissioner. The Committee also serves as the Commission’s search committee for the purpose of carrying out the Commissioner succession plan.

This agenda item provides the Committee with an opportunity to review, discuss expectations, and ask questions about the current succession plan.

RECOMMENDED MOTION: No formal action is anticipated.

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 the orientation of the new Commissioner in 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 or to 5% above his or her current salary, whichever is greater. In no event, however, may the interim Commissioner salary exceed the amount indicated in the Appropriations Act for Department's "Schedule of Exempt Positions".

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 major bodies.
- 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 annually in the context of current affairs within and outside of the Department. The annual 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

NEW BUSINESS

D. Commissioner Applicants and Hiring Process.

Hiring Plan and Selection for Credit Union Department Commissioner

BACKGROUND: The Commissioner Succession Plan provides, when such Plan becomes operative, that the Commissioner Evaluation Committee (the “Committee”) assumes responsibility to serve as the Commission’s search committee. In addition, the Succession Plan prescribes that the Committee will develop an action plan for carrying out its responsibilities. Staff have created a proposed Hiring Plan & Selection Process for the Commissioner.

RECOMMENDED MOTION: I move that the Committee ratify the proposed hiring plan as presented [amended].

CUD Hiring Plan & Selection Process for Credit Union Department Commissioner

GOAL: Focus on transparency, fairness, and efficiency, including a detailed job description, open application period, standardized screening, and transparent evaluation criteria, culminating in a public announcement of the selected Commissioner.

1. Define the Role and Requirements:

- **Job Description:** Develop a clear and concise job description outlining the Commissioner's responsibilities, required qualifications, and key competencies.
- **Selection Criteria:** Establish objective and measurable criteria for evaluating candidates, ensuring fairness and consistency in the selection process.
- **Timeline:** Set a clear timeline for each stage of the selection process, from posting the position to announcing the selection.

2. Recruitment and Application:

- **Public Announcement:** Make a public announcement of the Commissioner position vacancy, specifying the application requirements and timeline.
 - Posting in 3 places – CUD Website, CU Today, and NASCUS
- **Application Form:** Provide a user-friendly application form with all necessary fields and instructions.
- **Open Application Period:** Maintain an open application period for a reasonable duration to allow diverse candidates to apply.
- **Online Application:** Facilitate online application to reach a wider audience and improve efficiency.

3. Screening and Shortlisting:

- **Screening:** Establish a team to review applications, ensuring a consistent approach to filtering candidates based on the predetermined criteria.
- **Shortlist:** Develop a short list of qualified candidates for further evaluation.

4. **Evaluation and Interview** (If Necessary):

- **Evaluation:** Conduct thorough evaluations of candidates, considering their experience, qualifications, and suitability for the role.
- **Interview Process (Optional):** If interviews are part of the process, establish standardized interview questions and evaluation criteria to ensure fairness and consistency.
- **Background Check:** Conduct background checks on shortlisted candidates to ensure suitability for the position.

5. **Selection and Announcement:**

- **Selection Committee:** Establish a selection committee to evaluate candidates and make recommendations.
- **Decision:** Finalize the selection and ensure transparency in the decision-making process.
- **Public Announcement:** Make a public announcement of the selected Commissioner, including any required documentation or procedures.

6. **Onboarding:**

- **Welcome Letter:** Send a welcome letter to the newly selected Commissioner, outlining their responsibilities and next steps.
- **Training:** Provide appropriate training and orientation to ensure the Commissioner is well-prepared for their role.

7. **Key Considerations:**

- **Transparency:** Maintain transparency throughout the selection process to ensure public confidence and trust.
- **Fairness:** Ensure a fair and equitable selection process for all candidates.
- **Efficiency:** Optimize the process to minimize delays and ensure timely selection and onboarding.
- **Accessibility:** Make the application process accessible to all applicants, including individuals with disabilities.

E

FUTURE COMMITTEE MEETING DATES

E. Discussion and Consideration of a Tentative Date for Next Committee Meeting.

BACKGROUND: The next regular meeting of the Committee has been tentatively scheduled for July 17, 2025.

ADJOURNMENT