

# Board of Directors Meeting Meeting Minutes

**October 27, 2022**

A Board of Directors meeting for the Surplus Lines Stamping Office of Texas was held in-person, on October 27, 2022, beginning at 1:00 p.m. and lasting until adjournment.

## Agenda

- Item 1. Call to order, establishment of quorum
- Item 2. Discussion and Appropriate Approval of September 22, 2022, Board Meeting Minutes
- Item 3. Discussion and Appropriate Action of Proposed 2023 Budget
- Item 4. Discussion and Appropriate Action of Headspring and Accenture 2023 SOW
- Item 5. Adjournment

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### Item 1. Call to Order | Buddy Gillenwater, Chair

Charles Gillenwater, Chair of the Board of Directors, called meeting to order on October 27, 2022, at 1:03 P.M.

The meeting was held at the Surplus Lines Stamping Office of Texas, 805 Las Cimas Parkway, Suite 300, Austin, Texas 78746. A quorum of Board of Directors is intended to be present at this location.

Written notice of this meeting, the proposed agenda, and all related meeting materials were provided to the Texas Department of Insurance Deputy Commissioner of the Financial Regulation Division and her designees on October 5, 2022, in accordance with the Surplus Lines Stamping Office of Texas - Plan of Operation, Section 2(c)(2). Written Notice of this meeting and the related agenda were submitted to the Office of the Secretary of State on October 20, 2022, for publication in the Texas Register in accordance with the Texas Open Meetings Act.

Gillenwater called roll to determine participating members via telephone conference pursuant to Plan of Operation Section 2(c)(6):

### BOARD OF DIRECTORS PRESENT

Charles Gillenwater	Chair
Leslie Milvo – Teleconference	Vice Chair
Penni Chambers – Teleconference	Secretary
Lorrie Cheshier – Absent	
Peter Harrison – Teleconference	
Jeff Klein – Teleconference	
Lezlee Liljenberg – Teleconference	
Bart Koch – Teleconference	
Garrett Sprowls	

### ALSO PRESENT

Greg Brandon, Executive Director, SLTX  
Donna Aug, Director of Finance, SLTX  
Cheyenne Herrera, Director of Operations, SLTX

Denisse Amezquita, Director of Human Resources, SLTX  
Sholonda Stone, Director of IT, SLTX - Teleconference  
Marissa Gamez, Administrative Assistant, SLTX  
Marcelina Gutierrez, Communication and Education Coordinator, SLTX  
Stanton Strickland, General Counsel, Mitchell Williams, Selig, Gates & Woodyard, PLLC -  
Teleconference  
Paul Rainey, TSLA Liaison - Teleconference  
Courtney Williams, Office of Financial Counsel, Texas Department of Insurance  
Patty Otto, Office of Financial Counsel, Texas Department of Insurance  
Shirley Bowler, Reporter - Teleconference

**SLTX STAFF MEMBERS ALSO IN ATTENDANCE**

Sharmila Subedi, Business Analyst, SLTX  
Porschea Jefferies, Policy Analyst, SLTX – Teleconference  
Ariel Rosario, Policy Analyst II, SLTX – Teleconference  
Kristian Porter, Policy Analyst, SLTX – Teleconference  
Angela Gonzalez, Policy Analyst II, SLTX – Teleconference  
Toby Pick, Operations Manager, SLTX – Teleconference  
Dalton Moore, Developer, SLTX

Minutes taken by SLTX staff.

Gillenwater made the following administrative housekeeping announcements before moving forward with agenda:

1. Antitrust activity or discussion are prohibited at all Stamping Office functions. This prohibition includes the exchange of information concerning individual company rates, coverages, market practices, claims settlement practices, expenses, or any other competitive aspect of an individual company's operation.
2. We will not have a public comments session. Public and media attendees listening by telephone should mute lines at all times.
3. Representatives of state agencies and members of the public are welcome to observe or record this Board meeting but refrain from asking questions or interjecting comments during the Board's deliberations.
4. State agency personnel present may be asked questions about agency policies if those questions relate to an agenda item.
5. Members, counsel, and staff participating by conference call should identify themselves when speaking. Please mute lines when not speaking.
6. Due to this meeting taking place by conference call, some board votes will be by roll call.

**Item 2. Discussion and Appropriate Approval of September 22, 2022, Board Meeting Minutes  
Presenter: Buddy Gillenwater, Chair of the Board**

Gillenwater asked the Board if there were any corrections or further discussions regarding the September 22, 2022, meeting minutes. Hearing none, Gillenwater recommended per the text of motion below.

**MOTION:** Penni Chambers

**SECOND:** Peter Harrison

**TEXT OF MOTION:** Approve September 22, 2022, meeting minutes as presented.

Ayes across the board.  
The motion passes.

**Item 3. Discussion and Appropriate Action of Proposed 2023 Budget**  
**Presenter: Donna Aug, Director of Finance**

Donna Aug provides her statements regarding the budget proposal. There are three minor revisions to the budget which will result in a decrease in operating expenses and therefore a decrease in operating loss that we've projected, by \$11,691.00. The biggest component of that decrease was the salary and benefits decreased \$12,305 dollars as we made an adjustment to our PTO accrual to reflect the actual wage increases that we're budgeting for next year. General Insurance increased by \$672 dollars since last budget presentation, so those two changes resulted in a reduction in Contingency expense by \$58.

Gillenwater asks if there are any questions, finding none, asked Aug for a recommendation. Aug recommended per the text of motion below.

**MOTION:** Garret Sprowls

**SECOND:** Jeff Klein

**TEXT OF MOTION:** Recommendation for the Board to approve the 2023 Budget for the Stamping Office of Texas as presented.

Ayes across the board.  
Motion carried.

**Item 4. Discussion and Appropriate Action of Headspring/ Accenture 2023 SOW**  
**Presenter: Cheyenne Herrera, Director of Operations**

Cheyenne Herrera reviews the SOW which was given to the board prior to the meeting. This SOW is the first since Accenture's finalized acquisition of Headspring. SOW stems from the original SOW document from 2016, which is the original controlling agreement; includes basic definitions and expectations that both parties are expected to adhere to. Herrera also mentions the hourly rate has increased to \$250 from \$225 and explains the transition into maintenance and support for the SMART software, which includes two full-time developers throughout 2023 with a focus on knowledge transfer and transition to M&S role instead of as the primary development team. This would bring SLTX out of the capital budget, with total cost of \$1.08M within Professional Services. If the proposed 2023 SOW amount is fully utilized, with 2022 SOW balance in consideration, the all-in cost of SMART would be brought to \$13,588,745.33 million. Herrera then ask if there are any questions on the Headspring/ Accenture 2023 SOW agreement, hearing none.

Gillenwater asked for a recommendation from Herrera. Herrera recommended per text of motion below.

**MOTION:** Lezlee Liljenberg

**SECOND:** Garret Sprowls

**TEXT OF MOTION:** Recommend the board approve the Headspring/ Accenture 2023 SOW as presented.

Ayes across the board.  
Motion carried.

**Item 5. Adjournment**

**Buddy Gillenwater, Chair of the Board**

Gillenwater asked for additional comments or questions. Finding none, Gillenwater asked for a motion to adjourn the meeting.

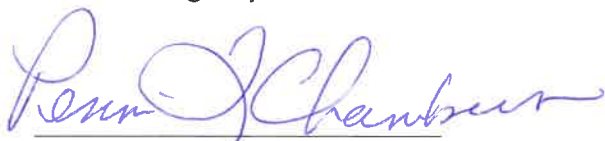
**MOTION:** Penni Chambers

**SECOND:** Jeff Klein

**TEXT OF MOTION:** Adjournment

Motion carried.

The meeting adjourned at 1:30 P.M. on October 27, 2022.



Penni Chambers  
Penni Chambers, Secretary