TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Minutes of the Executive Committee Meeting

July 30, 2012
William P. Hobby Jr. Building, 333 Guadalupe Street
Tower II, Conference Room II-350L
Austin, TX 78701
9:00 a.m. until Completion

1. **Call to Order**
Chair Alfred Vidaurri called the meeting of the Executive Committee for the Texas Board of Architectural Examiners to order at 9:00 a.m.

2. **Roll Call**
Chase Bearden, Secretary/Treasurer, called the roll.

Present	
Alfred Vidaurri, Jr.	Chair
Charles H. (Chuck) Anastos	Vice-Chair
Chase Bearden	Secretary/Treasurer
Bert Mijares	Member
TBAE Staff Present	
Cathy L. Hendricks	Executive Director
Scott Gibson	General Counsel
Glenda Best	Executive Administration Manager
Kenneth Liles	Finance Manager
Christine Brister	Human Resources/Staff Services Officer
Glenn Garry	Communications Manager
Katherine Crain	Legal Assistant
Audience Present	
Michelle Downie	Sunset Commission

3. **Public Comment**
None

4. **Approval of minutes of the August 1, 2011, meeting of the Executive Committee**

A MOTION WAS MADE (Anastos/Mijares) TO APPROVE THE MINUTES OF THE AUGUST 1, 2011, MEETING OF THE COMMITTEE. THE MOTION PASSED UNANIMOUSLY.

5. **Review Fiscal Year 2012 Operating Budget, proposed budget for Fiscal Year 2013, and develop Fiscal Year 2013 budget recommendation to the full Board**

The Executive Director outlined expenditures and revenues for Fiscal Year 2012 and noted they are very close to budgeted amounts. The Executive Director noted revenue from the item

"licensing/fees" were 100.5% of budgeted projections from the start of the year. Collections from enforcement penalties are 81% of budgeted projections. The Executive Director reported that total revenues to date are 97.7% of the budgeted amount. The Executive Director also outlined each line item under actual expenditures as a percentage of budgeted expenditures. Mr. Mijares asked about the savings derived from publishing the agency newsletter exclusively in an electronic format. The Executive Director reported the change saves roughly $18,000 per year. The Executive Director noted the agency's Statewide Cost Allocation Plan ("SWCAP") payment increased by 38% which was not an anticipated increase in the budget. Mr. Anastos asked how the agency is covering that cost and the Executive Director stated it was covered by unexpended allocations to other line items in the budget.

The Executive Director laid out the proposed budget for Fiscal Year 2013. The Committee discussed the charges the agency pays per transaction to cover the cost of providing an online registration renewal system. The Executive Director reported that the agency budgeted for that cost in the Fiscal Year 2013 budget. The Committee inquired about recovering that fee from those who use the online system or raising fees to cover that cost. The Executive Director noted revenue increases will have to be a subject for Board discussion in the near future. The Executive Director noted that the agency is currently undergoing Sunset review. Under the Sunset Occupational Licensing Model Law, enforcement penalties for an agency are transferred to the General Revenue Fund. Under the Sunset model, agencies do not operate on the moneys received from enforcement penalties. The Executive Director observed that the agency anticipates the Sunset Commission will recommend that agency's enforcement penalties be transferred to General Revenue and will no longer be a source of revenue for upcoming budgets. The Executive Director noted this will be a negative fiscal impact of $75,000-$100,000 per year. Mr. Anastos asked if the Legislature will consider reducing the amount the agency currently pays into General Revenue in light of the additional moneys it will pay as enforcement penalties. The Executive Director stated it seems unlikely but the agency will communicate that recommendation to the Sunset Commission.

The Executive Director also noted that the Board currently requires registration of businesses that offer or provide regulated professional services. The agency maintains a business registration program but does not recover the cost of that program. In light of the reduction of other revenues, the Board might in future consider charging for this and other agency operations for which costs are not recovered. The Committee members observed many other states charge for business registration.

The Executive Director laid out other aspects of the proposed Fiscal Year 2013 budget, emphasizing its differences from the 2012 budget. The Executive Director noted an adjustment to projected revenue to reflect anticipated lower interest earnings and fewer public information requests. Adjustments to payroll-related costs, reduced travel expenses, and lower anticipated expenditures for professional fees are also made in the proposed 2013 budget. In recent years, expenditures for expert witnesses in litigation drove up professional fee expenditures but that litigation is concluded and it is not anticipated those costs will be as high in Fiscal Year 2013.

The Chair inquired about the line item for IT upgrades and asked if that is the cost of migrating from servers to the cloud. The Executive Director reported that it included migrating to the cloud

as well as replacing equipment. The agency has postponed replacing monitors and other equipment for 3 years. As a result, some equipment is overdue for replacement. The Executive Director also noted that the agency anticipated transferring to the cloud by next February. Mr. Anastos asked if new staff would be required for IT. The Executive Director stated she would like that flexibility as she is currently the Information Resource Manager but she would like the option to fill that position sometime after the legislative session. The Executive Director distributed handouts explaining the cost-savings and benefits of moving to the cloud. The information described long-term IT strategies to Fiscal Year 2017.

The Committee asked if other agencies are moving to the cloud. The Executive Director stated DIR is and others are considering it. The Chair and other Committee members expressed some concern about the Executive Director serving as the agency IRM, as IT is not the Executive Director's background or job function.

A MOTION WAS MADE (Anastos/Bearden) TO APPROVE THE BUDGET FOR PRESENTATION TO THE BOARD. AN AMENDMENT TO THE MOTION WAS MADE (Anastos/Bearden) TO INCLUDE AN ADJUSTMENT FOR STAFF TRAINING AND TRAVEL IN ORDER TO COMMUNICATE HB 2284 AND FOR HIRING AN ADDITIONAL IT PERSON. THE MOTION PASSED UNANIMOUSLY.

The Committee took a break at 10:00 a.m. and reconvened at 10:21 a.m.

6. Review of the agency's Draft FY 2013-2017 Strategic Plan

The Communications Manager discussed the proposed draft of the 2013-2017 Strategic Plan for the agency and gave the committee background on the purpose of the strategic plan. The plan is statutorily required and must be adopted every 2 years. The Communications Manager laid out the process for the staff to propose the plan to the Executive Committee for deliberation and eventual recommendation to the Board for adoption. The Communications Manager outlined the process by which the plan was developed, the incorporation of agency performance measures for each statutory function of the agency. He noted that the new measures were reviewed by an outside vendor who determined they are valid and that programming complies with the measure definitions.

The Chair asked about the agency's vision statement. The Communications Manager stated the Strategic Plan includes the mission statement from the pre-existing strategic plan. The agency's mission and statutory functions have not changed so it seemed unnecessary to change the mission statement.

The Chair also noted a matter within the Workforce Plan in the Strategic Plan regarding employment demographics, workforce strategies and a survey of employee engagement. The Chair noted a diminished employee satisfaction score was reported to be an outcome of the 2011 legislative session. The Chair cautioned against implying what might have caused a lower score is an "outcome" of the session. The Human Resources Officer stated the language will be changed.

The Committee requested the Communications Manager to add agency outreach to building officials and municipalities regarding the implementation of HB2284 as an element of the agency's communications strategy.

A MOTION WAS MADE (Anastos/Mijares) TO APPROVE THE DRAFT OF THE AGENCY'S STRATEGIC PLAN FOR 2013-2017, AS MODIFIED, AND REPORT IT TO THE BOARD FOR CONSIDERATION AND ADOPTION. THE MOTION PASSED UNANIMOUSLY.

The Committee took a break at 10:30 a.m. and reconvened at 10:35 a.m.

The Committee recessed the Open Meeting and Convened in Closed Meeting at 10:36 a.m. pursuant to Section 551.074, Texas Government Code, to deliberation upon the performance evaluation of the Executive Director. The Committee reconvened in Open Meeting at 12:21 p.m.

The Chair reported that the Executive Director's performance evaluation score was 728.25. The Chair reported that recommended goals were developed for the Executive Director in the upcoming reporting period.

A MOTION WAS MADE (Mijares/Anastos) TO REPORT TO THE BOARD THE COMMITTEE'S PERFORMANCE EVALUATION, RECOMMENDED GOALS, AND TO RECOMMEND TO THE BOARD THAT THE EXECUTIVE DIRECTOR BE AWARDED A 6% SALARY INCREASE EFFECTIVE SEPTEMBER 1, 2012. THE MOTION PASSED UNANIMOUSLY.

The Chair thanked the Executive Director for a job well done over a particularly challenging year.

8. Adjourn

A MOTION WAS MADE (Anastos/Bearden) TO ADJOURN THE MEETING AT 12:24 p.m. THE MOTION PASSED UNANIMOUSLY.

ALFRED VIDAURRI, JR.
Chair