

***Personnel Committee Meeting  
July 26, 2021***

***Briefing Material***



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## Personnel Committee Meeting Agenda

Monday, July 26, 2021

9:00 A.M. Central Daylight Saving Time

Video/Audio Conference Call Only

Audio Toll Free Dial In Number: 1.346.248.7799

Meeting ID: 222 212 7774      Password: 537081973

1. Consideration and possible action on consent agenda items:
  - A. Summary of the official minutes of the January 13, 2021 meeting\*
2. Consideration and possible action on the non-salary benefits provided to the TLHIGA's employees, including insurance plan renewals:
  - A. Health and dental insurance plans
  - B. Health reimbursement arrangement
  - C. Long-Term Disability insurance
  - D. Term Life and AD&D insurance
  - E. 401(k) retirement plan
  - F. 457(b) retirement plan
  - G. Leave time
  - H. Paid holidays\*
  - I. Parking
3. Consideration and possible action on filling the vacancy of a newly created staff position
4. Consideration and possible action on elements of the Executive Employment and Deferred Compensation Contract with the Executive Director
5. Consideration and possible actions on TLHIGA management and staff training during 2021
6. Consideration and possible action regarding the Committee's Charter
7. Executive Session:
  - A. Discussion of the confidential elements of the Executive Employment and Deferred Compensation Contract for the Executive Director
  - B. Advice from Counsel

\* denotes items the Executive Director recommends actions be taken at this meeting

All Texas Life and Health Insurance Guaranty Association Board of Directors and Committee meetings will be conducted in accordance with its Antitrust Compliance Policy and applicable laws.
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8. Consideration and possible action on items discussed in Executive Session\*
9. Consideration and possible action regarding the Committee's 2021 Calendar of Activities and next meeting date

\* denotes items the Executive Director recommends actions be taken at this meeting

All Texas Life and Health Insurance Guaranty Association Board of Directors and Committee meetings will be conducted in accordance with its Antitrust Compliance Policy and applicable laws.



## Open Meeting Information

**Agency Name:** Texas Life and Health Insurance Guaranty Association  
**Date of Meeting:** 07/26/2021  
**Time of Meeting:** 09:00 AM (Local Time)  
**Board:** Texas Life and Health Insurance Guaranty Association  
**Committee:** Personnel  
**Status:** Accepted  
**Street Location:** Not Applicable  
**City Location:** Not Applicable  
**Meeting State:** TX  
**TRD:** 2021004253  
**Submit Date:** 07/16/2021  
**Emergency Mtg:** No

**Additional Information  
Obtained From:**

Bart A. Boles, Executive Director  
1717 West 6th Street, Suite 230  
Austin, TX 78703  
Tel: 800-982-6362

The Personnel Committee Meeting will be held as a videoconference/teleconference.

Teleconference meeting access information:  
Dial in Number (Toll Free): 1-346-248-7799  
Meeting ID: 222 212 7774  
Password: 537081973

Additionally - to obtain a complete PDF copy of the meeting materials please go to [www.txlifega.org](http://www.txlifega.org).

**Agenda:** Consideration and possible action on:

- 1) Consent agenda;
- 2) Non-salary benefits provided to the TLHIGA's employees, including insurance plan renewals;
- 3) Filling the vacancy of a newly created staff position;
- 4) Elements of the Executive Employment and Deferred Compensation Contract with the Executive Director;
- 5) TLHIGA management and staff training during 2021;
- 6) Committee's Charter;
- 7) Executive Session;
- 8) items discussed in Executive Session;
- 9) Committee's 2021 Calendar of Activities and next meeting date.

## **Item 1**

Consideration and possible action on consent agenda items:

A. Summary of the official minutes of the January 13,2021 meeting



July 26, 2021 Personnel Committee Meeting

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## CONSENT AGENDA

The following routine, recurring item has been placed on the consent agenda and the associated materials distributed in advance to the Personnel Committee for its review:

1. The summary of the official minutes of the January 13, 2021 Personnel Committee meeting shown on pages 1-2 through 1-6.

The following is a draft resolution to approve the consent item.

**RESOLVED**, that the Personnel Committee of the Board of Directors of the Texas Life and Health Insurance Guaranty Association approves the written summary of the official minutes of the January 13, 2021 Personnel Committee meeting.



**Item 1 Consideration and possible action on consent agenda items**

Upon a motion made by Director Sommer and seconded by Director Huckaby, the Committee unanimously adopted the following resolution:

**RESOLVED**, that the Personnel Committee of the Board of Directors of the Texas Life and Health Insurance Guaranty Association approves the written summary of the official minutes of the October 7, 2020 Personnel Committee meeting.

**Item 2 Consideration and possible action on the benefits, compensation and training components in the 2021 Operating Budget**

Mr. Boles gave a detailed comparison of the allocation of funds for benefits, compensation and training elements in the 2020 Operating Budget, the actual expenses for these items, and the proposed budgets for them are in the 2021 Operating Budget.

Mr. Boles reported, in detail, on the non-salary benefits provided to the TLHIGA's employees which include health insurance, dental insurance, long term disability insurance, term life and accidental death and dismemberment insurance, a 401(k) retirement plan, paid leave, annual paid holidays, parking in the building's garage, and a health reimbursement arrangement.

**Item 3 Consideration and possible action on adjustments to the TLHIGA's Health Reimbursement Arrangement**

Mr. Boles stated that during the October 7, 2020 meeting the Personnel Committee asked the Executive Director to prepare an analysis of three elements of the Health Reimbursement Arrangement (HRA) currently provided to all TLHIGA employees. Mr. Boles add that the HRA was originally established to supplement the TLHIGA's high deductible health insurance plan.

Mr. Boles reported on his analysis of the three elements of the current TLHIGA's HRA: the annual \$1,500 of reimbursement of an employee's medical expenses, the employee's carry over at year end of up to 50% (\$750) of the year's HRA amount that has not been reimbursed, and the maximum HRA balance accumulation limit of \$4,500 per employee. Mr. Boles reviewed the three aspects of the HRA in relation to the current health insurance plan and its deductible and annual out-of-pocket maximums per employee.

The Committee did not recommend any changes to the HRA, at this time.

**Item 4 Consideration and possible action on the TLHIGA's compensation philosophy**

Mr. Boles stated that during the October 7, 2020 meeting the Personnel Committee requested he draft a compensation philosophy for the TLHIGA as referenced in the compensation study conducted by CliftonLarsonAllen.

Mr. Boles reviewed the draft TLHIGA compensation philosophy that was included in the Committee's briefing material.

Upon a motion made by Director Sommer and seconded by Director Huckaby, the Committee recommends the following resolution be presented for adoption by the Board of Directors:

**RESOLVED**, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association adopts the compensation philosophy as recommended by its Personnel Committee.

**Item 5 Consideration and possible action on annual performance evaluation for the Executive Director**

Mr. Boles stated the Executive Employment and Deferred Compensation Contract ("EEDCC") requires the Personnel Committee to review the Board Counsel's compilation of the individual Board member's annual performance evaluations of the Executive Director.

Mr. Boles reported that Ms. Baetz distributed the form to evaluate the 2020 performance evaluations of the Executive Director to all the Board members on December 7, 2020. He also reported that the compilation of the evaluation assembled by Ms. Baetz, along with the Executive Director's self-evaluation, were distributed to the Committee and the full Board of Directors in advance of the January 13, 2021 and January 26, 2021 meetings.

Chair Vincent directed further discussion on this item be conducted in Executive Session.

**Item 6 Consideration and possible action on various elements of the Executive Employment and Deferred Compensation Contract for the Executive Director**

Mr. Boles reported that he had not accepted any other employment or engagement to perform activities that would interfere with his TLHIGA's duties. He stated this disclosure is required by the EEDCC.

Mr. Boles reported that he has contemplated offering limited engagements to various guaranty associations to provide interim management services in the event of an emergency that prevents their administrators from performing their duties. He stated that such engagements would only be interim measures to ensure those guaranty associations continued operation until searches were conducted and an administrator had been engaged. The Committee did not express any concerns with Mr. Boles proposed offering of management services to other guaranty associations, as long as the reporting requirements of the EEDCC are followed.

Mr. Boles reported the EEDCC provides for an automatic annual cost of living adjustment to the Executive Director's compensation for each year during the term of the EEDCC equal to the Social Security Administration's ("SSA's") cost of living adjustment ("COLA") for the applicable calendar year. He stated the SSA's COLA for 2021 was 1.3% increase. Mr. Boles reported that pursuant to the EEDCC, a 1.3% increase to the Executive Director's compensation was implemented as of January 1, 2021, and that the Personnel Committee had been briefed prior to its implementation through a November 23, 2020 email.

Mr. Boles reviewed the longevity incentive payment section of the EEDCC. He reported that the longevity incentive payment was made to him on December 9, 2020. He noted that his November 23, 2020 email to the Personnel Committee advised of his eligibility for this payment.

Mr. Boles reported that in the meeting's briefing materials the document "Internal Revenue Service Retirement Topics - 457(b) Contribution Limits" has a disclosure that the 457(b) contribution limit for 2021 remains at the \$19,500 level.

Chair Vincent directed further discussion on other elements of the EEDCC be conducted in Executive Session.

**Item 7 Consideration and possible action regarding conducting a Request for Proposals to engage an employment counsel**

Mr. Boles reported that he has identified a possible need for the engagement of employment counsel to evaluate, and possibly implement, a long-range staffing plan.

Chair Vincent directed further discussion on this item to be conducted in Executive Session.

**Item 10 (taken out of order) Consideration and possible action on the TLHIGA's remote working policy**

Mr. Boles reported the Committee reviewed the first draft of the Remote Working Policy on October 7, 2020 and at that time requested additional language be added to several sections of the policy. Mr. Boles reviewed the second draft with the Committee specifically noting where the additional language had been added.

Upon a motion made by Director Sommer and seconded by Director Huckaby, the Committee recommends the following resolution be presented for the adoption by the Board of Directors:

**RESOLVED**, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association amends the TLHIGA's Employee Handbook to include the remote working policy as recommended by its Personnel Committee.

**Item 11 (taken out of order) Consideration and possible action regarding the Committee's Charter**

The Committee reviewed the Committee's Charter and did not recommend any changes at this time.

**Item 8 Executive Session**

Chair Vincent stated the time to be 9:51 A.M. on January 13, 2021, and that she was recessing the regular session of the meeting in order for the Committee to meet in Executive Session, pursuant to the Texas Open Meetings Act.

Chair Vincent stated the time to be 11:17 A.M. on January 13, 2021, and the Executive Session of the Committee meeting has concluded and that she was reconvening the regular meeting of the Personnel Committee of the Texas Life and Health Insurance Guaranty Association pursuant to the Texas Open Meetings Act.

**Item 9 Consideration and possible action on items discussed in Executive Session**

Director Vincent stated that the Committee would have a recommendation for the Board of Directors to consider during the January 26, 2021 meeting regarding a discretionary contribution to the 457(b) plan for the Executive Director.

Upon a motion made by Director Huckaby and seconded by Director Sommer the Committee recommends the following resolution be presented for adoption by the Board of Directors:

**RESOLVED**, that the Board of Directors of the Texas Life and Health Insurance Guaranty Association accepts the recommendation from its Personnel Committee to authorize the Executive Director to obtain competitive proposals from several employment counsel and finalize an engagement after review with the Chair of the Personnel Committee and the Chair of the Board of Directors.

**Item 12 Consideration and possible action regarding the Committee's 2021 Calendar of Activities and next meeting date**

The Committee confirmed that its next meeting will be held on Monday, July 12, 2021.

There being no further business, Chair Vincent stated the time to be 11:23 A.M. and the regular meeting of the Personnel Committee of the Texas Life and Health Insurance Guaranty Association that has been held pursuant to the Texas Open Meetings Act was adjourned.

**Certification**

The undersigned hereby certifies the foregoing is a true and accurate written summary of the proceedings of the January 13, 2021 meeting of the Personnel Committee, approved by the Committee at its meeting held on July 26, 2021.

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Robin Vincent, Chair, Personnel Committee

## **Item 2**

Consideration and possible action on the non-salary benefits provided to the TLHIGA's employees, including insurance plan renewals:

- A. Health and dental insurance plans
- B. Health reimbursement arrangement
- C. Long-Term Disability insurance
- D. Term Life and AD&D insurance
- E. 401(k) retirement plan
- F. 457(b) retirement plan
- G. Leave time
- H. Paid holidays
- I. Parking



**NON-SALARY BENEFITS PROVIDED TO TLHIGA EMPLOYEES**

The following summarizes the non-salary benefits being provided to the TLHIGA employees. After review of this summary, the Committee may direct management to pursue any specific changes that it feels are warranted.

**Current Non-Salary Benefits to Employees**

The TLHIGA provides the following benefits to its employees.

1. Health insurance plan – In 2019, the renewal date of the Blue Cross Blue Shield of Texas (BCBS of TX) health insurance plan was changed to October 1<sup>st</sup> each year to provide the Personnel Committee with the opportunity to review any benefits adjustments and/or premium changes prior to the renewal date. The following tables summarize the benefits, current premiums, quoted renewal premiums under the plan. Additional health insurance plans have been provided by the TLHIGA’s broker and will be discussed during the Committee meeting.

Plan #	Plan Type	Individual Deductible In/Out	Office Copay	Coin % In/Out	Individual Out of Pocket Max In/Out	Pharmacy Copays
G653CHC	Gold	\$1,500/\$3,000	\$30/\$50	80%/60%	\$6,000/Unlimited	See below

Specialty Office Visits Copay	Urgent Care Center Copay	Monthly Premium	Annual Premium
\$60	\$60	\$ 2,754.66 Renewal Quote of \$ 3,056.08	\$ 33,055.92 Renewal Quote of \$ 36,672.96

	Tier 1 Preferred Generic	Tier 2 Non-Preferred Generic	Tier 3 Preferred Brand	Tier 4 Non-Preferred Brand	Tier 5 Preferred Specialty	Tier 6 Non-Preferred Specialty
Pharmacy (in-network)	\$10	\$20	\$70	\$120	\$150	\$250

2. Dental insurance plan – The dental insurance plan is provided through a group policy with Lincoln National Life Insurance Company under which the TLHIGA pays 100% of the employee premium. The current rate is \$45.55 monthly per employee for a total annual premium cost to the TLHIGA of \$1,639.80. The renewal quote premium rate is \$47.37 monthly per employee for a total annual premium cost of \$1,705.32, a 3.99% increase. Additional dental insurance plans have been provided by the TLHIGA’s broker and will be discussed during the Committee meeting. The current PPO dental plan provides:
  - ❖ Calendar Year deductibles of \$50 per individual/\$150 per family
  - ❖ X-rays covered at 100%
  - ❖ Fillings, periodontics, and endodontics are covered at 80% after the deductible
  - ❖ General anesthetics, crowns, bridges and dentures are covered at 50% after the deductible
  - ❖ Annual maximum benefit is \$1,500
  
3. Long Term Disability insurance - The TLHIGA pays for a long-term disability policy for each employee provided through Lincoln National Life Insurance Company. The policy pays 60% of salary with a maximum monthly benefit of \$10,000 after a 90-day elimination period. The current monthly premium for all employees totals \$163.91 for a total annual premium cost to the TLHIGA of \$1,966.94. The premium rate and benefits in the renewal quote are unchanged from the current.
  
4. Term Life and AD&D insurance – The TLHIGA carries a group term life policy for all employees, also through Lincoln National Life Insurance Company, which pays two times the employee’s salary up to a maximum of \$250,000 benefit. The current monthly premium for all employees totals \$205.18 for a total annual cost to the TLHIGA of \$2,462.14. The premium rate and benefits in the renewal quote are unchanged from the current.
  
5. 401(k) plan matching and vesting schedule – The TLHIGA has a 401(k) safe harbor retirement plan. An employee becomes eligible to participate in the plan on the next enrollment date after six months of employment. Enrollment dates are January 1, April 1, July 1 and October 1. Effective January 1, 2016, the TLHIGA began making a non-discretionary contribution of 4% of an employee’s annual salary, irrespective of whether the employee makes any contribution, and then matching 50% of the first 6% an employee’s contribution. If an employee contributes 6% of salary, the TLHIGA contributes a total of 7%, 3% of which is matching. An employee is always 100% vested in his/her contributions and employer contributions are vested in the following manner:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 but less than 2 years	20%
2 but less than 3 years	40%
3 but less than 4 years	60%
4 but less than 5 years	80%
5 years or more	100%

6. 457(b) Retirement Plan – In 2018, the Board of Directors accepted the Personnel Committee’s recommendation to implement a 457(b) retirement plan for the Executive Director. The discretionary annual contributions to the plan are detailed in the Executive Employment and Deferred Compensation Contract for the Executive Director (“EEDCC”) and are dependent the Executive Director meeting specific performance measures based on the combined ratings in each category of the Executive Director’s annual job performance evaluation by the Board of Directors. The discretionary, annual payment is limited to the maximum annual amount permitted by the Internal Revenue Service.
7. Annual accrual and carryover of sick, vacation and personal leave - Each employee accumulates 8 hours per month of sick leave and may carry an unlimited amount of sick leave at the end of the calendar year. Vacation leave is accumulated based on the years of service for each employee. Until the end of the second year of service, the employee accumulates 8 hours per month. After the second year and until the fifth employment anniversary, an employee accumulates 9 hours per month. After five years of service, an employee accumulates 10 hours of vacation leave each month. An employee may carry over up to 40 hours of vacation leave at the end of the calendar year. In addition, each employee is offered two paid personal leave days each calendar year. Unused personal leave cannot be carried over.
8. Paid holidays annually – The TLHIGA’s offices are closed and the employees are paid for eleven days of holiday leave each calendar year.
9. Parking – The TLHIGA provides garage parking for all employees (\$155 monthly for each employee).
10. The TLHIGA provides a Health Reimbursement Arrangement that defines the expenses eligible for reimbursement to include out of pocket expenses, copayments and deductibles under the medical insurance and dental insurance plans, including copayments for prescription drugs, and to allow 50% of the unused portion of an annual \$1,500 reimbursement amount to be rolled over at year-end into the next year up to a maximum accrual balance of \$4,500.

### **Item 3**

Consideration and possible action on filling the vacancy of a newly created staff position



July 26, 2021 Personnel Committee Meeting

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### **FILLING THE VACANCY OF A NEWLY CREATED STAFF POSITION**

Executive Director Bart Boles developed a long-range staffing plan in response to the volume of specific TLHIGA activities and preferred methods for handling obligations to covered policyholders. In this plan, a new position was developed that required customer service and basic accounting skills.

A job description for this new position was developed and provided to the consultant that conducted a compensation study for the TLHIGA in September 2020. A market comparable salary range was developed. This range has been adjusted for the 2021 Cost of Living established by the Social Security Administration.

Discussions have been held with a temporary employee firm previously used by the TLHIGA regarding the skill set requirements and job expectations for this new position. Potential temporary employees are being evaluated with the intention of starting a temporary employee the first week of August. This process should ensure an individual can perform the duties of the position and fits with the rest of the TLHIGA staff before any employment offer is extended.

## **Item 4**

Consideration and possible action on elements of the Executive Employment and Deferred Compensation Contract with the Executive Director



## **ELEMENTS OF THE EXECUTIVE EMPLOYMENT AND DEFERRED COMPENSATION CONTRACT FOR THE EXECUTIVE DIRECTOR**

The Board of Directors negotiated and implemented the Executive Employment and Deferred Compensation Contract for the Executive Director (“EEDCC”) in 2018. Under the EEDCC, the Personnel Committee has certain obligations. The following EEDCC elements will be addressed by the Personnel Committee at its January 11, 2022 meeting. They are mentioned here to allow the Committee to prepare for these responsibilities and identify any information needs in advance.

### Annual Performance Review of the Executive Director

Section 2 of the EEDCC contains the following language related to the annual performance evaluation of the Executive Director:

The Personnel Committee shall at its first meeting following receipt of such report [of the Board Counsel’s compilation of the comments and numerical average rating on each of the performance factors in the Executive Director’s annual job performance questionnaires by all Board members] review all findings in the report to assure compliance with this Contract.

Board Counsel Shelby Baetz will distribute the form to evaluate the performance of the Executive Director to all Board members in December 2021. Ms. Baetz will collect the individual responses and assemble a compilation of the evaluations. This compilation and the Executive Director’s self-evaluation will then be confidentially distributed to the Committee and the full Board of Directors in advance of the January 11 and 25, 2022 meetings, respectively. The Committee will review the compilation and the self-evaluation during the confidential Executive Session of its January 11, 2022 meeting.

### Other Employment and Activities Engaged in by the Executive Director

Section 2 of the EEDCC, in addition to the Committee’s responsibilities related to the Executive Director’s annual performance review, requires the Committee to “review any other employment or activities engaged in by the Executive Director for which approval is required pursuant to Section 7 of this Contract to confirm that such other employment or activities are not interfering with the Employee’s ability to perform his job functions and duties.”

These activities, if any, will be discussed by the Committee during its July 26, 2021 and January 11, 2022 meetings.

## Compensation

The EEDCC contains various automatic and discretionary compensation elements; two that are automatic (COLA and Longevity) and one discretionary item (457(b)).

- Cost of Living Adjustment (“COLA”) - Section 3(A) of the EEDCC reads, “From January 1, 2022 until January 1, 2023 (“Year 5”), the Employee’s annual base salary shall be the sum of Year 4 Salary, plus the product of the percentage equal to the COLA applicable to Social Security general benefits for Year 5 multiplied by the Year 4 Salary.” Mr. Boles will follow the annual process to monitor the Social Security Administration’s release of the COLA adjustment, if any, for the coming calendar year. Mr. Boles will then report this information to the Personnel Committee via email prior to implementation of any COLA on January 1, 2022. The recent projections of the possible 2022 COLA indicate it could be 5.3%.
- 457(b) Payment – Section 3(B) of the EEDCC contains two items related to the annual 457(b) payment. The two paragraphs related to these items are as follows:

During the period from January 1, 2018 until January 1, 2027, the Employer shall make pursuant to Section 457(b) of the United States Revenue Code (“Section 457(b)”) payments to the Employee provided that the Employee remains serving as the Executive Director of the TLHIGA on the applicable payment date, has complied with all terms and conditions of this Contract for the calendar year preceding the calendar year of such payment date, has received at least an average rating of 4 for all job performance factors combined for his annual performance review for the evaluation period immediately prior to such payment date, and the annual audit of the TLHIGA’s financial statements for the calendar year preceding the calendar year of such payment did not reveal material misstatements or significant deficiencies.

[Schedule of Annual Payments each January intentionally not displayed]

If the maximum annual contribution amount permitted under Section 457(b) increases above \$18,500 for any year after 2018, the Board has the discretion, but not the obligation, to fund up to the new maximum amount for such year with the result that one or more of the annual payments described above, and the aggregate amount of all nine annual 457(b) payments, could be increased.

Mr. Boles will follow the annual process to monitor the Social Security Administration’s disclosure of the 457(b) contribution limit for 2022 and report that to the Committee. During the Executive Session of its January 11, 2022 meeting, the Committee will discuss and prepare a recommendation to the full Board of Directors whether any amount greater than \$18,500 should be contributed to the 457(b).

- Longevity Incentive Payment - Section 3(B) of the EEDCC Provides for three (3) longevity incentive payments to the Executive Director if he has complied with all terms and conditions of the EEDCC. The next longevity payment is not scheduled until December 2023 so no action of the Committee will be required until July 2023.

## **Item 5**

Consideration and possible actions on TLHIGA management and staff training during 2021



July 26, 2021 Personnel Committee Meeting

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## **MANAGEMENT AND STAFF TRAINING DURING 2021**

Section 16 of the TLHIGA’s Board of Director’s Corporate Governance Guidelines (“the Guidelines”) requires the Executive Director to make an annual report to the Board of Directors regarding the TLHIGA’s program for management and staff training and development. In order to permit the full exploration of training opportunities, the training already received and still planned for 2021 will be reviewed with the Personnel Committee.

The COVID-19 pandemic has limited attendance at previously planned, in-person training events, so online opportunities are being explored.

### TRAINING TAKEN DURING 2021

#### Insolvency and Guaranty Association Issues

Several training opportunities on issues specifically oriented to the TLHIGA’s insolvency work, specific line of business issues, and marketplace activities.

- IAIR Insolvency Workshop (February) – Bart Boles & Jarett Terry
- IAIR Issues Forum (three to date) – Bart Boles
- Six ILTCI Sessions on Various Long-Term Care Issues – Bart Boles
- HIPAA Update – Bart Boles
- Examining the State of the Long-Term Care Insurance Hybrid Market – Bart Boles
- NOLHGA’s Legal Seminar – Bart Boles & Jarett Terry
- CliftonLarsonAllen Webinar – Jarett Terry

#### General Office and Communication Skills

Cybersecurity Training (malware, passwords, public-wifi use, ransomware, etc.) – All staff

### REMAINING TRAINING DURING 2021

- Website Design and Maintenance – Topping Haggerty
- 1099 Training – Jarett Terry

## **Item 6**

Consideration and possible action regarding the Committee's Charter



## **REVIEW OF THE CHARTER OF THE PERSONNEL COMMITTEE**

The Personnel Committee annually reviews its Charter to assess whether it adequately reflects all the activities and responsibilities. Since its initial adoption, the Charter has been revised as follows:

1. A change in 2011 to reflect the legislative change of the TLHIGA's name,
2. A change in 2016 regarding the role of the Committee in the annual evaluation of the Executive Director, and
3. A change in 2018 that involved adjusting the timing of the Committee's annual performance evaluation of the Executive Director to coincide with the calendar year evaluation period used for all other TLHIGA staff.

Management has no recommended changes for the Committee to consider.

The current version of the Personnel Committee Charter is included on pages 6-2 and 6-3.



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**Board of Directors  
Charter of the Personnel Committee  
Amended and Restated July 31, 2018**

**I. Purpose**

The Personnel Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities in respect of personnel and employees of the Association. This Charter does not alter the provisions of the Association's Act, Bylaws, Plan of Operation, Policies and Procedures, the Texas Open Meeting Act, or the Texas Public Information Act. The Personnel Committee's primary responsibilities are to:

- Ensure the Board of Directors conducts an annual performance review of the Executive Director, and make recommendations to the Board of Directors regarding Executive Director's compensation and benefits.
- Consider and review benefits to be provided to Association employees.
- Monitor training initiatives of Association management and staff as required by Association policies or the Board of Directors.

**II. Committee Composition and Meetings**

The Personnel Committee shall be comprised of three or more directors, each of whom shall be free from any relationship that would interfere with the exercise of his/her independent judgment. All members of the Committee shall have a basic understanding of management of employees, and at least one member of the Committee should have personnel management experience.

The chair and members of the Personnel Committee shall be appointed by the Board of Directors. If the chair or a committee member is absent from a committee meeting, the Board Chair may appoint a temporary, substitute chair or member in accordance with the Bylaws.

The Committee shall meet at least once annually, or more frequently as circumstances dictate. The Personnel Committee Chair shall prepare and/or approve an agenda in advance of each meeting. Written materials shall be received from management and others, if appropriate, in advance of meeting dates. Personnel Committee members are responsible

for reviewing written materials in sufficient depth before a meeting in order to meaningfully participate in Committee dialogue.

Unless other arrangements are made, the Personnel Committee requires Association management, the Association's counsel, and Board counsel to attend all meetings of the Committee. The Committee may request other professionals to attend a Committee meeting, or to meet with any members of, or consultants to, the Committee. The Personnel Committee shall report to the Board of Directors after each meeting and shall make recommendations, as necessary, to the Board of Directors. The Personnel Committee only has the power to act on behalf of the Board of Directors with specific prior approval granted in a resolution of the Board.

### **III. Responsibilities and Duties**

1. Annually solicit performance evaluation information of the Executive Director from all Directors, and provide a compilation evaluation report to the Board of Directors for consideration at the Committee's first meeting of the calendar year, usually January or February, and make recommendations for the Executive Director's compensation and benefits at the next Board of Directors meeting.
2. Review and recommend to the Board benefits for Association employees.
3. Monitor and recommend to the Board training for Association management and employees.
4. Make recommendations to the Board as necessary regarding personnel or employment matters.
5. Perform any other activities consistent with this Charter, the Association's Act, Bylaws, Plan of Operation, Policies and Procedures, the Texas Open Meetings Act, and the Texas Public Information Act, and as the Personnel Committee and Board of Directors deem necessary or appropriate.
6. Maintain minutes of meetings and report to the Board of Directors on significant results of the foregoing activities.
7. Review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval.

## **Item 7**

### Executive Session

- A. Discussion of the confidential elements of the Executive Employment and Deferred Compensation Contract for the Executive Director
- B. Advice from Counsel

## **Item 8**

Consideration and possible action on items discussed in Executive Session

## **Item 9**

Consideration and possible action regarding the Committee's 2021  
Calendar of Activities and next meeting date



July 26, 2021 Personnel Committee Meeting

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**COMMITTEE'S 2021 CALENDAR OF ACTIVITIES  
AND NEXT MEETING DATE**

Included on pages 9-2 and 9-3 are the portions of the 2021 Calendar of Activities relating to the Personnel Committee's meeting dates, agenda items, related activities and completion dates. The tentative meeting dates and agenda items are subject to change at the Committee's discretion. The items shown in red are specific responsibilities for the Personnel Committee Chair.

Based on the Committee's current activities, we have tentatively scheduled the next Committee meeting for 9 AM Central on **Monday, January 11, 2022.**

2021 Calendar of Activities (PERSONNEL COMMITTEE) updated as of 7/16/21

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
4	PER		1/13/2021 9:00 AM virtual meeting	<b>Personnel Committee Meeting</b> - Review of prior meeting's minutes - Review of benefits, compensation and training components in 2021 Operating Budget - Evaluation and possible action on possible adjustments to Health Reimbursement Arrangement - Evaluation and possible action on draft TLHIGA Compensation Philosophy - Review of all directors' performance evaluations of the Executive Director - Evaluation and possible action on elements of Executive Employment and Deferred Compensation Contract with the Executive Director - Review and possible action on RFP to engage employment counsel - Review and possible action on remote working policy - Annual review of Committee's Charter	1/13/21
8	BOD A-I PER CORP GOV	CH CH CH CH	1/26/2021 8:30 AM virtual meeting	<b>Board of Directors Meeting</b> Consideration and possible action on the following: - COVID-19 Response Plan update - Election of Officers - Appointment of Committee Chairs and Members - CORP GOV CHAIR will report on the initial meeting of the Texas Department of Insurance letter on corporate governance best practices - Renewal engagements of Board Counsel and General Counsel - A-I COMM CHAIR will report on the Committee's discussions regarding the necessity for Class A and Class B assessments and credit refund in 2021 and possible adjustments to the 2020 Class A assessment - PERS COMM CHAIR will report on the Committee's compilation of all directors' performance evaluations of the Executive Director, compliance requirements under the EEDC contract with Executive Director; remote working policy, and engagement of an employment counsel - Review of the compilation of Board of Directors self-evaluations - Executive Session - Reports on specific insolvencies - Adoption of 2021 Operating and Capital Expenditure Budgets - Regular operational and financial approvals (minutes, NOLHGA invoice, future meetings, etc.)	1/26/21
29	PER	CH	6/30/21	<b>PERS COMM CHAIR</b> and counsel will be provided the draft agenda for the July 12, 2021 Committee meeting for review with the Executive Director to determine the order of the items and whether additional items should be added or deleted.	6/28/21
33	PER		7/26/2021 9:00 AM virtual meeting	<b>Personnel Committee Meeting</b> - Review the non-salary benefits provided to TLHIGA employees, including renewal of employee insurance benefit plans - Review filling the vacancy of a newly created staff position - Review elements of the Executive Director's Executive Employment and Deferred Compensation Contract - Review the training for employees for the year to date and planned training for the remainder of the year - Meet in Executive Session for the Committee to discuss confidential personnel matters and receive advice from counsel - Review the Committee's Charter	

2021 Calendar of Activities (PERSONNEL COMMITTEE) updated as of 7/16/21

Activity Reference No.	Board, Committee or Executive Director (BOD, A-I, PER, AUD, LEG or ED)	Chair - CH (If applicable)	Activity Target Date	Activity Description	Date Completed
35	BOD A-I PER	CH CH CH	7/27/2021 8:30 AM virtual meeting	<p><b>Board of Directors Meeting</b></p> <p><b>A-I COMM CHAIR</b> will provide a report to the Board of Directors that includes the following:</p> <ul style="list-style-type: none"> <li>- Collection of the March 2021 Class A assessment</li> <li>- Necessity for a Class B assessment or credit refund in 2021</li> <li>- Any recommended revisions to the Investment Policy</li> <li>- Any recommended changes to investments</li> <li>- Any recommended actions regarding the Morgan Stanley corporate resolutions for authorized persons and client agreement</li> <li>- Any recommended changes to the A/I Committee Charter</li> </ul> <p><b>PERS COMM CHAIR</b> will provide a report to the Board of Directors that includes the following:</p> <ul style="list-style-type: none"> <li>- Any actions on the benefits provided to TLHIGA employees</li> <li>- Filling the vacancy for a newly created staff position</li> <li>- Any recommended changes to the Personnel Committee Charter</li> </ul> <p>Review of IRS Form 990 Regular operational and financial approvals (i.e. minutes, NOLHGA invoice, future meetings, etc.)</p>	
47	PER	CH	11/1/21	<p><b>PERS COMM CHAIR</b> will ask Board Counsel, Shelby Baetz, to distribute the blank Executive Director performance evaluation form to all Directors and to the Executive Director. <b>The completed evaluation forms must be returned to the Board Counsel</b></p>	
50	PER	CH	12/20/21	<p><b>PERS COMM CHAIR</b> will review the draft agenda for the January 11, 2022 Committee meeting with the Executive Director to determine the order of the items and whether additional items should be added or deleted.</p>	