

Executive Committee Members

Alfred Vidaurri, Jr., Chair
Chase Bearden, Vice Chair
Sonya Odell, Sec/Treasurer
Paula Ann Miller

**TEXAS BOARD OF ARCHITECTURAL EXAMINERS (TBAE)
EXECUTIVE COMMITTEE MEETING AGENDA
William P. Hobby, Jr. State Office Building
333 Guadalupe Street
Tower II, Room 350-L (TBAE Large Conference Room)
Austin, Texas
Monday, July 29, 2013
9:00 a.m.**

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of minutes of the July 30, 2012 meeting of the Executive Committee (*Action*)
5. Review Fiscal Year 2013 Operating Budget, proposed budget for Fiscal Year 2014, and develop Fiscal Year 2014 budget recommendation to the full Board (*Action*)
6. Executive Director's presentation regarding performance (*Action*)
 - a. Executive Director's self-assessment of 2013 goals, accomplishments and areas for improvement
 - b. Executive Director's recommendation and review of an Executive Development Plan (EDP) for 2014.
7. Performance Evaluation of the Executive Director from August 1, 2012 through July 31, 2013 (*Action*)
 - a. Assessment of Executive Director's performance by numerical scoring
 - b. Adopt 2014 performance objectives.
8. Preparation of Executive Committee's conclusions and recommended evaluation of the Executive Director to be presented to the Board. (*Action*)
9. Adjourn

The Committee reserves the right to conduct business in closed session as allowed by §551.074, Texas Gov't Code, the Texas Open Meetings Act

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
Christine Brister	Human Resources/Staff Services Officer
Kenneth Liles	Finance Manager
Glenn Garry	Communications Manager
Katherine Crain	Legal Assistant

Audience Present

Michelle Downie	Sunset Advisory Commission
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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 action 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

Texas Board of Architectural Examiners
Fiscal Year 2013 Budget

	FY 2013 Approved Budget	FY 2013 Projected Rev. and Exp. Sept 1, 2012---Aug. 31, 2013	FY 2013 Actual Rev. Earned & Exp. as a Percentage
Total Beginning Fund Balance	1,929,608.13		
Revenues:			
Licenses & Fees	2,510,000.00	2,501,945.00	99.68%
Enforcement Penalties	75,000.00	75,000.00	100.00%
Late Fee Payments	215,000.00	210,000.00	97.67%
Other	5,000.00	3,000.00	60.00%
Interest	7,500.00	3,000.00	40.00%
<i>Draw on Fund Balance</i>	166,635.00	-	
Total Revenues	2,979,135.00	2,792,945.00	93.75%
Expenditures:			
Salaries and Wages	1,523,700.00	1,332,040.00	87.42%
Payroll Related Costs	392,220.00	368,560.00	93.97%
Professional Fees & Services	35,060.00	35,060.00	100.00%
Travel			
Board Travel	37,000.00	30,000.00	81.08%
Staff Travel (3)	28,000.00	23,000.00	82.14%
Office Supplies	15,000.00	15,000.00	100.00%
Postage	15,000.00	15,000.00	100.00%
Communication and Utilities	17,500.00	15,000.00	85.71%
Repairs and Maintenance	1,500.00	1,000.00	66.67%
Office Rental and Equipment Leases	60,910.00	60,910.00	100.00%
Printing	7,000.00	7,000.00	100.00%
Operating Expenditures	55,000.00	55,000.00	100.00%
Conference Registration Fees	7,000.00	7,000.00	100.00%
Membership Dues	21,000.00	21,000.00	100.00%
Fees for Receiving Electronic Payments	108,000.00	108,000.00	100.00%
Staff Training (4)	23,000.00	10,000.00	43.48%
SWCAP Payment	76,610.00	68,939.00	89.99%
Payment to GR	510,000.00	510,000.00	100.00%
Exceptional Items: IT Upgrades in 2013	45,635.00	45,635.00	100.00%
Total Expenditures	2,979,135.00	2,728,144.00	91.58%
Excess/(Deficiency) of Rev over Exp.	-	64,801.00	
<i>* Funding for 6 months</i>	1,489,567.50		
Ending Fund Balance	440,040.63		

Budget adjustments resulting from actions taken by the Executive Committee on July 30, 2012.

(1) Added \$80K for IT Mgr
(2) Added \$20K for IT Mgr

(3) Added \$3K for Travel
(4) Added \$18K for Staff Training

**TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Fiscal Year 2013 -- Scholarship Fund**

	FY 2013 Budget	FY 2013 Actual Expenditures Sept 1, 2012---Aug. 31, 2013	FY 2013 Remaining Budget
Operating Fund Beginning Fund Balance:	-	-	139,877.64
Adjusted Beginning Balance	-	-	-
Scholarship Fund Beginning Balance	165,377.64	165,377.64	
Total Beginning Scholarship Fund Balance	165,377.64	165,377.64	139,877.64
Expenditures:			
Operating Expenditures-Scholarship Payments		25,500.00	-
Total Expenditures		25,500.00	-
Excess/(Deficiency) of Rev over Exp.	165,377.64	139,877.64	-
Ending Reserve Fund Balance	165,377.64	139,877.64	139,877.64

Number of Scholarships Awarded

51

Frequency per Fiscal Year----January 31, May 31, and September 30

**TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Fiscal Year 2014 Budget (With Servers)**

	FY 2014 Proposed Budget	FY 2014 Actual Rev.
Operating Fund Beginning Fund Balance:	-	
Adjusted Beginning Balance	-	
Scholarship Fund Beginning Balance	-	-
Total Beginning Fund Balance	1,900,000.00	
Revenues:		
Licenses & Fees	2,455,356.00	0.00%
Business Registration Fees	67,500.00	0.00%
Late Fee Payments	75,000.00	0.00%
Other	1,000.00	0.00%
Interest	2,500.00	0.00%
Draw on Fund Balance		
Total Revenues	2,601,356.00	0.00%
Expenditures:		
Salaries and Wages (A)	1,394,330.00	0.00%
Payroll Related Costs	383,310.00	0.00%
Professional Fees & Services	40,000.00	0.00%
Travel		
Board Travel	30,000.00	0.00%
Staff Travel	23,000.00	0.00%
Office Supplies	15,000.00	0.00%
Postage	15,000.00	0.00%
Communication and Utilities	15,000.00	0.00%
Repairs and Maintenance	1,000.00	0.00%
Office Rental and Equipment Leases	60,910.00	0.00%
Printing	7,000.00	0.00%
Operating Expenditures	55,000.00	0.00%
Conference Registration Fees	7,000.00	0.00%
Membership Dues	21,000.00	0.00%
Credit Card Fees---Sep. only	9,000.00	0.00%
Staff Training	10,000.00	0.00%
SWCAP Payment	68,939.00	0.00%
Payment to GR	510,000.00	0.00%
IT Upgrades in 2014 with Servers	41,325.00	0.00%
Total Expenditures	2,706,814.00	0.00%
Excess/(Deficiency) of Rev over Exp.	(105,458.00)	

* Funding for 6 months	1,353,407.00	
Ending Fund Balance	441,135.00	

(A) Includes a state-mandated 1.0% raise and a .5% agency payment to ERS.

**TEXAS BOARD OF ARCHITECTURAL EXAMINERS
Fiscal Year 2014 Budget (Without Servers)**

	FY 2014 Proposed Budget	FY 2014 Actual Rev. Earned
Operating Fund Beginning Fund Balance:	-	
Adjusted Beginning Balance	-	
Scholarship Fund Beginning Balance	-	-
Total Beginning Fund Balance	1,900,000.00	
Revenues:		
Licenses & Fees	2,455,356.00	0.00%
Business Registration Fees	67,500.00	0.00%
Late Fee Payments	75,000.00	0.00%
Other	1,000.00	0.00%
Interest	2,500.00	0.00%
Draw on Fund Balance		
Total Revenues	2,601,356.00	0.00%
Expenditures:		
Salaries and Wages (A)	1,394,330.00	0.00%
Payroll Related Costs	383,310.00	0.00%
Professional Fees & Services	40,000.00	0.00%
Travel		
Board Travel	30,000.00	0.00%
Staff Travel	23,000.00	0.00%
Office Supplies	15,000.00	0.00%
Postage	15,000.00	0.00%
Communication and Utilities	15,000.00	0.00%
Repairs and Maintenance	1,000.00	0.00%
Office Rental and Equipment Leases	60,910.00	0.00%
Printing	7,000.00	0.00%
Operating Expenditures	55,000.00	0.00%
Conference Registration Fees	7,000.00	0.00%
Membership Dues	21,000.00	0.00%
Credit Card Fees---Sep. only	9,000.00	0.00%
Staff Training	10,000.00	0.00%
SWCAP Payment	68,939.00	0.00%
Payment to GR	510,000.00	0.00%
IT Upgrades in 2014 without Servers	20,745.00	0.00%
Total Expenditures	2,686,234.00	0.00%
Excess/(Deficiency) of Rev over Exp.	(84,878.00)	
* Funding for 6 months	1,343,117.00	
Ending Fund Balance	472,005.00	

(A) Includes a state-mandated 1.0% raise and a .5% agency payment to ERS.



**Forecast for FY2014
I.T. Software, Hardware and Training Projected Expenses**

Software Inventory

Known Expenses in FY	Subscription Expiration Date	Software/Service Maintenance Renewals	Approximate Cost	Subscription Period (Years)
2014	9/1/2013	VeriSign SSL – Remote	\$1,000.00	3
	1/15/2014	Symantec - Network	625.00	1
	2/26/2014	Cisco	350.00	1
	8/1/2014	MSDN	2,300.00	3
	For 2014 TBD	Office365 – 23 Users @ \$20 per user/month subscription	5,520.00	1
	Software required to support and/or add efficiency to business processes		2,500.00	
Total			\$12,295.00	

Hardware Inventory

Known Expenses in FY	Future Purchase Dates	Hardware	Notes	Estimate Cost
2014	8/1/2014	Replace UPS that support servers in event of power outage	\$1,600 each (2), replaced every 5 yrs	\$3,200.00
		Memory / Storage Drives - Accessories and hardware for Cloud implementation	Memory / Storage Drives to add to virtual host servers	\$2,000.00
	6/1/2014	Replace 7 servers: Conversion to Virtual Datacenter Project (4) Virtual Host Servers, (1) Load Balancer, (1) Domain Controller, (1) Storage Server Project is spread over two years between FY2014 & FY2015 at a total cost of \$41,160 (2014-\$20,580; 2015-\$20,580) The project was originally planned for FY2015 - \$41,160	This takes agency to FY2019-2020 \$28,000 for hardware software: OS \$500 (x7), CAL \$22 (x25), SQL Svr (9,000), Remote Desktop \$55(x5),	\$28,000.00 3,500.00 550.00 9,000.00 110.00 2014 Cost – \$20,580.00
		Agency Laptop	Replace 1 each FY	1,750.00
		Accessories and break/fix hardware not covered under warranty		1,500.00
Total				\$29,030.00

Summary

Fiscal Year	Software\Maintenance	Hardware\Accessories	Estimated Budget
2014	\$12,295	\$29,030	\$41,325.00
1 Year Total			\$41,325.00

Glossary

Symantec - Backup software loaded on servers. Supports back-up of agency data for disaster recovery.

MSDN - Subscription based software required for developers. Service can be purchased in multiple year subscriptions.

Cisco – Annual renewal for firmware up-grades and security fixes as well as 8-5 coverage, next business day.

VeriSign SSL – Certificate required to conduct business online, support secure data transfer for remote users, and support outlook web access. Service can be purchased in multiple year subscriptions. Agency currently has 4 certificates. Agency functions supported: Email on the web, Remote Access, and online secure account pages for registrants.

Office 365 - Cloud Subscription Service, Office 2010+ (Replaces having to buy an Office license for each desktop and laptop, currently each Office license will cost the agency \$340.54 per device(\$340.54 X 23 = \$7832.34), Exchange 2010, SharePoint 2010, Lync Server 2010, Forefront 2010 (Replaces having to buy server hardware and software licensing for each service provided. Our previous Exchange server cost was \$6,901.00)

- Reduced server hardware & maintenance needs
- Automatic new version migrations
- Diminished infrastructure requirements
- Reduced capital expenses
- Flexibility to easily scale-up or scale-down licenses – pay for only the capacity and services needed

Servers – TBAE’s datacenter will be converted into a virtual datacenter, consolidating 12+ physical servers to 4 virtual hosts capable of housing up to 8 virtual servers per virtual host. One load balancer server to offset data I/O(input/output) between virtual hosts; one domain controller and one high availability storage server capable of storing virtual servers and agency data files. Purchased with a five-year agreement

- Reduce capital expenditures through consolidation
- Improve operating expenditures through automation
- Minimize lost revenue due to downtime
- Save time by automating testing and quick/ reliable restore
- Reduce energy consumption throughout the datacenter

Laptops - Purchased with a five-year agreement

UPS – Uninterruptible power supply, server battery backup. Purchased with a five-year agreement



**Forecast for FY2014
I.T. Software, Hardware and Training Projected Expenses**

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	For 2014 TBD	Office365 – 23 Users @ \$20 per user/month subscription	5,520.00	1
	Software required to support and/or add efficiency to business processes		2,500.00	
Total			\$12,295.00	

Hardware Inventory

Known Expenses in FY	Future Purchase Dates	Hardware	Notes	Estimate Cost
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		Memory / Storage Drives - Accessories and hardware for Cloud implementation	Memory / Storage Drives to add to virtual host servers	2,000.00
		Agency Laptop	Replace 1 each FY	1,750.00
	Accessories and break\fix hardware not covered under warranty			1,500.00
Total				\$8,450.00

Summary

Fiscal Year	Software\Maintenance	Hardware\Accessories	Estimated Budget
2014	\$12,295.00	\$8,450.00	20,745.00
1 Year Total			\$20,745.00

Glossary

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- Flexibility to easily scale-up or scale-down licenses – pay for only the capacity and services needed

Laptops - purchased with a five-year agreement

UPS – Uninterruptible power supply, datacenter battery backup. Purchased with a five-year agreement.