

# October 27, 2023

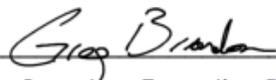
## Board of Directors Meeting Minutes

A Board of Directors 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

The following subjects will be discussed or considered and may be subject of formal action by the Board.

<b>October 27, 2023</b>	
<b>Board of Directors Meeting Agenda</b>	
Item 1. Call to Order and Establishment of a Quorum	Garrett Sprowls, Board Chair
Item 2. Discussion and Appropriate Approval of September 22, 2023 Board Meeting Minutes	Garrett Sprowls, Board Chair
Item 3. Discussion and Appropriate Action - 2024 Budget	Donna Aug, Director of Finance
Item 4. Adjournment	Garrett Sprowls, Board Chair

  
Greg Brandon, Executive Director  
By delegation from Chair of the  
Board

## **Item 1. Call to Order**

Garrett Sprowls, Chair of the Board of Directors, called the meeting to order on October 27, 2023 at 10:01 A.M.

Meeting was held in-person. A conference call-in number was provided in the Public Meeting Notice. Written notice of this meeting and related agenda was provided to the Board of Directors and submitted for publication to the Office of the Secretary of State on December 6, 2023, in accordance with the Plan of Operation, Section 2(c)(2) for publication in the Texas register in accordance with the Texas Open Meetings Act. All board members were notified on November 14, 2023.

Sprowls called roll to determine participation pursuant to the Plan of Operation Section 2(c)(6):

### **BOARD OF DIRECTORS PRESENT**

Garrett Sprowls, Board Chair  
Jeff Klein – via Video  
Jason Cables – via Video  
Leslie Milvo – via Video  
Bart Koch – via Video  
Lezlee Liljenberg – via Video  
Esequiel Nathal – via Video

### **BOARD MEMBERS NOT PRESENT**

Penni Chambers  
Pete Harrison

### **ALSO, PRESENT**

Greg Brandon, Executive Director, SLTX  
Donna Aug, Director of Finance, SLTX  
Cheyenne Herrera, Director of Operations, SLTX  
Sholonda Stone, Director of ITS, SLTX  
Denisse Amezcuita, Director of Human Resources, SLTX  
Marissa Gamez, Administrative Assistant, SLTX  
Stan Strickland, General Counsel, Mitchell Williams, Selig, Gates & Woodyard, PLLC – via Video  
Paul Rainey, TSLA Liaison – via Audio  
Barbra Hernandez, Office of Financial Counsel, Texas Department of Insurance  
John Carter, Office of Financial Regulation, Texas Department of Insurance – via Audio  
Shirley Bowler, Member of the press with TSLR – via Audio

### **SLTX Staff Members Also in Attendance**

Toby Pick, Operations Manager, SLTX  
Sharmilla Subedi, SLTX – via Audio  
Christian Robinson, SLTX  
Nicholas Butler, SLTX  
Angela Gonzales, SLTX  
Ariel Rosario, SLTX – via Audio  
Dalton Moore, SLTX – via Audio  
Nathan Onks, SLTX – via Audio  
Shantell Jackson, SLTX – via Audio

Porschea Jeffries, SLTX – via Audio

Minutes are taken by SLTX Staff.

The following administrative housekeeping announcements before moving forward with the agenda:

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. We will not have a public comments session. Public and media attendees should mute lines.
3. Representatives of state agencies and members of the public are welcome to observe or record the meeting but refrain from asking questions or interjecting comments.
4. State personnel present may be asked questions if questions are 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 September 22, 2023, Meeting Minutes**

All Board members were provided a copy of the September 22, 2023 Meeting Minutes. Sprowls asked if there were corrections or comments related to the minutes.

There being no comments or discussion, Sprowls requested a motion to approve the September 22, 2023 minutes.

**MOTION:** Jeff Klein

**SECOND:** Esequiel Nathal

**TEXT OF MOTION:** The motion passed unanimously.

### **Item 3. Discussion and Appropriate Action: Proposed 2024 Budget**

Mr. Sprowls opens the floor to Donna Aug, Director of Finance, to present this item.

Ms. Aug begins budget presentation and states that revenue decreased \$5,178,500 due to the stamping fee percentage being lowered from .075% to .04%. This projection takes into account the timeline in which the decreased fee will be actually realized.

Salaries and benefits line decreased \$50,837 due to actual health insurance renewals coming in lower than originally budgeted. G&A decreased \$2,004 in interest expense as our capitalized leases were fine tuned for a more accurate projection. Accordingly, Contingency decreased .5% or \$264.

Bottom line went from a projected net income of \$3,837,167 to a projected loss for the year of \$1,288,228, a swing of (\$5,125,395)

Sprowls asks if there is any further discussion or questions. Jeff Klein adds comment that the numbers have been analyzed and the approach appears rational with respect to the stamping fee and looks to be appropriate.

Sprowls asks Ms. Aug if she has a recommendation for a Board motion. Ms. Aug makes the following recommendation per text of motion below.

**MOTION:** Jason Cables

**SECOND:** Leslie Milvo

**TEXT OF MOTION:** Recommend the Board approve the Proposed 2024 Budget for the Surplus Lines Stamping Office of Texas as presented.

The motion passed.

**Item 4. Adjournment**

There being no other business before the Board, Mr. Sprowls asks for a motion to adjourn.

**MOTION:** Jeff Klein

**SECOND:** Jason Cables

**TEXT OF MOTION:** The motion is approved, and meeting adjourned at 10:12 A.M.

*Leslie Milvo*

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Leslie Milvo, Secretary