

Budget Committee

Paula Ann Miller - Chair

Chuck Anastos

Bob Wetmore

**TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Budget Committee Meeting Agenda**

William P. Hobby, Jr. State Office Building
333 Guadalupe Street
Tower II, Conference Room 350-L
Austin, Texas

Thursday, June 8, 2017

11:00 AM – 12:00 PM

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of the February 15, 2017 Budget Committee Meeting Minutes
5. Review of the FY16 Final Budget and the FY17 2nd Quarter Budget
6. Staff Presentation of Initial Draft of FY18 Budget and Committee Direction to Staff
7. Discussion of Future Office Space Needs
8. Discussion of Possible Needs and Balance for Reserve Fund
9. Chair's Closing Remarks
10. Adjournment

Committee meetings may include a quorum of the Board in attendance

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:

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

**Texas Board of Architectural Examiners
Fiscal Year 2016 Budget With Servers**

	FY 2016 Approved Budget	FY 2016 Budget Actual through 8-31-16	FY 2016 Percentage Spent
Revenues:			
Licenses & Fees	2,601,504	2,627,982	101.02%
Business Registration Fees	75,000	101,769	135.69%
Late Fee Payments	120,000	120,120	100.10%
Other	2,500	5,781	231.26%
Interest	1,000	4,443	444.33%
<i>Potential Draw on Fund Balance</i>			
Total Revenues	2,800,004	2,860,095	102.15%
Expenditures:			
Salaries and Wages	1,456,300	1,400,386	96.16%
Payroll Related Costs	445,904	484,414	108.64%
Professional Fees & Services	36,000	18,055	50.15%
Travel			
Board Travel	30,000	19,355	64.52%
Staff Travel	18,000	17,125	95.14%
Office Supplies	12,000	5,185	43.21%
Postage	15,000	11,553	77.02%
Communication and Utilities	18,800	12,524	66.61%
Repairs and Maintenance	1,000	415	41.46%
Office Rental	78,000	51,000	65.38%
Equipment Leases--Copiers	10,000	7,728	77.28%
Printing	20,000	11,637	58.18%
Operating Expenditures	41,000	23,307	56.85%
Conference Registration Fees	4,000	4,076	101.89%
Membership Dues	20,000	20,425	102.13%
Staff Training	6,000	4,076	67.93%
SWCAP Payment	38,000	65,142	171.43%
Payment to GR	510,000	510,000	100.00%
IT Upgrades With Servers	40,000	42,107	105.27%
Total Expenditures	2,800,004	2,708,509	96.73%
Excess/ (Deficiency) of Rev over Exp.	-	151,586	

<i>Funding for 8 months</i>	1,866,483
<i>Excess Fund Balance</i>	847,913
Total Fund Balance	2,714,396

Administrative Penalties Collected	\$	131,444
General Revenue Collected	\$	129,000

**Texas Board of Architectural Examiners
Fiscal Year 2017 Budget With Servers**

	FY 2017 Approved Budget	FY 2017 Budget through 4-30-17	FY 2017 Percentage Spent
Revenues:			
Licenses & Fees	2,617,560	1,707,462	65.23%
Business Registration Fees	80,000	65,208	81.51%
Late Fee Payments	120,000	91,308	76.09%
Other	2,500	2,925	116.99%
Interest	2,000	4,357	217.87%
Potential Draw on Fund Balance	93,902		
Total Revenues	2,915,962	1,871,259	64.17%
Expenditures:			
Salaries and Wages	1,526,423	999,964	65.51%
Payroll Related Costs	525,897	348,298	66.23%
Professional Fees & Services	25,000	8,233	32.93%
Travel			
Board Travel	30,000	5,686	18.95%
Staff Travel	20,000	9,999	50.00%
Office Supplies	10,000	3,079	30.79%
Postage	13,000	5,040	38.77%
Communication and Utilities	13,000	8,010	61.62%
Repairs and Maintenance	1,000	218	21.75%
Office Rental	51,000	10,551	20.69%
Equipment Leases--Copiers	8,500	5,623	66.16%
Printing	15,000	2,251	15.01%
Operating Expenditures	30,000	21,193	70.64%
Registration Fees--Employee Training	11,000	4,349	39.54%
Membership Dues	21,000	19,110	91.00%
SWCAP Payment	65,142	68,302	104.85%
Payment to GR	510,000	339,966	66.66%
IT Upgrades	40,000	14,934	37.34%
Total Expenditures	2,915,962	1,874,806	64.29%
Excess/ (Deficiency) of Rev over Exp.	-	(3,548)	

Funding for 8 months	1,943,780
Excess Fund Balance	580,827.88
Total Fund Balance	2,524,608

Administrative Penalties Collected	\$	53,777
General Revenue Collected	\$	7,200

Revenues, Expenditures, Fund Balance by FY

