

June 20, 2025

Finance & Audit Committee Meeting Minutes

A Finance & Audit Committee meeting for the Surplus Lines Stamping Office of Texas was held in-person at the SLTX Office, 1601 E. Pflugerville Parkway, Pflugerville, TX, 78660.

AGENDA

June 20, 2025 Finance & Audit Committee Meeting		
Item 1.	Call to order; Establishment of Quorum	Nick Lawrence, Committee Member
Item 2.	Discussion & Appropriate Approval of March 27, 2025 F&A Committee Meeting Minutes	Nick Lawrence, Committee Member
Item 3.	Discussion & Appropriate Action: - 2025 YTD Financial Review - 2025 Pension Funding	Ronnie Ford, Director of Finance
Item 4.	Adjournment	Nick Lawrence, Committee Member

Item 1. Call to Order | Nick Lawrence, Committee Member

Nick Lawrence, acting Chair of the Finance & Audit Committee, called the meeting to order on June 20, 2025, at 9:00 a.m.

A conference call-in number was included in the Public Meeting Notice. Written notice of the meeting was sent to the Texas Department of Insurance, including the Deputy Commissioner of the Financial Regulation Division and her designees, June 10, 2025, in accordance with Section 2(c)(2) of the SLTX Plan of Operation.

The meeting notice and agenda were submitted to the Office of the Secretary of State on June 11, 2025, in accordance with Section 2(c)(2) of the Plan and Chapter 551 of the Texas Government Code. All committee members were notified on June 4, 2025. Lawrence then called roll to confirm participation per Section 2(c)(6) of the Plan.

Committee Members Present

Nick Lawrence, Acting Chair
Esequiel Nathal, Committee Member, via Teams

Board Members Present

Lezlee Liljenberg, Board Chair

ALSO PRESENT

Greg Brandon, Executive Director, SLTX
Denisse Amezquita, Director of Human Resources, SLTX
Sholonda Stone, Director of ITS, SLTX
Ronnie Ford, Director of Finance, SLTX, via Teams

Toby Pick, Operations Manager, SLTX
Marissa G., Administrative Assistant, SLTX
Kristian P., Policy & Data Analyst, SLTX, via Teams
Robyn P., Policy Analyst, SLTX, via Teams
Michael Nored, General Counsel, Mitchell Williams, Selig, Gates & Woodyard, PLLC, via Teams
Jeff McWhirt, General Counsel, Mitchell Williams, Selig, Gates & Woodyard, PLLC, via Teams
David Dodd, Office of Financial Counsel, Texas Department of Insurance
Andrew Guerrero, Company Licensing & Registration Office, Texas Department of Insurance

Minutes taken by SLTX Staff.

Administrative housekeeping announcements:

1. Antitrust activity or discussion are prohibited at all Stamping Office functions. This prohibition includes 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. No public comments. Public and media attendees should mute lines.
3. Representatives of state agencies and members of the public are welcome to observe or record but refrain from asking questions or making comments.
4. State personnel present may be asked questions related to an agenda item.
5. Members, counsel, and staff participating by phone should identify themselves and mute lines.

Item 2. Discussion and Approval of Previous Meeting Minutes: March 27, 2025, Meeting Minutes | Nick Lawrence Acting Committee Chair

Committee members received a copy of the March 27, 2025, meeting minutes. With no corrections or comments, Lawrence asked for a motion for approval on minutes.

Motion: Liljenberg | Second: Nathal | Approved Unanimously

Item 3. Discussion and Appropriate Action: 2025 Finance YTD Update & 2025 Pension Funding | Ronnie Ford, Director of Finance

2025 YTD Financials

Ms. Ford presented 2025 YTD Financials:

- **Stamping Fee Revenue:** \$7,650 (1%) under budget for May and \$311,000 (10%) over YTD.
- **Investment Income:** \$1,266 (1%) under budget for May and \$31,267 over YTD due to higher ROI than expected.
- **Operating Expenses:** \$1,191,000 (66%) under budget for May and \$1,367,000 (28%) under YTD.
- **Salaries and Benefits:** \$1,165,000 (75%) under budget for May and \$1,234,000 YTD. Annual pension plan funding budgeted in May for \$1,162,500.
- **Professional Services:** \$1,334 (5) over budget for the month and \$3,827 (2%) under YTD due to full January payment to LemonLight, originally budgeted to span the year.
- **Conference and Education:** \$2,000 (37%) under budget for May and \$24,000 (62%) under YTD due to timing of budgeted conferences.
- **Travel and Entertainment:** \$6,000 (69%) under budget for the month and \$2,300 (52%) under YTD.
- **Occupancy and Operating:** \$8,400 (26%) under budget for May and \$45,000 (24%) YTD.
- **General and Administrative:** \$1,263 (1%) under budget for May and \$13,688 (2%) under YTD.
- **Contingency Funds:** not used, resulting in savings of \$9,031 for the month and \$24,000 YTD.

Operating Income: for May was \$136,111. YTD, the organization recorded an operating income of \$486,154 which is more than the budgeted loss of (\$1,213,195). The budgeted loss for May alone was (\$928,372.)

Investment Value: decrease of approximately (\$117,367) for May and (\$9,382) decrease YTD.

Fund Balance:

Beginning Balance in January 2025 was \$32.2 million. May's YTD net income of \$486,154 resulted in a fund balance on May 31, of \$32.7 million which is \$18.2 million over current maximum. The projected year end maximum fund balance is \$32.9 million, still \$18.4 million above the limit. Currently \$3.7 million over projected maximum fund balance.

Ms. Ford concluded the 2025 YTD Update presentation. Lawrence asked if there were any questions or recommendations. Hearing none, no motion or recommendation was made.

2025 Pension Funding

Ms. Ford presented 2025 Pension Funding:

- Included in the 2025 budget was Pension cost of \$1,162,500
- The IRS minimum contributions for the year are \$249,000
- Actuary's recommended contribution range is minimum \$797,000 – maximum of \$869,242
- 2025 pension has not been funded; proposal needed for the board approval request of maximum \$869,242

Recommendation: Recommend the committee make a recommendation to the board to approve the 2025 pension payment for the maximum amount of \$869,242.

Motion: Nathal | Second: Liljenberg | Approved Unanimously

Item 4. Adjournment | Nick Lawrence, Acting Committee Chair

With no further business, the meeting adjourned at 9:13 AM.

Motion: Lawrence | Second: Liljenberg | Approved Unanimously



Esequiel Nathal, Secretary