

TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Minutes of February 15, 2017 Budget Committee Meeting
William P. Hobby Jr. Building, 333 Guadalupe Street
Tower III, Conference Room 350-L
Austin, TX 78701
3:15 PM – 4:40 PM

AGENDA ITEMS

DESCRIPTIONS

1. Call to Order

Mr. Anastos acted as Chair and called the meeting to order at 3:16 p.m.

2. Roll Call

Mr. Anastos called the roll and declared a quorum of the Committee.

Present Committee Members

Chuck Anastos	Architect Member
Robert (Bob) Wetmore	Architect Member

Excused Absence

Paula Ann Miller	Chair – Public Member
------------------	-----------------------

TBAE Staff Present:

Julie Hildebrand, Executive Director
Kenneth Liles, Finance Manager

3. Public Comment

None.

4. Discussion of state-wide budgetary issues effecting the drafting of the FY18 budget

Ms. Hildebrand discussed how the budget was developed last year and requested Committee members to give their input on any desired changes to the process.

Ms. Hildebrand presented three alternatives for budget development. Last year, the proposed budget went before the full Board in May for the Board to consider and make any recommended changes, and then it was voted on in August. Previously, only the budget committee looked at the budget in May, and then the full Board voted in August. The third option would be for both the committee and the full Board to review the budget in May, and then vote in August.

Ms. Hildebrand discussed the relevant bills that had been introduced in the legislature as described on page 2 of the Committee's materials.

Ms. Hildebrand provided specific discussion on HB 114, relating to zero based budgeting, and how this concept can apply to the Board's budget process.

Mr. Anastos inquired about how specific the agency needs to be in developing the budget, and whether the agency would face pressure to cut staff if grandfathered RIDs are lost. Ms. Hildebrand stated that staff had to be justified every year and that a useful approach is to break staffing needs down by program. Ms. Hildebrand acknowledged that a loss

of registrants could lead to a loss of revenue, and that would impact agency decision making, but expressed hope that staffing could be left at current levels, which has already decreased over the years.

Mr. Anastos inquired if or when the Board would have to look at raising fees. Ms. Hildebrand stated that the very soonest the Board would be looking at that would be 2019, but that other options would be looking at the surplus fund balance. The Board discussed the surplus fund balance at length. The Board discussed the processes used to project future income and expenses, including the process of baby boomer retirement and resulting loss of registration fees.

Ms. Hildebrand also discussed the current hiring freeze that has been implemented for appropriated agencies, which is effective until September 1, 2017.

5. Review of the FY16 final budget and the FY17 1st quarter budget

Ms. Hildebrand discussed the FY 2016 final budget, and the budget figures for the first quarter of 2017.

Ms. Hildebrand noted that the agency had done its best to make acceptable cuts to the budget from FY16 to FY17, and that the current budget includes a \$93,902 draw-down from the reserve fund balance.

Mr. Anastos asked why the budget for FY17 had increased over FY16. Ms. Hildebrand stated that the agency hired another investigator and the contribution to the retirement system by the agency had increased from 6% of salaries to 9.5%.

6. Discussion of statistics and demographics effecting the drafting of the FY18 budget

Ms. Hildebrand and the Board discussed issues relating to the projections for the 2018 budget, including the aging population, testing statistics, decrease of the IDP hours, and plans for the reserve fund balance.

Mr. Anastos inquired about rental increases to the agency. Mr. Liles stated that the contract for rent has been the same for the past 5 years. Ms. Hildebrand explained that TFC has requested money from agencies in the Hobby Building for deferred maintenance in their LAR. These requests could impact the budget in the future.

Ms. Hildebrand notified the committee that the Real Estate Commission contacted her and inquired as to whether the agency would be interested in becoming a co-owner of a new building.

Mr. Anastos suggested forming an Office Building Committee to discuss future rental options for the agency.

7. Committee's instructions to staff

The Committee proposed for the committee to review the FY18 budget at the next Committee meeting followed by a full Board review at the June

regarding the drafting
of the FY18 budget

meeting. Subsequently, it would be presented to the full Board for
approval in August.

8. Chair's closing
remarks

No closing remarks, other than thank you for your service and time.

9. Adjournment

The Chair adjourned the meeting at 4:29 p.m.

APPROVED BY THE COMMITTEE:



08-JUNE-17

CHARLES (CHUCK) ANASTOS, Acting Chair for the Budget Committee
TEXAS BOARD OF ARCHITECTURAL EXAMINERS