TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

8:11 a.m.
Thursday,
February 4, 2016

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

BOARD MEMBERS:

Laura Ryan, Chair
Raymond Palacios, Vice Chair (absent)
Robert “Barney” Barnwell, III
Luanne Caraway
Blake Ingram
Marvin Rush
Gary Swindle (absent)
Guillermo “Memo” Treviño
Johnny Walker (absent)
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6. ADJOURNMENT
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MS. RYAN: Good morning. My name is Laura Ryan. And I am pleased to open the Board meeting of the Texas Department of Motor Vehicles. It is 8:11.

And I am now calling the Board meeting from February 4, 2016, to order. I want to note for the record that the public notice of this meeting containing all items on the agenda was filed with the office of Secretary of State on January 27, 2016.

Before we begin today’s meeting, please place all cell phones and other communication devices on silent mode. If you wish to address the Board during today’s meeting, please complete a speaker sheet at the registration table.

To comment on an agenda item, please complete a yellow or blue sheet, and identify the agenda item. If it is not on the agenda, we will take your comment during the public comment portion of the meeting.

And now, I would like to have a roll call of the Board members. Board Member Barnwell.

MR. BARNWELL: Present.

MS. RYAN: Board Member Caraway.

MS. CARAWAY: Here.

MS. RYAN: Board Member Ingram.

MR. INGRAM: Present.
MS. RYAN: Board Member Trevino.

MR. TREVINO: Present.

MS. RYAN: And let the record reflect that I, Laura Ryan, am here, too. I would like to make note that Board Member Palacios, Board Member Rush, Board Member Swindle, and Board Member Walker are not present at this time.

I see that we will move on to the public comment section. I do see that we have one public comment card from Mr. Hickman. Good morning.

MR. HICKMAN: Good morning.

MR. DUNCAN: Members, if I may, while the commenter is coming up here, just some points on public comment. Under the Texas Open Meetings Act, the Board can't comment or deliberate on public comment, because it is not related to an item on the posted agenda. This is because the public wouldn't have been on notice that the Board might discuss that subject.

If the Board desires, we can schedule some aspect of the commenter's remarks for a future agenda, with the approval of the Chairman. Also, pursuant to Board rule at 34 TAC 206.22, open public comment is limited to three minutes per person.

We have a timer, and Ms. Neeland [phonetic] will be operating that for us. There will be a white
light when there is one minute left, and a red light when
the time is up.

MS. RYAN: Mr. Hickman?

MR. HICKMAN: Okay. For the record, my name is
Howard Hickman. I am a retired DMV Enforcement attorney.

Originally, I intended to address a different
topic today. But after hearing the Executive Director's
bureaucratic misdirection in response to my remarks at the
last meeting, to the effect that she needs only to give
you dashboard numbers and a list of 53 measures as the
definitive answer to what I said about the Agency's
performance measures.

Bureaucratic misdirection depends upon man's
inherent laziness, ignorance or reliance on a bureaucrat's
expertise. Unfortunately, I am not lazy or ignorant. And
I have found the expertise of this Agency to be a source
of amusement and laughter for years.

As you may remember, I stated that over 27
percent of the Agency's measures were zero equivalents.
If you look at the materials you were provided in your
August meeting packets, you will see a list of eleven
measures. Three of those measures, or 27 percent are zero
equivalents. Zero is nothing. Nothing is the lack of
something.
If the performance measures were a true reflection of what this Agency does, then 27 percent of the Agency's production is missing. That 27 percent is like 200 Agency employees doing nothing but playing games on their iPhones and drinking coffee all day. In the August materials, you will see an agency-wide number, three subcategory numbers, and various charts and graphs containing detailed numbers.

If you review the November and today's materials, you will find no agency-wide number; only the three subcategory numbers and four line graphs for enforcement, motor carrier, NVD, and VTR performance. You are not provided with graphs for the 13 other divisions and offices in this Agency.

Let me point out the performance of some of those missing divisions and offices. Since August 1st, per public records, IT has had 79 system crashes of IT-provided services to stakeholders.

The Enterprise Management office continually fails to meet project completion deadlines. I have never heard of them completing a project by the original completion date.

Now, let's look at that omitted agency-wide number for the November report. If you were to calculate it, the number would be 4.33. The number for today is

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4.15. The number for August is 5.11.

That means that performance dropped 16 percent in one quarter and another 4 percent in the current quarter. That is the sort of information that should not be hidden from you or this Agency's largest stakeholder; the Texas taxpayer.

In business, if performance dropped 16 percent in a quarter, and continued to drop another 4 percent in the next quarter, management had better have a good, detailed explanation or management would be trying to find the unemployment office. This Agency has a vision statement that says: Transparency, Efficiency, Excellent Accountability and stakeholders.

The Executive Director has made a mockery of the first four visions. Will you join her, and relegate the Agency's vision to a pile of bovine scatology, or will you do your job as the Texas taxpayers expect? Are you content with even fewer pairs of size 4 left shoes?

Thank you for your time. And I still have 25 seconds. We will see you again at the next meeting.

MS. RYAN: Thank you, Mr. Hickman. Have a good day.

MR. HICKMAN: Thank you.

MS. RYAN: Okay. Moving on, we will move to Item 1C. I will turn it over to our Executive Director;
Whitney.

MS. BREWSTER: Thank you, Madam Chair. For the record, my name is Whitney Brewster, Executive Director. The Agency is reporting out on its fourth quarter key performance indicators for 2015.

As you know there are three strategic goals that are set by the Board; performance driven, optimized services and innovation, and customer-centric. There are multiple measurements that roll up into that overall score for each of those goals.

Now, I report out quarterly in these meetings the overall scores for our key performance indicators. However, starting with January, 2016 numbers, the Board will be receiving monthly updates on all 53 of those, our key performance indicators with an explanation why we did or did not meet the target set by the Agency.

Ms. Tuttle will be sending those out. So you have greater insight into areas where things are going very well, or where we may need some additional attention.

Overall, for the fourth quarter, the Agency saw a dip under the performance-driven category, from 5.71 in the third quarter, to 5.12 in the fourth quarter. The optimized services category went up slightly from 3.6 to 3.67.

And customer-centric fell from an overall score
of 3.96 to 3.67. And I believe that some of that dip can be attributed to some of the technical difficulties that we have experienced over the last quarter.

We have also seen a much higher degree of calls coming into the Agency specific to changes made in the TxDMV systems. The service desk, for instance, when it comes to county support, has seen a sharp increase since the deployment of our refactored RTS, and the new CONGA reporting tools.

We have also seen an interesting trend. We do keep track of how many Texans register their vehicles through the mail. That has consistently stayed at 2 percent. Our target is 5 percent.

But what we are seeing is actually a good thing. More people are going online, thus reducing that by-mail number. The number is staying pretty much stagnant on the walk-in clientele.

But that is where we are seeing -- we are meeting the targets now for our online services. But the by mail has dropped to a consistent 2 percent now. So there are some interesting trends that I think would be of interest to the Board, which you will see when Ms. Tuttle sends those measures out to you on a monthly basis.

Also --

MS. RYAN: To that point, how often are -- to
the mail in numbers, versus the online, how often are those metrics revisited? Where we may want to see the mail in numbers reduced and the online increased, how often does the Agency, Executive staff go back and relook at those things?

MS. BREWSTER: Annually.

MS. RYAN: Okay.

MS. BREWSTER: So now that the year is closed out, we will revisit that moving forward, for January in 2016.

MS. RYAN: Okay.

MS. BREWSTER: With that, I would be happy to answer any questions the Board members have on that item.

MR. INGRAM: I just have one. The number for -- the target for web, what was it for 2015?

MS. RYAN: For 2015, the target is 16 percent. And for December, we were at 19 percent.

MR. INGRAM: Well, okay. Great. Thank you.

MS. BREWSTER: Madam Chair, if there aren't any further questions on that item, I will move to the next item on my report. The Texas Veterans Commission and the Coalition of Veterans recently recognized our Special Plates Unit for their excellence and hard work in implementing the 47 new military plates that passed the Legislature last session. This was absolutely no small
feat.

And we, of course, know that they are fantastic. But it is really nice to see that others recognize that as well. And I asked them to join us this morning, just so we could recognize them publicly for a job well done.

So if you all wouldn't mind standing when I call your name. Linda Kirksey, Christy Bernal, Tania Sanders, Carol Birdow, Christina Flores, Deanna Dugan, Fred Rorex and Margaret Zapata. I want to thank the Special Plates Unit for their hard work, their professionalism, and for helping honor our military.

(Applause.)

MS. RYAN: Thank you. Moving right along. As you know, there have been several recent examples of fraud occurring as it relates to motor vehicles that have -- we have seen stories in the media recently about activities there. The Agency works very closely with law enforcement when fraud occurs, but we believe as an agency we can do more.

I recently established the anti-fraud, waste and abuse working group, made up of various folks from across the Agency. We have got folks from Enforcement, Vehicle Title and Registration, Internal Audit, Office of General Counsel, Human Resources, Finance and IT.
The objective of this working group is to develop policies, procedures, resource plans and cost estimates in an effort to develop and implement an anti-fraud, waste and abuse program to prevent, detect, investigate and report fraud, waste and abuse impacting TxDMV. The working group has met twice, and is currently working on a policy specifically addressing fraud, waste and abuse, and what our employees' responsibilities are when it comes to that issue; the proper reporting structure.

Internal Audit provided consultation services regarding what a best practices policy should consider. Which, Ms. Vice, I know, will discuss a little later in the agenda.

We are formulating our anti-fraud, waste and abuse policy, based on what is included in that report. We also have formulated subcommittees to consider various aspects related to fraud, waste and abuse. The first subcommittee being prevention and training. The second is devoted to communication and any legislative changes.

Ongoing monitoring and detection is another subcommittee. And finally, fraud procedures subcommittee, which will address when fraud is reported, what are the action items the -- what is the checklist that the Agency goes through to make sure that we handle it properly,
whether it be coordination with law enforcement, Human Resources, access to systems, et cetera.

So the goal of this working group is to develop the program prior to our Legislative Appropriations Request being finalized. So that if there are requests that the Agency needs to make, the Board can consider those. Any statutory or budgetary changes that we may need to be able to implement a successful program.

MS. RYAN: And there have been several meetings already?

MS. BREWSTER: We have had two so far.

MS. RYAN: Any implementation so far?

MS. BREWSTER: Our biggest item has been focused on the policy itself.

MS. RYAN: The policies. Okay.

MS. BREWSTER: And formulating those subcommittees. Those subcommittees are where a lot of the in-depth work is going to be done.

MS. RYAN: Okay.

MS. BREWSTER: And I would be happy to report out, moving forward, on the progress of this working group.

MS. RYAN: That would be great.

MS. BREWSTER: All right. Moving right along.

Since the Board last met, the RTS refactoring project team
has successfully migrated off the TxDOT mainframe servers, which is an enormous feat. This is also a huge win, in terms of moving the Agency forward in its efforts to be more responsive to the needs of our stakeholders and our customers, because it is written -- the new system is written in a much more current language. And modifications to it are less intensive. We are not locked in by technology.

The other win is that -- it is a key part of ending the Agency’s dependency on TxDOT to provide technology support. So we are now on servers, TxDMV servers. And off of that shared mainframe with TxDOT.

I would be remiss if I didn’t inform the Board that this process has not been without bumps. Throughout the month of January, the RTS point of sale application that is used by counties, our regional service centers have experienced unexpected outages multiple times throughout January.

The Agency has sent two separate communications out to the counties: one from me, the other from Eric Obermier, our CIO, addressing those issues and apologizing for the inconvenience that the outages have caused the counties, because when the application is down, customers are impacted, not only in the counties, but in our Regional Service Centers.
The causes of the January outages have been identified and are being addressed as quickly as possible. Unfortunately, some of those outages were caused by human error. Some were also caused by gaps in support procedures for the new system, which were very difficult to avoid, absent the experience with the new system.

We have worked with the vendor to improve the procedures used to support the refactored RTS system. And do not expect those specific issues to reoccur.

In addition, we are working on an enhanced process for communication issues that we receive through the service desk when a county, or our Regional Service Center reports an issue so that we can inform those that are reporting as it moves through the process, and is being addressed. So that folks, when they are reporting, they know that the loop is closed, once the issue has been resolved.

We will be sharing that enhanced process with the tax assessor collectors as well as this Board within the next two weeks. We are also looking at how we might provide additional information and training around the top issues that are reported to the service desk.

Some of the issues that are reported are not defect or outage related, but user's familiarity with the system. And so, by providing additional information to
the counties, on those top reported items, I think one, will decrease the number of calls that we are getting at the service desk. And hopefully, the counties will feel more comfortable with the system that is being used.

So, Madam Chair, that is my report on the RTS refactoring project. There will be more information later on in the agenda. Judy Sandberg, our EPMO Division Director will be giving an update on projects within the Agency.

MS. RYAN: Any questions?

MS. BREWSTER: Okay.

MR. TREVINO: Do you feel the system is more stable? There is always a problem when you implement a new system. But do you feel it is more stable now, and do you feel comfortable with the process going forward?

MS. BREWSTER: I believe that as we are working through the defects that have been identified within the system -- there were a much larger number that we have been aggressively pursuing fixing those defects. And it has gotten down to a much more manageable number.

The more -- the point being, hands are still in the system, and with hands in the system -- increases the risk of issues. So as we work with the vendor to address the defects and get those off of the plate, and behind us, I think we will experience more and more stability moving
forward.

I believe that we will get there in very short order. January was just a very -- it was a rough month for everybody. So with that material, I will move on to the survey of employee engagement. Okay.

The Agency has just completed its fourth survey of employee engagement. This is the employee opinion survey sponsored by the Texas Legislature and conducted every two years by The University of Texas. Every employee received an invitation to participate anonymously.

The response figures from UT indicate that we had a very good overall response rate of 78 percent, which is fantastic. It is above the state average. And I very much appreciate the employees that did participate and give us that feedback.

I also want to thank the division directors for really conveying that message strongly to their folks; that we really want their feedback. And this is a great way to do that anonymously. And so, we had a great response rate.

We just got the scores back yesterday from UT. We have not had adequate time to really dive into them too deeply. But I did want to report out that for 2016, our response went up from 2013 from 3.51 to 3.61. So that
is a huge success for the Agency particularly with all of the activities that are going on within the Agency and the amount of work that folks are putting in, it is great to see that this overall score went up over the last time it was taken.

So this score is based on a scale of one to five, with five being perfect. Scores above 3.5 are considered desirable, according to the report.

So just to give you an idea of where the Agency has been, in 2012 the score was 3.37. In 2013, ‘14, it was 3.51. And this year it increased to the overall score of 3.61.

The survey asked employees about a number of organizational issues including customer service, team effectiveness, communication, and quality of work life. The results will be posted to our intranet site, or myDMV site.

Beginning in late spring, we will start conducting a number of focus groups with employees in Austin and our Regional Service Centers to talk about the survey findings, and to hear their suggestions for how we can improve. The executive leadership team will review the survey results and employee suggestions to determine what organizational change we wish to make based on that feedback.
We will communicate regularly with employees, as we have done from the beginning of the process, to keep them informed about what we are doing with their feedback. And how we are moving forward to address issues that were identified in the survey. With that, I would be happy to answer any questions.

MS. RYAN: I would congratulate the Agency on the improvement. I think it is great to hear. And I would also encourage all of the associates to continue the feedback. I think surveys are not the only way to keep them going. Right? We wait for once a year.

And also, I am happy to hear about the focus groups, because I think that as the Agency focuses on customer-centric and stakeholders, that stakeholder focus is important. And our customer service is only as good as our associate engagement.

So this is great news. And anyway, the Board can support, I think -- I think we are behind you all 100 percent. So let us know what we can do. I think we speak for all of us.

MS. BREWSTER: Thank you.

MS. RYAN: Well done.

MS. BREWSTER: Thanks. The final item that I would like to just bring the Board up to speed on is the Performance Quality Recognition Program. The Agency
recently formulated a working group called the Performance Quality Recognition working group composed of TxDMV staff from our Regional Service Centers and headquarters as well as well as various tax assessor collectors from small, medium, and large counties.

This working group is charged with providing input on the developments of a program, and rules to recognize outstanding performance and efficiency in processing title and registration transactions in a county tax assessor collector office. Additionally, and one of the primary purposes of having Regional Service Center representation of this working group is to also have very similar, if not the same standards within our Regional Service Centers.

I know that there are different types of transactions that are done in those offices. But those things that translate to both offices, we'll certainly want to consider implementing in our Regional Service Centers.

The role of the working group is to provide input and guidance on the program that will be used by TxDMV Executive staff to make recommendations for consideration by this Board. The goal is to have the rules authorizing the program and the basic tenets of what the program should include those rules being before this
Board in April.

They had their first meeting yesterday. They considered draft rules authorizing the program. And the follow-up meeting will be scheduled for February 18th.

Those that are serving or on this working group are Ro'Vin Garrett out of Brazoria County; Ronnie Keister out of Lubbock; Christy Hallmark out of Matagorda; Becky Watson out of Cass; Deborah Hunt out of Williamson County; Robin Harper out of Andrews County; Tammy McKee out of Montgomery County; Teri Garvey out of Anderson County.

We also have from the Office of General Counsel here at headquarters, Aline Aucoin and Jeremiah Kuntz, Division Director for Vehicle Title and Registration, William Diggs, also from VTR. Amber Wilson who is a Regional Service Center manager in Fort Worth. And Jeanna Gordon, also a Regional Service Center manager.

And last, but certainly not least, Tammera Parr-Lamb, who is also part of VTR here at headquarters.

So again, they are providing input on rules establishing the program for Agency staff to consider incorporating. And then the Agency staff will make a recommendation to this body for consideration in the April Board meeting. With that, I am happy to answer any questions that you all have.

MS. RYAN: Any questions before we move on?
(No response.)

MS. RYAN: Comments?

MS. CARAWAY: No, I was just, I guess, a little curious as far as the rules are concerned for this is, the rule is authorizing the program. But is the rule also addressing the specific tenets?

MS. BREWSTER: This would work much like -- it would be the framework that is established with the basic tenets of what the program should include, for the rule itself. A separate activity, but very related is defining the specifics of the program. Much like the My Place program.

We have -- it is in rule that there will be a specialty license plate program. However there is a separate document that gets down further into the detail as to what the alphanumeric size should be, what the graphic should be. It is a separate document that you might not want to have that type of specificity in a rule.

MS. RYAN: Right.

MS. BREWSTER: And so, that is how we are approaching it. That it would be the overall framework for the program, the time line for when it is measured. And the basic tenets recognizing efficiency, transactions done in a timely manner, cost -- the offices that have implemented cost savings. Those that
consistently apply statute, rule and policy governing our processes, has a customer feedback program and a fraud, waste and abuse awareness and prevention program. Those are just some of the ideas that are being discussed in this working group, that the program should at least contain things that address those items.

MS. CARAWAY: And this is still a voluntary program?

MS. BREWSTER: Yes, ma'am.

MS. CARAWAY: And that was -- some concern that has been out there, about once it gets in rule, then it becomes something more than a voluntary program. Because of course, you know, with a county office, Commissioners control the amount of funds that are allotted, that may allow you to do more efficient things.

MS. BREWSTER: Right.

MS. CARAWAY: But they don't give you the funds to do it. They shouldn't be penalized for not doing it. And so, that was just some concern that I heard out in the tax collector field.

MS. BREWSTER: Absolutely, it is contemplated as a voluntary program. And there is not a one size fits all. And that is why we do have a small, medium, and large. We have those counties represented.

Also, there may be various ways that a county
could exhibit meeting a certain issue. Processing transactions in a timely fashion. I mean, I think that those types of things can apply across the Board.

But there may be some, like implementing innovative technology there may be some that have more funding than others. Perhaps there is a -- it may not be the latest and greatest.

But the way that the technology, an existing technology is being used now, being done creatively may address innovation. I am just talking off the cuff here. But there are multiple ways that a county could exhibit meeting the tenets in the program.

MS. RYAN: And it will be applicable and relevant to that county, or those customers, right? Whatever the innovation is.

MS. CARAWAY: Right.

MS. RYAN: For those needs in that county.

MS. CARAWAY: I think one of the big concerns was just the fact that there is so many things that we saw in the preliminary documents regarding things that weren't in the control of the tax collector themselves. You know, providing service is one thing.

But how far can you go, or maybe just size limitations or whatever. And so, I think that was just some concerns that you know, somebody might not get to
meet the standard because they are not allowed to meet some of those things by their budget constraints, or just the size of their office, or the resources within their office.

MS. BREWSTER: Right. And we are addressing those issues in the working group and talking through those with the tax assessor collectors. As you stated, it is a voluntary program.

Currently, that is what is being contemplated in the rule. And recognizing that there may be those that don't wish to, or may wish to forgo participation a particular year. Right. So.

MS. CARAWAY: Thank you.

MR. RUSH: Sorry.

MS. BREWSTER: Good morning. Madam Chair, that completes my report.

MS. RYAN: Okay. Thank you.

MS. BREWSTER: Thank you.

MS. RYAN: Let the record reflect that Member Rush has joined the meeting at 8:46. Thank you.

We will move to Agenda Item 2A. We will address 2A, Motor Vehicle Licensing Advisory Committee. During the November 13, 2015 open meeting, the Board authorized the continued existence of the Motor Vehicle Licensing Advisory Committee, and elected to consider

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selection of new Committee members during a future open meeting.

After conferring with stakeholders, the Executive Director presented a proposed membership list for the Motor Vehicle Licensing Advisory Committee for the Board's consideration. This list has been considered by the Committee's current Chairman, Blake Ingram already.

And the proposed members are: board member, myself; board member, Laura Ryan; board member, Blake Ingram; board member, Raymond Palacios; Bob Kee of Destination Cycle Sports as the motorcycle representative; Bruce Ormand of A1 PartSmart as the salvage representative; Mike Regan of Crestview RV as the RV representative; Brent Rhodes of Fiesta Motors as the used car representative; Joey Blackmon of Ancira Enterprises, as the new car representative to replace Paul Morgan; and Lloyd "Buddy" Ferguson of Strasburger & Price law firm as the manufacturer's representative to replace Ken Roach.

So except for the two -- the last two that I named, all members were current on the Committee prior to this new list. So if -- I would like to have a motion, if the Board so pleases, to put this Committee in place.

MR. BARNWELL: Madam Chairman, I move that the members, that the personnel, gentlemen and ladies enumerated by you and your previous comment just now be
appointed to serve on the Motor Vehicle Licensing Advisory Committee. The Advisory Committee shall choose their presiding officer or chairperson.

MR. INGRAM: Second.

MS. RYAN: I have a motion by Member Barnwell, and a second by Member Ingram. All in favor, please raise your right hand.

(A show of hands.)

MS. RYAN: The motion carries, unanimously.

MS. RYAN: Okay. We will move to Item 2B. The Transportation Code §1001.2383 requires the Chair to report to the Governor on the state of affairs of the Department. The report includes updates on the Agency's budget, enterprise budgets, our continuing efforts to separate infrastructure from TxDOT, facility efforts and key accomplishments.

This report was submitted to the Office of the Governor yesterday, and will also be shared with legislators and their staff, and will also be available to stakeholders. For any other interested parties, it has also been posted on the Agency website, both internally and externally for easy access.

Please reference this report as needed, so you can better understand and communicate to others the Agency's efforts and focus. On the public website, the
report can be found under the tab: Learn More, and then Reports and Data. Any questions?

(No response.)

MS. RYAN: Okay. All right. Also, Item 2C, Transportation Code, §1001.023(b)(9) requires that the Board Chair appoint a member of the Board to act in the absence of the Chair and the Vice Chair. Therefore, I would like to appoint Member Barnwell to serve in this capacity, should that event occur.

(No response.)

MS. RYAN: Member Barnwell, congratulations.

MR. BARNWELL: Thank you, I think.

MS. RYAN: You are very welcome. So we just need to hope that Raymond and I stay healthy and show up, or don’t need to recuse ourselves on any particular items.

All right. Moving on. The last item is not on the agenda. I just wanted to let everyone know that for this particular meeting, we do plan to stay on schedule, with the exception we will move the Executive Session to the very end of the meeting, to keep things moving. And we will also move Item 5A(1) to after Executive Session. We will take that item up after we -- when we come out of Executive Session.

So with that, we will keep moving forward. And we will go to Agenda Item 4A; quarterly financial reports.
So Ms. Flores.

MS. FLORES: Good morning. For the record, my name is Linda Flores. I am the Chief Financial Officer for the Texas Department of Motor Vehicles. With me this morning, are Renita Bankhead, she is the Assistant CFO, and Sergio Rey. He is the Director of Accounting.

Item 4A(1) is the quarterly financial report, which will be followed by Item 2, end of year FY '15 reports. These are both informational items only. No action is required from the Board.

On page 9 of your Board document, we'll have some slides where we have taken some items of interest for the Board. This is for the financial summary for the first quarter ending November 30. This is a snapshot for our activities: September, October, November.

Slide 9 shows the revenue the Agency received. And as we have all are aware, revenue from oversize, overweight is falling, due to the decline in the oil and gas industry.

There have been several hearings held at the Capitol recently by -- who have been attended by the Comptroller Glenn Hager. And he has testified that they are seeing a decline in revenue, but that they are not able to really forecast what the drop is going to be.

We are seeing a 20 percent reduction in
oversized, overweight. But we are also seeing some flat revenues in the intrastate commercial industry. So it is being offset somewhat.

We believe that our registration revenue will be met; what our targets are. So overall, the only dips that we are seeing is in oversize, overweight. And we have already accounted for that, for the year.

MR. TREVINO: Ms. Flores, on your budgeting for the methodology for the following year, does the Comptroller give you the information, or do you do the forecasting for that going forward? Because taking this into account, do they give you those parameters?

MS. FLORES: No, sir. Basically, what happens is, we develop information projections. Sometimes, the Comptroller's staff will call us to find out, you know, what we are seeing when it comes to our specific permits.

But they develop their own revenue projections. And they don't use the numbers that we provide. So I know that in the Comptroller's biennial revenue estimates, if you will, they have forecasted a lot higher. And so, those revenue estimates do not change.

So you know, while we know that things are happening, we are adjusting our projections to ensure that, you know, we know what is going on, and that we are
meeting our budget targets. They don't. They will not change their revenue estimates.

MR. TREVINO: Thank you.

MS. FLORES: Slide 10 is a snapshot of the revenue collections associated with the My Plates vendor contract. And I know that Jeremiah Kuntz has a more detailed discussion for you on the contract performance of that vendor.

What I can say is that based on their performance up to now, we do expect them to meet their $50 million obligation to the State of Texas, if nothing else changes for the rest of the year. So that is some good news.

Slides 11 and 12 will now address the expenditures for this first quarter. I am going to turn it over to Ms. Bankhead.

MS. BANKHEAD: Good morning. For the record, my name is Renita Bankhead, Assistant CFO. And on page 11 of your materials is the slides that represents the expenditures, obligations really, for the first quarter.

And this was a little different than the slides that you have seen in the past. We are going to show this based on a bar chart. We think it kind of shows in much more graphic detail where the Agency, what their financial position is, as far as expenditures for the quarter.
And this is year to date as of November 30, 2015. If you see some little blue items or red items without numbers, that is because they are less than $2 million. And we figured it would just be easier just to tell you than, to show little bitty twos.

The first quarter expenditures and encumbrances total $118 million. And as you can see from the chart, the biggest driver in our expenditures and encumbrances are our encumbrances. And basically, those are in professional fees for our capital projects. RTS refactoring, LACE and the application migration and server information transformation program, which we call AMSIT.

The other large bar that you can see there is salaries. That is because we have about 700 FTEs and salaries is a big driver for us, as far as expenditures are concerned.

The next slide is a summary of capital projects. At the top left, it shows the capital expenditures as of the end of the first quarter which total approximately $2.7 million. The majority of those expenditures are in the data center consolidation or DCS project.

And that is because there are some expenditures that happen at the beginning of the year that are kind of front loaded. They are for maintenance, and we pay those
at the beginning of the year.

As you remember, last year, we had quite a bit of an issue with the data center. We have received sufficient appropriations and we believe that we will end the year within our data center consolidation budget. So we don’t think we are going to go over this year.

And even though you see the square for automation is very small right now, we assume that that is going to grow, because of the projected expenditures in RTS. The bottom right slide, that is a percent. That shows the percent of the total budget for each of the capital automation projects.

The encumbrances for those total $26.6 million with RTS accounting for the majority of those. And that is due to our contract with Deloitte.

Finally, one thing that is not shown on these slides or on the bar chart is the AMSIT project. The automation -- the AMSIT project. It is a capital project. But it is not included in the automation bucket. So we will not show it as part of automation, even though it is an automation-related project.

But at this point in the year, we have obligated almost all of the $7.3 million that was appropriated for that project. That is all I have for now. Are there any questions?
MS. RYAN: Where is that $7 million being shown?

MS. BANKHEAD: It is in the detail.

MS. RYAN: Did I miss that.

MS. BANKHEAD: It is in the detail in your Board book.

MS. RYAN: It is just not shown in the slide?

MS. BANKHEAD: It is not shown in the slide.


MS. FLORES: With that we will continue with a look at how we finished our fiscal year 2015. State agencies are required by Texas Government Code to submit an annual financial report November 20. We do so based on generally accepted accounting principles and other rules prescribed by the Governmental Accounting Standards Board and the Comptroller. And with that, I will turn it over to Mr. Sergio Rey.

MR. REY: Good morning. Good morning. For the record, my name is Sergio Rey. I am Director of Accounting.

And for our presentation on the annual financial report, we are also depicting it in graphics. So to make the comparisons between 2014 and 2015.

On the slides, on the left, you will see 2014. And as you look at the slide on your Board book page 24,
this is the statement of net assets, or what we commonly
know as a balance sheet. As you can see, the assets, we
had an increase of $6.4 million from last reporting
period.

Now, that is in part related to our General
Revenue appropriation increases that we had. In that was
also the legislative salary increase; 1 percent additional
in 2015. Another portion of that increase is our accounts
receivable group. And that is -- our accounts receivable
is basically our obligations, or our collections from our
tax assessor collector offices in our Regional Service
Centers that are in transit, that haven't made it to the
state Treasury as of 8/31.

MR. BARNWELL: How much was that?

MR. REY: The accounts receivable increase?

MR. BARNWELL: Yes.

MR. REY: That sir is -- our accounts receivable went up 4.6 percent. That was an additional
5.8 million.

MR. BARNWELL: What is the turnaround on collecting from the tags?

MR. REY: From the tags, when it comes to registration fees, there is a 30 days, 34 days turnaround
time for them, for collections.

MR. BARNWELL: Okay. Thank you.
MR. REY: As any balance sheet, on the other side of the coin, from the assets are our liabilities, and our equity. For governmental accounting, our equity is our fund balance.

The fund balance is the unspent or the nonspendable portion. And that had an increase of $3.4 million. Combined with that is our total liabilities. That had an increase of $3 million. Now it was unique in this year, because at the end of 2014, we transferred over to the new state accounting system.

So during that transition, our payables, we did an accelerated payment process. So that we had a successful transition there. So we did not have a payables at the end of 2014 when -- now in the normal, our normal payables this year was $1.7 million. So that had attributed to the increase in our liabilities.

MS. FLORES: So let me just kind of put that in perspective. We have been using an old mainframe accounting system. It was called USAS. The Uniform Statewide Accounting System.

And in '15, we actually deployed a more modern version of the state's accounting system. And they call it CAPPS. It is the Centralized Accounting Personnel Payroll System. So normally, you know, we do see payables. And we will record that. And it just follows
into the next year.

Well, because of that deployment, we were shutting down USAS in August. Starting with CAPPS, September 1. The Comptroller actually gave us an exemption to go ahead and accelerate those payments for the bills that we got in August, so that we would start the year clean, if you will, with a new set of books. And we wouldn't have to worry about those payments coming out of the system when the invoice came in in that system.

So you know, in order to make sure there was no reconciliations or things falling off the table, they went ahead and gave us a waiver to make those payments ahead of time. We didn't -- normally state agencies are required to follow the Prompt Payment Act. It is 30 days from the date the invoice is received. So just to kind of give you some context on that.

MR. REY: In addition to those payables we also have accrual entries that we had to report. Those accruals were based on obligations that were met for 2015 but did not get paid until the month of September.

Another liability that increased was our compensable employee leave liability. That is the monetary reporting of the employee's vacation and sick leave balances. So we had an increase of that as well, in 2015, compared to '14.
On the next slide we have Exhibit 2, our Statement of Revenue Expenditures, and Changes in Net Assets. A long term, a governmental accounting term for the income statement.

In here we are, again, our graphics depict our major categories; the revenues and expenditures. And each one broken down into categories that are reported in the annual financial report.

At the top, you see the revenues. And you can clearly see 93 percent of our collective revenues is based on licenses, fees and permits. Only 7 percent of our revenue reported comes from legislative appropriations.

In the balance sheet, our legislative appropriations were pretty much increased because of our additional General Revenue and the legislated salary increases. The licenses, fees and permits had a 2 percent increase from 2014, and that matched the natural growth that we had expected for our revenue collections.

At the bottom, the expenditures, talk about -- you know, are broken down by again, the major categories in the financial reports. Of note, we had a decrease in our expenditures. And those were primarily in the categories of the professional fees and contracts, as well as in the repair and maintenance category.

These, in 2014, we had a big amount of IT and
data-processing services that we paid out. A lot of it kind of ties back to that accelerated payments that we had to do at the year end, to close out the books and transition over to CAPPS.

Also, we had a lot of refactoring initiatives that were completed and paid off in 2014. In repairs and maintenance, we had computer software maintenance, one time contract obligations that we paid off in 2014 that were not in 2015.

Another portion of our income statement, and this is the next slide, we took what the collective revenue, the total collective revenue for each of the years, and we broke it down into how it distributes out. The biggest portion of it is our transfer of the state highway funds, or the Fund 6 fees that we collect.

So we transfer that money to the Texas Department of Transportation. They saw a considerable increase in this transfer. All of us saw that; a $72 million increase in net transfer compared to last year.

Now, we take all of our collective revenue. Subtract out the transfer. Subtract out our expenditures. That left the remaining revenue balance of $3.7 million.

And much of that, or pretty much all of that is Fund 6 money, or state highway funds. Okay.

That is a recap of our annual financial report.
And as Ms. Flores mentioned, by Government Code, this was presented to our oversight agencies on November 20th. And it met the standards requested by the Comptroller and Governmental accounting principles.

MS. FLORES: The last slide has to do --

MR. TREVINO: Ms. Flores.

MS. FLORES: Yes.

MR. TREVINO: Going back to the receivables, do you have an aging on those? Are there any of those over 90 days, or any problem with those?

MR. REY: As far, currently we don't have an aging on that. There is -- typically there is not an issue as far as an aging for the -- from the tax in the Regional Service Centers.

MS. FLORES: We really don't have any bad debt.

MR. TREVINO: Okay.

MS. FLORES: Yes.

MR. TREVINO: Just asking.

MS. FLORES: Yes. That was one of the first things I looked at when I came to this Agency. We collect pretty much over 99 percent of -- what is owed to the State is collected.

MR. TREVINO: Great.

MS. FLORES: The last slide has to do with an annual report of non-financial information. And before
the 77th Legislature, which I think was in 2001, this information used to be captured in the annual financial report itself.

They called it the 120-day report. So when the Comptroller -- there were some GASB changes that were going on, and they split the two reports out.

So now you have the numbers report, the annual financial report. And it was accelerated to November 20th. So they cut it by 30 days. So that has to be submitted in November, November 20th.

Then you have this non-financial data. And it includes everything from your lease space, your occupied, you know, where you are sitting today. The vehicles you purchase. Alternative fuels used.

So it is all the non-numbers. And that is submitted at the end of December. So that helps the Comptroller in compiling their comprehensive annual financial report.

But it also still provides leadership, oversight entities with information as to how the agencies are meeting their targets for HUBs, historically underutilized businesses. Where they are moving their money; from one strategy to another. An appropriation line item.

And from our perspective, the most useful
information is the -- as Mr. Rey mentioned, the
professional and consulting services from one year to the
next. In '14, we had a large expenditure associated with
the RTS refactoring.

And that was part of the ramp up. Getting that
project going. They met a lot of their deliverables. So
we paid quite a bit of money in '14 compared to '15.

And in '15, there was a difference in the data
center charges. And that is when we came back to the
Board in FY '15 and said hey, we know we are going to
exceed our budget. We are going to have to notify the
Governor's Office and the Legislative Budget Board.

We pulled money from all kinds of areas, other
areas within the Agency to cover that cost. So that is
the biggest takeaway from one year to the next on
professional fees.

The one thing I would like to mention, and you
don't really see it here. But it is in your detail, is in
FY '14, we paid the State Office of Administrative
Hearings approximately $300,000. And that is for cases
that we sent over to them.

And in FY '15, that number dropped to $85,000.
So that is in line with when we got that program back at
the Agency and created our Office of Administrative
Hearings.
Those costs have gone down substantially. And we expect to see that continue. That concludes our end of year activities for fiscal year 2015.

MS. RYAN: Thank you.

MR. INGRAM: Thank you, Linda.

MS. RYAN: Okay. Thank you. We will move to Agenda Item 3, Internal Audit Division, Ms. Vice. Thank you.

MS. VICE: Good morning, Madam Chairman, Members, Ms. Brewster. I am Sandra Vice, Internal Audit Director. And with me is Derek Miller, Senior Auditor.

Beginning on page 94 of your Board book, you are going to find the Internal Audit Division status update. And this update is for informational purposes only. No Board action is required today.

We have completed a project on the current audit plan on implementing an anti-fraud, waste and abuse program. That is what Ms. Brewster was referring to earlier today. And Mr. Miller is going to provide to you a summary of that report in just a minute.

We are also in the field work phase of an audit of compliance with the drivers policy and protection act. The letter notifying the Board and the Agency of the audit starts on page 124 of your Board book.

I wanted to let you know about external audit
activities that have been ongoing. Internal Audit coordinates external audits, and the first review is scheduled for next week.

And it is a review of the Agency's risk management program, but by the office of the State Office of Risk Management. This review is conducted every three years by SORM at agencies, and it is to determine if the Agency is managing its property and liability losses, including workers comp losses effectively.

The second review was conducted this past November by the International Registration Plan Peer Review Committee. And we received that final report in January, which found that the Agency was substantially in compliance with the Plan, and the audit procedures manual.

There were three issues that were identified as non-compliant. And the Motor Carrier Division and the Executive Director are currently working on an action plan related to bringing the Agency into compliance.

And then finally, the third audit is the one that Ms. Flores just mentioned. The Comptroller prepares its comprehensive annual financial report in the State Auditors Office audit stat. It is basically auditing the Texas State's financial statements, and we are a part of that audit.

And last week, the auditors reported to us that
they had conducted, they had concluded. That the recommendation that they issued to us last year, the prior year finding has been implemented. So we are all good for this year, and that final report will be issued at the end of this month.

Those are the external audits. Are there any questions about the external audits?

(No response.)

MS. VICE: I wanted to share some good news. Our Deputy Director, Arby Gonzalez has now become a certified public accountant. We are very proud and happy of him.

And I was going to ask him to stand up and be recognized, but he is celebrating overseas. And now, I would like to have Mr. Miller provide a summary of the project on the anti-fraud, waste and abuse.

MR. MILLER: Good morning.

MS. RYAN: Good morning.

MR. MILLER: Derek Miller, Internal Audit Senior Auditor. The report on implementing an anti-fraud, waste and abuse program is on page 95 of the Board book. And we reviewed the TxDMV's anti-fraud prevention program as an advisory service to assist management and the Board to implement a robust anti-fraud program.

As there were no statutes or requirements
that govern the specific contents of an anti-fraud program for state agencies, we identified 18 best practices using model fraud policies, 13 or 72 percent of which the TxDMV does include in its Human Resources manual. We conducted an employee survey on fraud awareness.

Survey responses indicated that employees do want more fraud training. That employees are most likely to report suspicions of fraudulent activity through their supervisors. And that 83 percent of all employees are either very confident or somewhat confident that the TxDMV would conduct thorough and fair fraud investigations.

We recommended that the TxDMV update its fraud policy and adopt a risk management framework. Management agrees with the recommendations. And as Ms. Brewster mentioned, the Agency has already formed the anti-fraud, waste and abuse working group and they have already begun work to implement those recommendations.

MS. VICE: Any questions? Sorry.

MR. MILLER: No.

(No response.)

MS. VICE: If there is no questions, that concludes our update. And thank you so much.

MS. RYAN: Thank you. Any questions?

(No response.)

MS. RYAN: No. Thank you very much. We will
move to Item 4C. Legislative and public affairs. Carolyn Love. I'm sorry, 4B. No, I didn't mean to throw you off. I was just seeing if you were paying attention. I'm sorry, Blake. We will move to 4B; Project and operations. Member Blake Ingram. I threw Blake off.

MR. INGRAM: Yes. That is not right.

MS. RYAN: I'm sorry, Blake.

MR. INGRAM: That is all right.

MS. RYAN: I can --

MR. INGRAM: I had notes, and then all of a sudden, my notes disappeared.

MS. RYAN: Do you want us to -- hold on, one sec.

MR. INGRAM: That is all right.

MS. RYAN: All right. One second.

MR. INGRAM: I wrote down my notes, so that I wouldn't ramble.

MS. RYAN: Do you want us to move on to something?

MR. INGRAM: No. I have got it now.

MS. RYAN: Okay.

MALE VOICE: I didn't help, did it?

MR. INGRAM: No. Not much.

MS. RYAN: I threw everybody off by jumping around.
MR. INGRAM: No. That is all right. So as the Chair of the Project and Operations Committee, I realized that while the Board knows about our accomplishments, the public, that hopefully somebody is watching, might not know.

So with the Board's indulgence, I wanted to just briefly discuss our accomplishments last year. Which included several extensive challenging and simultaneous undertakings. Namely, the RTS refactoring, the single sticker Web Dealer, LACE, and consolidated call center.

So we started off by just saying on behalf of the Board, I would like to echo Whitney's earlier comments about the successful launch of the new web-based RTS or registration and titling system that all counties use for registrations. The Board wishes to express appreciation to everyone who was involved with this tremendous undertaking.

Project team members worked late nights, weekends and holidays to get this done. We also would like to thank as a Board the 254 county tax assessor collectors and their staff for their patience during this transition. We know the transition has not been perfect. And there have been some bumps along the way. But I know that the RTS refactoring project team is working hard to stabilize the system and address defects.
impacting users.

And just as a comment, I only have 150 employees, and I tremble with fear if I am going to change out some piece of software. So our little few bumps in the road is really pretty amazing.

And I know that any downtime is not what we expect. But still, it has been very, very minor, considering the size and scope of the project. The feedback from the tax have been essential. The RTS system is a key component of the Agency's technology upgrade, and will help position the system for future updates while also allowing for more customer-centric enhancements.

It was essential as we remove the old mainframe-based system inherited from TxDOT. Although it makes me just a little bit nervous, because I am getting to that age, where I am thinking somebody might remove me at some point.

MS. RYAN: It is just an upgrade.

MR. INGRAM: Yes. But that worries me. I am worried about somebody just upgrading.

MS. RYAN: No. Upgrade you.

MR. INGRAM: Okay. The transition to single sticker where inspection and registration is the most significant change impacting our customers in the six-year history of the agency.
Almost one year ago, March 1st, the Agency embarked on the project as we referred to, two steps, one sticker, or single sticker. Beginning March 1st of next month, single sticker Phase Two implements the 90-day inspection window for vehicle registrations and the 180-day registration inspection window for used vehicle dealers.

While single sticker will save the State a considerable amount of money, I am even more excited about the possibilities to take additional steps in the future to make the inspection and registration process better in the future. Hopefully, we can get it down to one step, one sticker. That is my goal.

Here in Texas there is a saying that it is not bragging if it is true. So I am really proud to brag that with Web Dealer, Texas leads the nation by being the first and only state with an all electronic titling system.

Web Dealer is a web based application that is available to new and used car dealers across the state to conveniently process transactions online, which is a win-win for all. Dealers will no longer be required to physically go into the county tax office, thereby reducing the wait time citizens experience for their own transactions.

So far, there have been 700,000 transactions.
successfully completed through Web Dealer. And as a personal note, as a Web Dealer user, it has transformed my title department. And it has been a great, great change.

LACE, which is Licensing, Administration, Consumer Relations and Enforcement. LACE is a lot easier to say. It is much smaller. It is being replaced with the new system that will provide benefits to the more than 32,000 dealers in Texas.

There will be a new self-service hub for submitting license applications online. It will also allow the public to search for licensees by location, license type, product lines and more.

Last but not least, the consolidated call center project, the consumer relations division served nearly half a million customers in 2015. The project will improve the customer service experience with features such as callback options and live chat, resulting in reduced call times.

So I appreciate the Board allowing me to just briefly go back over what you already know. But I thought it was important that we touch on it for the benefit of the people that hopefully might watch this. So with that overview of the Agency's projects, if it is acceptable to you, I will turn the rest of my time over to Judy
Sandberg.

MS. RYAN: If I can, I would like to give, I guess, the staff in appreciation for the tax, a round of applause for you guys. So thank you guys.

(Applause.)

MS. RYAN: Thanks for everything you guys have -- thanks for your patience for all of that. So all right. So we will turn it over to you guys now.

MS. SANDBERG: Thank you. For the record, Judy Sandberg, Director of the Enterprise Project Management Office. I am flanked by my colleagues, Eric Obermier, Chief Investment Officer and Jeremiah Kuntz, Division Director for the Vehicle Title and Registration.

I will be providing you a report with information. I will not be seeking a decision from you today. The materials in my report can be found on page 126 in your briefing book. If you would like to follow along. I would like to share with you a little bit of background.

We have a new format. This Board meeting is the first time that we are presenting this new format. So I wanted to go over it just briefly to help you -- help guide you through the page.

In the upper left corner, you will find the name of the project that we are speaking to. Across the
We have attempted to share the benefits to the public, as well as the benefits to the Agency.

On the row below that is a brief description of the project. The name of the project manager, the DMV business owners and the executive sponsor. We will also find the project end date.

In the center, on the second row, you will find information about the status of the project related to schedule, budget, scope and resources. To the far right on the second row, there are standard phases that we go through with each project, especially technology, systems development projects.

And we go through them in the same sequence. And requirements, design, development, tests, and deploy are listed and intended to try to convey which stage of the project -- or which stage the project is in.

Going on to the middle row or the third row on the left, is information about the project budget. Information in the center about staffing. And then to the far right of that row, information about change requests; how many change requests have been received on that project.

And finally, at the bottom of the sheet, you will find information about our accomplishments during the last 30 days. Planned milestones during the next 30 days.
And then some information on the most significant risk and issues and our mitigation strategies or corrective actions for addressing those particular risks and issues.

So we are trying to convey quite a bit of information on one slide that you can take with you. Speaking to the consolidated call center project, which is actually the final work stream, if you will, in the headquarters communications project. We have been working on the consolidated call center project which implements new technology in all of the call centers here on the main campus; in building one here and over at Bull Creek.

I need to let you know that the DMV staff involved in this particular project have persevered and showed incredible patience as we work through this project. It has been going on for almost three years. And we have had some several bumps along the way with this project as well.

The good news is that we have implemented the new infrastructure the new telephone systems, the basic hardware for call centers. We are down to a handful of call center features that we are trying to implement, including redaction of certain information on recordings, automated surveys, use of courtesy callback. Those are the types of features that we are working on.
We have had some struggles with some vendors along the way. Our legal department and our purchasing department have engaged very promptly and assisted us in trying to resolve issues with those vendors. We are hopeful within the next three to four months that we will finally implement, fully implement those features, complete training, and complete development of the reports that are needed for the call center to be able to function the way that it wants to function in serving the public.

Briefly, on the budget, our expenditures and encumbrances to date on this particular project have totaled $1.5 million. As of today, we have about $200,000 that has not been spent or encumbered for a specific purpose at this point in time.

That is my primary update on call center. Do you have any questions about the call center:

MR. BARNWELL: Would you tell me on the second line, January 2016 status?

MS. SANDBERG: Yes, sir.

MR. BARNWELL: I hate to be obtuse, but I don't understand what the red circle with an R means, and then another one, and then green and then yellow. What is that, exactly?

MS. SANDBERG: That is an excellent question, and you are not being obtuse at all. And I should have
explained that.

   What that means, overall status for the project
is red, is what that R means. Meaning that, overall the
project is behind schedule. And we have some challenges
that I described earlier. We are trying to convey --

   MR. BARNWELL: With contractors?

   MS. SANDBERG: We have challenges with vendors.

   We have had challenges with new technology. Those are
the kinds of issues we have tried to convey. We are very
behind schedule on this project. And it is not for a lack
of the technical staff and the program area staff trying
to implement.

   It is -- we have had challenges in being able
to implement these final few features in the environment
that we established, some of which may candidly, hearken
back to earlier vendors who are no longer working with us,
the way they originally set up the environment. We have
struggled somewhat.

   Recently, Information Technology did
maintenance and made some corrections, working with CISCO.
And we are beginning to see this particular system and
environment stabilize. And we are finally beginning to
see some progress in some of these features.

   MR. INGRAM: Barney, just to tack on, we had to
change horses.
MR. BARNWELL: I gathered that.

MR. INGRAM: Yes.

MR. BARNWELL: Yes. So it wasn't working at all before, and you had to ditch that. And some of the legacy installation and implementation that they had done carried over into the new system.

MS. SANDBERG: Yes, sir. That is correct.

MR. BARNWELL: Okay. I have got it.

MR. INGRAM: Could you also just touch on the fact that the current system and what we are going to have at the end of this is going to have basic reports and that there will be at some point, back to the Board, a statement of work for customer reports.

MS. SANDBERG: We are in the process right now. Yes, sir. Thank you for reminding me of that. We have actually developed a statement of work to pursue some external expert resources to help us develop enhanced reports, primarily for the Consumer Rights Division and Motor Carrier Division.

And we are in the process of finalizing that now. We are optimistic that the cost will be such that it may not even require Board approval.

MR. INGRAM: Uh-huh.

MS. SANDBERG: But we are in the process of determining the best path to pursue that, so that we can...
go ahead and hire a vendor to come in and assist us in finalizing those reports.

MR. TREVINO: Do you think these issues affected your customer satisfaction metrics, overall for the Department?

MS. SANDBERG: I am not -- I don't know the answer to that question. I would have to defer to that particular Department, or to Executive Director Brewster, if she has any information on that.

MS. BREWSTER: Member Trevino, yes. There was some impact of system stability on overall wait times as well as abandoned call rates that were impacted.

We had a non-related phone system issue. But, it was related to fiber lines, when it comes to Motor Carrier Division, that because of that fiber issue, some of those abandoned call rates and wait times went up.

MS. SANDBERG: Thank you. Any other questions?

(No response.)

MS. RYAN: So moving on to the LACE project. The LACE project, we'll focus on the January status in the center there. Overall the project is green, meaning that we are within budget.

The schedule is yellow because it is beginning to slip. We are about, at this point, five weeks behind schedule on developing the requirements for this
particular system, which involves the vendor, EPMO staff, and working with the staff from Enforcement as well as from the Motor Vehicle Division and hearings group to determine what the requirements are for this new system.

It has taken us longer than we anticipated, but we are wanting to make sure that we get this right. These basic requirements become the foundation for everything that we design and build out for the rest of the project.

We have been working hard to -- the vendor and the EPMO have been working together to try to determine a revised schedule, to get the project back on track. Our goal is to finalize requirements within the next two weeks.

And next week, we plan to schedule a meeting to kick off the design and make sure that all of the business areas and the vendor understand exactly what the vision is, and the guiding principles for this new system, and what we are trying to accomplish with this particular project. So that is why we are monitoring this project very closely.

We are proceeding cautiously at this point. But we are at a point where we need to finalize these requirements and start moving into design, and getting ready to configure this system.
This particular system will not be built from scratch, which will help us in recovery of schedule. We did purchase licenses to an off the shelf product that basically is built. What we will be doing is customizing or reconfiguring some of the features in that system to align it with exactly what we need for it to do.

The budget, at this point in time on LACE, the expenditures and encumbrances are slightly over $6 million. We have $3.9 million that have not been encumbered.

Those additional funds are scheduled to be spent in the future on software licenses, training of employees and -- but we do have some contingency baked in there, depending on what we -- what risk or issues we might encounter with the project. Any questions about LACE?

MR. INGRAM: Would you mind just going briefly, briefly over the risk and issues for this particular project?

MS. SANDBERG: I will be happy to do that. So one of the risks that you see there, we have an existing contract with a particular vendor.

We are trying to implement across the Enterprise, a standardized approach for identity access management. And we are building on the access management
process that we built into RTS. We have already contracted with a vendor to help us implement the same type of strategy with Web Dealer.

And we now want to, in our efforts to standardize across the Enterprise, we want to build in that same standard into the LACE product. Our current contract with the vendor for Web Dealer, we have learned from purchasing, cannot be expanded.

So we may have to do a new procurement for services in order to implement this particular feature. So we are watching this very closely, because any time we get into a new procurement, it adds time to the schedule.

So we are working closely right now with purchasing, with our services vendor, Deloitte, to determine the best way to move forward on this. So that one is a particular concern.

And depending on the estimated cost, will determine what kind of procurement we have to proceed with. And then that will determine the impact on the schedule.

MR. INGRAM: I kind of understand the next ones. But the last one is going to throw me off, because this -- that one, I don't understand.

MS. SANDBERG: CONGA is the name of a product
that Deloitte proposed in their response to our Statement of Work. One of the things we asked for was the ability to produce documents. We produce many, many documents, correspondence.

And we needed for this particular application to be able to continue to generate documents. CONGA is a software tool that Deloitte proposed in their response to us; that they would configure to use along with the sales force product to help us generate these documents.

A couple of months ago, Deloitte did a demonstration for the staff on this particular tool. And candidly, it was not well received. There was not great excitement about how it worked. And there was a widespread feeling that it did not meet their needs, and would not be satisfactory.

So we have asked Deloitte to go back to the drawing board and come back to us with a -- either an improvement in that particular solution, or for us to have discussions about do we need to consider a different path than this particular tool. But this is about being able to generate and print documents along with the new system.

MR. INGRAM: Thank you.

MS. SANDBERG: You bet. Are there questions?

(No response.)

MS. SANDBERG: Okay. Moving on to RTS
refactoring. Much has been said about RTS refactoring
today. As along with the progress that we've made in
moving off the mainframe, we are proceeding with the
release schedule that was agreed upon with Deloitte.

We are doing -- we are releasing almost monthly
new code. Our release schedule focuses on legislative
requirements and planned enhancements that we knew we had
to implement during the current fiscal year. Also within
those releases some of the defects that were mentioned
earlier are being repaired and tested, and included with
some of those releases, so that we are gradually
addressing those.

Deloitte has also, at our request, provided us
a strategy for how they are going to make quicker progress
on addressing some of the outstanding defects that we have
seen since implementation. And they have done that. They
now have seven more individuals available to them to
assist with this kind of approach. We are asking them to
start looking at providing us a schedule for how they are
going to make progress on the backlog of defects along
with this release schedule that we cannot back off of
either, in order to stay on track with the legislative
requirements. So that is in progress to keep us moving
forward.

This project, if you look at the status in the
center, the last time I reported to you, it was red. So it has made some improvement in moving from red to yellow, in terms of schedule. We are still watching Scope very closely because of the stabilization process that we are going through, and the volume of defects that we are still dealing with. But we do see some gradual improvement here. And as has already been mentioned by others, we do anticipate increased improvement in the stabilization of the software. Any other questions?

MR. INGRAM: Can you remind everyone what Work Stream 4 is going to be? Because you have increased the number of hours dramatically.

MS. SANDBERG: Yes, sir. Work Stream 4 was specific towards maintenance and operations of the newly implemented refactored RTS. And that specifically is the release schedule that I referenced.

The original statement of work that was released a few years ago when we launch down this path. We estimated approximately 33,000 hours of work over Work Stream 4 that would require maintenance. After the last legislative session, the estimated increased.

It more than doubled to 77,000 hours of work. That led to us releasing a Statement of Work for the increased amount of work, which was ultimately awarded to Deloitte, and went into effect the end of November.
So all of Work Stream 4 is focused on implementing these new releases. The meeting -- implementing new functionality into the system. Complying with legislative mandates. Implementing Single Sticker II is a part of that effort, and -- along with any maintenance that is necessary to sustain the system and keep it going.

MS. CARAWAY: What about the name search?

MS. SANDBERG: Name search. It is -- we have put it on the list of defects. And we are -- Jeremiah's team is helping Deloitte prioritize how we -- what order we work on those remaining defects.

And right now, the name search has been prioritized a little lower than some of the other system issues that we are seeing. It is still on the list to be addressed.

But right now, from impact on both attacks as well as the DMV offices that are using this product, the program areas have advised us, we need to focus on some of those other defects first. We still have plans to get to it, but it is sitting on the list right now with a little lower priority than some of these other issues.

MS. CARAWAY: Thank you.

MR. TREVINO: Ms. Sandberg, you mentioned the legislative mandates. Have those been fairly stable, or
has that been a moving target as well?

MS. SANDBERG: We were able to identify the legislative mandates early in the fiscal year and go ahead and schedule them out. And strive to try to implement them by the dates that were mandated in statute.

And for the most part, we have been on track with staying on schedule with that. There was one item, Jeremiah, my memory has -- I have lost it. There was one item, I think. We were a little late on, a couple of weeks.

MR. KUNTZ: That was our January release.

MS. SANDBERG: Right.

MR. KUNTZ: Yes. So there were some new, I was going to say, Caroline would have all of the details on all of those releases. And she is, I think she is going to cover that in her presentation.

MS. SANDBERG: Thank you. Sometimes I have to phone a friend to help me with some of these details.

But for the most part, we are on track and on target to meet all of the legislative mandates on time. Yes, sir. Other questions about refactoring?

(No response.)

MS. SANDBERG: That leads us to Single Sticker Phase Two. The overall status on Single Sticker, we are -- it is shaded yellow overall, yellow on schedule.
Yellow on scope. But green on budget and resources.

We believe that the basic changes that are needed, or all of the changes that are needed in the refactored RTS system in order to be able to implement Single Sticker Phase Two are on target. They have all already been coded. We are in the midst of testing, and we are on track to implement those into the production environment on time.

The reason this is tracking yellow right now, is because in addition to that, we are doing some reports for some of the other agencies, including Department of Information Resources, Department of Public Safety and Texas Commission on Environmental Quality. They have asked us to either provide information to them in the format of reports, or send files to them.

We have been working in interagency work groups and committees since early fall on getting those requirements. Some of those requirements came in to us a little late. And we have been working with Deloitte as well as IT to make sure we understand those requirements and that we can provide them those reports that they seek.

We know we will not have those reports ready for them on March 1st. But as of March 1st, we need to start gathering -- we will be collecting the data or the information that is necessary to populate those reports.
Our goal is to try to provide them those reports by the end of March, so that they have that information available to them.

We are tracking to be able to do that by the end of March. Candidly, our vendor has some concerns about whether we can realize that date. We believe that it is achievable, but it is going to require very close monitoring, and closely working with those agencies and working with the vendor.

But we will finish those reports and provide them what they have requested of us. Any questions about Single Sticker Phase Two?

(No response.)

MS. SANDBERG: Okay. Moving on to Web Dealer, Web Dealer is also painted yellow right now, meaning that it is slightly behind schedule.

We were having some scope issues, and we have had a few resource issues. We had planned to deploy an adoption improvement module on January 31st. We did not meet that date. We have postponed that deployment by two weeks until Valentine’s Day on Sunday, February 14th.

The reason that we delayed it is because through testing, we realized the quality was not where we wanted it to be. And we all agree that we did not want to put a product out that was just going to create problems.
And that it was better for us to take an extra couple of weeks, take stock of where we are, find where we had some challenges, repair those, retest them, and make sure the product is right before we release it.

So that particular module is going to be delivered about two weeks behind schedule. So that has contributed to the delay.

Another area that is presenting a challenge for us, and Jeremiah may want to speak to this more; he is more familiar with it than I am from a business perspective. But we are trying to implement as part of Web Dealer centralized payment and improved convenience for providing payment in both the salvage module and in the centralized payment module for Web Dealer.

And the path we would like to take that provides the best benefit and the least cost to those who would use this is providing challenging. Part of that is because we are required by the State of Texas to use texas.gov. That proved to have some challenges for us in terms of the cost per transaction or groups of transactions.

We have been negotiating with the Department of Information Resources, who owns that contract with the vendor who oversees texas.gov. And that has -- we had to submit a waiver to the Department of Information Resources.
for an exception from that process in order to go a
different path with the Comptroller's Office. So you can
see how convoluted this kind of is.

But it has contributed to delaying the
schedule. And as we stand right now on salvage, we are
proceeding at this point on the salvage module using our
current payment method. But we are still negotiating with
DIR to pursue the waiver. So that at some point here in
the future, we could implement the improved payment
process that we are seeking.

We are already at the point now where this is
beginning to impact the centralized payment module that we
want to implement. And in fact, we have a meeting
internally with executives tomorrow to discuss, do we
submit a waiver to DIR for this? What direction do we go?

So that payment gateway and method of payment
is proving to present challenges for design and from
building in the requirements.

Is there anything you want to add, Jeremiah, to
that?

MR. KUNTZ: I think you did a great job.

MS. SANDBERG: Thank you.

MR. INGRAM: So the waiver that we have already
filed is just on salvage, correct? The waiver that is
currently pending with DIR is relating to the salvage
payment gateway? So the decision next is whether we do another waiver for --

MR. KUNTZ: Yes, sir.

MR. INGRAM: The centralized payments.

MR. KUNTZ: Yes, sir.

MR. INGRAM: Okay.

MS. SANDBERG: Budget-wise, we are within budget. Expenditures, encumbrances at this point at $4.6 million. Our remaining budget is a little over a million dollars. So we are tracking on budget.

The project end date is a year away; February 2, 2017. So even though we have had some delays in some of these milestones, we are still overall on track to finish before the project end date.

And that concludes my presentation. If you have any questions, I will be happy to try to answer them.

(No response.)

MS. RYAN: Any questions?

(No response.)

MS. SANDBERG: Thank you.

MS. RYAN: Thank you very much. Item B(2).

MR. KUNTZ: For the record, Jeremiah Kuntz, Director of Vehicle Title and Registration Division. I will be covering Agenda Item 4B(2) today. This is a briefing item. It does not require action on behalf of
the Board.

In November, 2014, the Agency renewed its contract with our vendor, My Plates for the marketing of specialty license plates. That contract was a five-year renewal. The original contract was five years. It had an option for a five-year renewal.

We are currently in the first year. We have just completed the first year of that new five-year renewal term. The new renewal will expire in November of 2019.

Similar to the first contract, the new renewed contract had a guarantee payment to the General Revenue account of revenue from the sale of specialty license plates. Each license plate that is sold in our program, a percentage of it goes to General Revenue. And so, during that renewal, we renegotiated how those percentages were laid out.

There was a substantial change in the amount of revenue that the State would receive on license plates that were renewed by customers. Originally, in the original contract, that percentage was closer to 50 percent split. In the new renewed contract, the State receives 95 percent of the revenue on a renewed license plate. My Plates would retain 5 percent of a renewed license plate.
That has had a substantial impact, a positive impact on the revenue that the State is receiving. This is really one of the main reasons we wanted to give you this briefing is in the first year, and really, the numbers I have got compare the first 13 months of the new contract to the last 13 months of the old contract.

The General Revenue has seen an increase of about $2.7 million. As Ms. Flores reported, we have generated close to $10 million already for General Revenue in the first 13 months of this contract. The guarantee for General Revenue is $15 million.

So we are well on our way to meeting that guarantee. Or My Plates is well on their way to meeting the guarantee of $15 million to the State. The first contract had a $25 million guarantee, but obviously with the percentages being different, it took them a lot longer to get to that guarantee.

This guarantee is a lot less. However, we get a larger percentage. So they weren't going to take on more risk in increasing that guarantee. That is why we restructured the contract the way we did.

It is proving out to be very successful. We have seen a lot of good revenue coming in from this contract. Part of the new contract as well had to do with the design, the inventory design.

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Right now, currently My Plates has about 111 designs that are available through their marketing efforts. At its peak, we had about 168 license plate designs that were available. The 57 that have been reduced largely were attributable to a provision in the renewed contract that required that any plate design had a minimum of 200 active registrations on it.

If a plate design falls below that 200 threshold, My Plates notices the sponsor. Or if they have their own plates, they are just on notice that those plate designs would be removed from inventory if they do not get them up over the 200 registration threshold.

So in the first year of the contract, we went through attrition of those plates. In your packet, you can actually see. We have got the plates that have been discontinued. There are 55 plates that were discontinued.

There were two plate designs that they repurposed and redesigned, so that is how you get to the 57 plate designs that have been changed or reduced. So that is what you are seeing right there. We have had a substantial decrease due to that. They have added five plates, plate designs since the contract started.

So we have seen a lot of success with that, in trying to manage the inventory better and make sure that the plates that are offered have a good participation
rate. People are interested in those plates and want to purchase them.

In addition to that, we have made some substantial efforts to try to assist My Plates in their marketing efforts. Previously, we were not running banners on our website for My Plates. We have since started that.

My Plates has given us a schedule for the year. They have provided us multiple banner designs, depending on different sales that they have scheduled, or different plate designs that relate to a certain time of year.

The thing that comes to mind the most is, putting a banner on college sports plates during the seasons that are coming up. At the beginning of football season, we will run banners relating to college plates to try and increase that interest in those kind of plate designs.

Additionally, we have added some marketing to our renewal notices. So on the renewal envelope on the outside of the envelope, we have added a marketing piece in the bottom left hand corner of the envelope, marketing the MyPlates.com website to try and generate interest from those people that are getting a renewal in the mail.

And then additionally, My Plates -- you all approved just recently the all black license plate. It is
referred to as the Classic Black. It looks very similar to some of the old Classic Black plates that were issued in general issue back in like the '60s.

They have run a major marketing campaign on that. They have TV ads. They have web ads. They are running radio ads on that. We have taken and added a web video on our front page for that campaign to assist them in that campaign as well.

So we are trying in all of our efforts to make sure that we are supporting them in trying to drive new plate sales as well. So that we are in sync with what they are doing on their websites, and out in the media as well. Their marketing activities continue.

They have got year-round marketing. They have got social media. They are heavily engaged in social media. They are heavily engaged in web marketing.

So they go out to websites and do targeted marketing of people. If somebody clicks on their website, that loads in a cache. And they will do direct marketing to that person again.

They also monitor different websites to see people that visit certain websites may have gone to their website. And so, new people that go to those new websites, they want to have ads on those as well. So they are doing very targeted marketing online, as well as their
radio and TV ads.

In your presentation, I have got a couple of graphs that you can actually graphically see the way the revenue has come in. This just shows you the increase that we have seen in that first year.

And then also, for your reference, we have got some charts that just give you some context on where different plates are. It shows you the top ten plates for the different programs.

The first chart shows you the top ten military plates. Our disabled veteran's license plate is our highest speciality plate. Obviously, it is a qualifying plate. We have over 180,000 disabled veteran plates that are actively on the roads today.

As you look down, you see the charity plates. These are statutory plates, or plates that are sponsored by other state agencies outside of the My Plates contract.

And the largest portion of those are personalized plates that are on a general issue design. Those are not longer available. But those are holdovers that people continue to renew. And so, that is what those represent, is we have got about 45,000 people who had personalized a general issue plate that are maintaining that personalization.

And then down at the bottom, you can see the
top plates for My Plates. If you look at their top five, you can see all of those have a black background design. So that is obviously a very heavily purchased plate design.

Lots of folks that have black vehicles, or vehicles that they want to try and match colors, that is generally what you are seeing there, is that they are using that black background to try and match the paint job on their cars. So that has got a very high population there, of all of the specialty plates. With that, that concludes my presentation.

MS. RYAN: I'm sorry. We had a comment from the audience.

MR. KUNTZ: Was that from SIRI?

FEMALE VOICE: That was SIRI.

MS. RYAN: Oh, that was SIRI? All right. I'm sorry. We had a comment from SIRI. Sorry, Jeremiah, to interrupt.

MR. KUNTZ: That concluded my presentation.

MS. RYAN: Okay. Well done. Thank you. Any other comments for Jeremiah?

(No response.)

MS. RYAN: Okay. Thank you.

MR. KUNTZ: Thank you.

MS. RYAN: We will move to Item 4C. Caroline,
MS. LOVE: Good morning. For the record, my name is Caroline Love. I am the Director of Government and Strategic Communications for the Department.

And the report that I will provide to you today relates to implementation of legislative items. And it begins on page 140 of your briefing book. And it is for informational purposes only, so no action is required of the Board.

I did, before I start, want to give a few legislative type updates. The first thing I wanted to mention is that the woman who spearheaded this Agency and has been a close friend of the Department since we began, Ruth Jones McClendon announced that she is resigning, or she has resigned, effective January 31st.

She had announced back in September that she would not seek reelection to spend more time with her family. And then this resignation allows the Governor to call a special election to fill that seat.

But it is certainly someone who we will miss. She was a very good friend to us, and very supportive, and had a lot of great leadership, and our regard. So I wanted to mention that.

And then also, as we discussed in previous meetings, the 84th Legislature's General Appropriations...
Act included the ability for the Texas Facilities Commission to issue revenue bonds to provide for new facilities for DMV, which was subsequently vetoed by the Governor in June. And some update on that.

In July, the Legislative Budget Board sent a letter to the Comptroller questioning whether or not that was overstepping veto authority, because it vetoed a rider instead of an actual appropriation. And Comptroller Hager then requested an opinion from the Attorney General. And the Attorney General's Office issued an opinion in December, upholding the veto, and saying that it was related to the appropriation itself.

So that veto is standing. And so, I just wanted to give you an update on that. But we continue to work with the state leadership on what our facilities options can be for the future.

And another legislative-related item, we have had other -- there has been quite a few interim hearings that have been taking place since we last met in November. And some of those have included testimony from Comptroller Hager, at a House Select Committee on Transportation Planning.

And also at a Senate Finance Committee hearing regarding what the revenue estimates might be for the State, given the drop in oil production. And his
essential summarization of the impact is that it is too soon to tell what it might mean for the State. And that the next few months will be more telling of what that impact could be.

But his directive to the Legislature was, anticipate a tighter budget for the upcoming biennium. So I think that is something we -- all state agencies are taking into account as we look at our Legislative Appropriations Requests.

And in addition, the Senate Transportation Committee met on January 27th. There are two items related to DPS programs, including the driver responsibility program, which does not have a DMV component.

But the other interim item that they considered, related to the vehicle inspection program which is certainly tied into DMV now, through the Single Sticker program. And they did not ask for the Department to prepare testimony.

But we were there. Jeremiah Kuntz attended on behalf of the Agency to be available as a resource witness. Just a quick summary of what occurred at the hearing. They talked about how 15, there was --

I should start with the people who attended. There were representatives from DPS, Texas State
Inspection Association, Texas Commission on Environmental Quality, the Texas Trucking Association had a representative there. And there was a professor of economics from Troy University in Alabama.

And apparently, this professor has researched vehicle inspection requirements in states for several years. And he said that only 15 states currently require a safety vehicle inspection program. Not to be confused with the emissions inspection requirements which are a federal requirement of all states, in near non-attainment or non-attainment zones.

But the vehicle safety inspection program has certainly garnered a lot of attention. And he mentioned that of the statistics they have received nationwide, approximately 2 percent of all vehicle crashes are related to a malfunction of vehicles. So there was a lot of discussion among the Committee about continuing the vehicle inspection program.

And in the end, there was a discussion of what would the State do if it were to be eliminated? And Senator Garcia on the Senate Transportation Committee noted that if they were to do away with this program, it would leave a subsequent hole in their budget given that $7.50 of every vehicle inspection currently goes towards the State for various programs. So that is something that
the Committee is going to continue to consider.

Jeremiah was called up to answer a question. The Texas Trucking Association representative mentioned that there is a concern that for some intrastate carriers, the way the statute reads on inspection requirements, if they have a vehicle that may have received an inspection in another state when they come to Texas, it claims they need a Texas inspection.

And so, we -- Jeremiah was able to clarify what statute currently requires for both commercial and personal out of state vehicles in terms of an inspection. But we are going to work with the Committee to make sure that language is clear moving forward, to not be redundant in terms of inspection requirements for certain vehicles. Those were some of the main items.

There are a few other upcoming hearings. I think once we hit March, there will be a lot of additional hearings that will be scheduled. But some of the ones that we know of that are coming up in the near term include on March 17, the House Defense and Veterans Affairs Committee will hold a meeting to discuss items that passed during the 84th Legislative Session, and the status of implementation.

And as our Executive Director mentioned previously, there were 47 military related, specialty
license plates that passed last session. And the Committee did ask if we could come.

And Jeremiah is scheduled once again to be our resource witness on that. And he will inform the Committee that we have successfully implemented all of those license plate requirements.

And then on March 29th, the Senate Transportation Committee will hear testimony, invited testimony related to oversize and overweight regulations. Some of their testimony will focus on the impacts of Texas economy from the Panama Canal expansion project. And then also, if larger vehicle weight limits were allowed on the roadways, what that would mean for the State's roads and bridges.

We are currently working with the Committee to see if -- what kind of role we might have in that, given our permitting authority in that area. But it has certainly been a hot topic as of recent.

The Texas Trucking Association last week had a summit in Houston, which I was able to attend. And so did Jimmy Archer and Scott McKee from our Motor Carrier Division, talking about certain industry desires to increase weight limits over 80,000 pounds to maintain competitive economic advantage within Texas.

There is certainly a lot of stakeholder
considerations with something along that effort including local communities not wanting such large vehicles to go through their neighborhoods to law enforcement and safety needs and all sorts of various impacts that that would have.

So the Texas Trucking Association intends to continue to have these types of stakeholder meetings to work on this. And I think this hearing will be another effort to move those efforts forward to see if there is anything that can be considered by the 85th Legislature.

So that kind of summarizes my other legislative items. And now, unless there is any questions, I can get into the summary of our implementation efforts.

(No response.)

MS. LOVE: So we had, as mentioned before 71 bills identified that passed during the 84th Legislative Session that do have some sort of implementation effort on behalf of the Agency. And so currently, 34 of those have been fully implemented.

And of the 37 remaining bills, there are eight bills that have third party requirements. And some of those relate to some license plates have deposit requirements from the stakeholder groups in order to continue to move forward.

Or for some larger bills such as the Senate
Bill 20 which did all of the state agency contracting, there are some efforts that the Department of Information Resources and the Comptrollers Office are working on still. To make sure that state agencies have proper guidance on those items. And then there are the remaining 29 bills.

Two of those do not go into effect until September 1 of 2016. Certainly, the biggest impact of those two bills would be Senate Bill 1512, which recreated the TxDMV Fund. And staff is working to make sure we have everything in order for that transition to be successful. So I will continue to provide updates on that one.

And then also House Bill 7535 by Representative Israel from the Austin area requires the Department to submit an annual report to the Legislature on alternatively fueled vehicles. And it would just help the Legislature identify how many vehicles are either not paying the motor fuels tax or paying less of a motor fuels tax. And so, that can help them in some of their decision making.

The other 27 bills mainly have been implemented from a functional standpoint. But we have some smaller implementation items to catch up on, such as updates to manuals and things like that.

One of the things that Judy mentioned and that
we were mentioning before, there were several bills that
we requested a January 1, 2016, effective date to help us
get the registration and titling system up to speed to
adopt the various license plates or efforts, registration
renewals and things like that into place. So there were
two components. Two bills that were delayed for
implementation by one week.

There was a bill that had a donation that could
be made to Special Olympics which was not allowed before,
when you were doing your registration renewal. Or, an
organ donor donation, which previously was limited to $1
when you were filling out your registration. But now it
says $1 or more.

And because of some issues with the release for
the refactoring project, the implementation was delayed
for that release by one week. We notified the bill
authors and the stakeholder groups. And then once it
became available, everyone was very pleased with the
outcomes. So we are now fully in compliance with those
efforts.

And in addition, there are a couple of items
that the Board will consider today to kind of finally
implement some of those other remaining bills, including
the Chapter 210 adoption of rules. That will look at
contracting requirements for Senate Bill 20 and then also
the Chapter 217 final adoption of rules, which includes a component to recognize auto cycles.

And that was per Senate Bill 449 by Senator Bettencourt. And unless there is any questions on that part, I do have another update on the Single Sticker implementation.

(No response.)

MS. LOVE: So we continue to implement Single Sticker, which was passed by the 83rd Legislature in House Bill 2305. That program had a longer than normal, I suppose, implementation due to the fact that we had to have the current sync up-year, which will end at the end of this month.

So during the sync-up year, as long as a vehicle had a current inspection, it was allowed to move forward with registration. Starting in March with vehicle registrations that expire in March, there is a requirement for vehicles to obtain that inspection 90 days prior to the registration expiration.

And to that end, the Department has been working on several efforts to try to get that new message out. One of the ways that we have done it, we did on January 20th, issue a press release which has since been covered by more than 30 news outlets statewide.

And then we also continue to utilize social
media. Some of the examples: We will put up on the top
banner of Facebook or Twitter page an image of the
expiring sticker. And it says, does this look familiar?
If so, you can start your inspection process.

So we have various efforts underway to make
sure that people know about the requirements there. And
in addition, we have been working with some of our
stakeholder groups, such as the Texas Auto Dealers and the
Texas Independent Auto Dealers to have articles appear in
their regular publications, which has been very helpful.

And of note, on this past Saturday, our
Executive Director was able to participate in the KVUE
morning show here in Austin, and talk about the upcoming
requirements, which is very helpful. And I thought it was
a very good show. So thank you.

MS. RYAN: I didn't know that. Wow. I'll have
to YouTube it.

MR. INGRAM: I missed it.

MS. BREWSTER: It will be sent to you in your
Board update that is going to you today. Grab the
popcorn.

MS. RYAN: Okay.

MS. LOVE: And in addition, we have shared
customizable press releases with counties for them to use
in the local areas, which is particularly helpful in some
of the more rural areas of the state. And that pretty much wraps up my single sticker update. Unless you have any questions on that.

(No response.)

MS. RYAN: Thank you. Any questions?

(No response.)

MS. LOVE: Well, with that, I would like to have just a brief moment to update you on what we are doing to prepare for the 85th Legislative Session. The Government and Strategic Communications Division has started to reach out to internal staff to see if we could start looking at those items that either didn't pass during the last session or that might be -- where statute is unclear in certain areas, to determine what efforts might need to be taken during the next session to help make sure we are as efficient and effective as we can be.

And just as a reminder, the Transportation Code charges the DMV Board with considering opportunities for improvement and to recommend changes in statute to the Legislature. That is something that we'll continue to work on this summer. We will likely have stakeholder work group meetings to help make sure we get input from as many outside entities as we can.

And then we will also be working closely with
the Board, Legislative Committee, and kind of keeping you apprised of our efforts there. So we will have likely the final set of recommendations ready for the Board's review sometime this fall.

And that is all that I have for today. But again, I am happy to answer any questions.

MS. RYAN: Questions? Comments?

(No response.)

MS. LOVE: Thank you.

MS. RYAN: Thank you very much.

MS. LOVE: You are welcome.

MS. RYAN: Okay. With that, we will move to Item 5. We are going to move 5A to after Executive Session. So we will move to 5A(2). Move 5-1 to the back. We will move to 5-2. So Jimmy, thank you. And will take up Item 2.

MR. ARCHER: Good morning, Madam Chair, members of the Board. For the record, my name is Jimmy Archer. I am Director of the Motor Carrier Division. This Agenda Item is located on page 146 of your Board book.

The Motor Carrier Division requests Board approval to renew the contract with Explorer Information Services for one year of software maintenance and support for the existing Texas International Registration Plan, or
Texas IRP. The current contract expires on March 31, 2016.

Specifically, it is requested that the Board delegate authority to the Executive Director, or her designee, to negotiate, execute and sign the contract with Explorer Information Services. The Board approved a new contract with Explorer Services in 2014. That contract included an option for three one-year renewals.

With your approval, this will be the second of those three available renewals. The contract supports the online Texas IRP system related components. The monthly cost is $26,691 or $320,292 annually.

Texas IRP collected $152.6 million in revenue in FY '15 for registrations through the Texas IRP system. The system supports the following: reregistration, proportion registration, token trailers, forestry, rental trailers, performance and registration information systems management and records, reviews and audits.

Performance and registration information systems management or PRISM requirements went effective 2008. Texas PRISM links the motor carrier safety information to the Texas IRP web base.

The registration system accomplish two goals. First, determine the safety and fitness of motor carriers prior to issuing a license plate. And second, to
influence the carrier to improve its safety performance through an improvement process whereby, if necessary, the application and registration sanctions.

I respectfully ask the Board to delegate authority to the Executive Director Whitney Brewster or her designee, to negotiate, execute and sign the contract with Explorer Information Services. Thank you. And I entertain any questions you may have.

MS. RYAN: Question. Jimmy, we have had no concerns during the first renewal period, or problems with the contractor or the software?

MR. ARCHER: No, ma'am. Their services do very good.

MS. RYAN: Okay. We have a motion?

MR. TREVINO: Chair Ryan, I move that the Board approve the contract renewal and delegate authority for the Agency's Executive Director or her designee to negotiate, execute and sign the contract renewal with Explorer Information Services for one year of software maintenance and support for the existing Texas International Registration Plan.

MS. RYAN: Thank you.

MR. BARNWELL: Second.

MS. RYAN: Motion from Member Trevino and a second from Member Barnwell. All in favor, raise your
right hand, please.

(A show of hands.)


MR. KUNTZ: Jeremiah Kuntz, Director of Vehicle Title and Registration Division. Before you for approval is a license plate design for the Childhood Cancer Awareness. It is a license plate that is a non-vendor plate.

This is a plate that is being sponsored by the Texas General Land Office. These plates have a standard fee of $30, $22 of which would go to the General Land Office to support grants for the Snowdrop Foundation.

The Snowdrop Foundation provides scholarships for pediatric cancer patients and survivors. They intend to raise awareness as well as research cures for childhood cancer. I will entertain any questions that you may have about the plate design.

MR. INGRAM: Move that we approve the plate.

MS. RYAN: Motion from Member Ingram.

MR. TREVINO: Second.

MS. RYAN: Second from Member Trevino. Any questions or discussion?

MS. RYAN: All in favor, raise your right hand.
A show of hands.)

MS. RYAN: The motion carries unanimously.

MR. INGRAM: Madam Chair, it has been two and a half hours. Could we take a five-minute break?

MS. RYAN: We can. Yes. We will be in recess for five minutes. We will be back in five minutes. Thank you.

(Whereupon, a short recess was taken.)

MS. RYAN: All right. I would like to call the meeting back to order. We will now take up item 4C. Yes, 4C. A contested case. And Daniel Avitia. We are on four -- I'm sorry, 5C. I apologize, 5C. I flipped the page, 5C.

MR. AVITIA: Madam Chair, Board members, Ms. Brewster. Good morning. For the record, my name is Daniel Avitia. I have the pleasure of serving as the Director of the Motor Vehicle Division.

Alongside me this morning is Mr. Michael Cady, an attorney with the Enforcement Division. Mr. Cady provided the legal representation during the contested case hearing held at the State Office of Administrative Hearings. This effort also included significant support from Ms. Michelle Lingo as co-counsel.

Agenda Item 5C, which can be found on page 150 of your Board books is the Texas Department of Motor
Vehicles versus Fela F. Koleoso d/b/a American Auto Buyers Club, contested case. On this matter, staff is asking the Board to issue a final order which concurs with the administrative law judge's proposal for decision and deny Mr. Koleoso's application for wholesale GDN licensure.

This is the first case the Board has heard since the Board adopted criminal offense and fitness rules October 2014. Since the new rules went into effect, the Motor Vehicle Division has reviewed and processed more than 4,500 applications for licensure. That is new applications.

At current, nine applications have required the next step of issuing the notice of the Division's decision to pursue denial, which affords an Applicant the opportunity to request a hearing before the State Office of Administrative Hearings. In an effort to provide you some context with regard to application, criminal offense and fitness reviews, the following convictions are examples in which staff has determined an application denial was necessary.

So for example, felony aggravated assault with a deadly weapon, felony theft of property; more than $200,000. Felony engaging in organized crime. Felony sexual assault. Felony sexual assault of a child.

And as in this case, with regard to Mr. Fela F.
Koleoso d/b/a American Auto Buyers Club, he has been convicted of the felonies following: bank fraud, receiving mail in a fictitious name, and aggravated identity theft. The issue in this case is whether the Board should approve or deny the application for licensure.

The Applicant in this case did not file exceptions, briefs, or any pleadings contesting the ALJ’s findings of fact or conclusions of law. As you are aware, the Board can only change findings, conclusions, or orders issued by SOAH ALJ when change is justified under Texas Occupation Code 2001-0580. Staff finds that such justifications are not present in this case.

The SOAH judge did not fail to properly apply or interpret applicable law, agency rules, written policies, or prior administrative decisions. There is not a prior administrative decision on which the SOAH ALJ relied on that is incorrect or should be changed. And there is not a technical error in a finding of fact that should be changed.

After staff’s review of all the documents before the Board today, staff believes the ALJ’s analysis of the law, and evidence presented is thorough and that the conclusions of law reached in this case are reasonable. Therefore, the Motor Vehicle Division
requests that the Board issue an order which adopts the
ALJ’s findings of fact and conclusions of law, and concurs
with the ALJ’s recommendation to deny the application for
licensure.

Staff has prepared a draft order for your
consideration. Mr. Cady and I are certainly happy to
answer any questions you may have.

MS. RYAN: All right. Is the party present
today?

MR. DUNCAN: I was going to answer that. I
just checked with our sign-in folks, and Mr. Koleoso and
his attorney were notified via email and regular mail of
the Board’s meeting today, and that this matter would be
considered. They didn’t file anything with our office to
present to the Board, and they are not here.

MS. RYAN: Did they reply to the email?

MR. DUNCAN: They did not.

MS. RYAN: So do we know for sure that they
received the notice?

MR. CADY: Actually, I spoke with Mr. Koleoso.
I am Mike Cady, for the record. I am the staff attorney
that handled the prosecution in this matter.

And I spoke with the Applicant’s attorney,
Jason Danowsky, yesterday afternoon. And he said that he
wasn’t going to file any briefs, and he wasn’t going to
MS. RYAN: So we do have confirmation that they are aware of this hearing. Okay.

MR. RUSH: I make a motion that the Board adopt as SOAH administrative law judge's proposal for this decision with no change.

MS. RYAN: We have a motion from Member Rush.

MR. BARNWELL: Second.

MS. RYAN: A second from Member Barnwell. Any discussion?

(No response.)

MS. RYAN: Okay. All in favor, raise your right hand.

(A show of hands.)

MS. RYAN: The motion carries unanimously.

Okay. Thank you very much. Okay. We will now move to Item 5D.

MR. DUNCAN: Good morning, Members. David Duncan, General Counsel.

This is a rule that was proposed at your last Board meeting. It relates to the operation and rules of the Advisory Committees. These rules, what we did was, we took general rules of the Board that referred to advisory committees without specificity and made the rules specific to advisory committees, which is required by another
statute in the Government Code.

We did receive one comment in favor of the rule, from the Texas Independent Auto Dealers Association. And we would urge that the Board give permission to the staff to publish the rules for adoption without changes.

MR. BARNWELL: I move that the Board approve the adoption of the amendments to Section 206.93 and new Section 206.94 and 206.95 without changes to the published proposed text.

MR. INGRAM: Second.

MS. RYAN: Motion from Member Barnwell. Second from Member Ingram. Is that correct?

MR. INGRAM: Yes.

MS. RYAN: Okay. Any comments or discussions?

(No response.)

MS. RYAN: All in favor, raise your right hand.

(A show of hands.)

MS. RYAN: The motion carries unanimously.

Item B.

MS. FLORES: For the record, Linda Flores, CFO. And I am here to request your approval to adopt a new section 210.3 in the contract management, Subchapter A, Purchase Contracts.

As Caroline updated you this earlier, this is to implement Senate Bill 20 by Senator Nelson, having to
do with contracts. There were no fiscal implications related to the new section. The proposal was published in the Texas Register on December 4th, and it closed on January 4th and no comments were received.

We do have an internal working group working on those particular rules. Our target deadline to establish our procedures is August 31st. And with that, I request your approval.

MR. INGRAM: I move that the Board approve the proposed rule review, repeals, amendments and new Section 215.16 to Chapter 215 for publication in the Texas Register for public comment.

MR. TREVINO: Second.

MS. RYAN: Motion by Member Ingram and a second by Member Trevino. Any discussion or comments? Excuse me, this is for -- actually this rule is 210.3, Enhanced Contract Monitoring Program motion. Yes, let's.

MR. INGRAM: Sorry.

MS. RYAN: Yes.

MR. INGRAM: I was just eager.

MS. RYAN: He was so excited about the contracts.

MR. TREVINO: Well, I'd like to go ahead with what he --

MS. RYAN: Blake, will you withdraw that
motion, please?

MR. INGRAM: I think we could withdraw that motion. Thank you.

MS. RYAN: Okay. So the motion has been withdrawn and the second has been withdrawn by Member Ingram and Member Trevino. Do I have a motion, a new motion?

MS. CARAWAY: I move that the Board approve the adoption of new Section 210.3 without changes to the published proposed text.

MS. RYAN: Okay.

MR. TREVINO: Second.

MS. RYAN: We have a motion by Member Caraway, and a second by Member Trevino. Do we have any comment or discussion?

(No response.)

MS. RYAN: Okay. All in favor, raise your right hand, please.

(A show of hands.)

MS. RYAN: Okay. The motion carries unanimously. And for confirmation, Mr. Duncan, was that correct?

MR. DUNCAN: Yes, ma'am. It was.

MS. RYAN: Thank you.

MR. BARNWELL: I like the way they catch that a
little sooner, and I would like to point out that before we go further, this lovely tie from the Metropolitan Museum of Art was loaned to me by our esteemed counsel David Duncan today, because I forgot my tie.

MR. DUNCAN: Thank you very much.

MR. BARNWELL: I will get it back to you one of these days.

MR. DUNCAN: You are quite welcome.

MS. RYAN: Thank you very much. Okay. Item C.

MR. KUNTZ: Jeremiah Kuntz, Director of Vehicle Title and Registration Division. Before you is Item 5D(1)(c). This order authorizes the adoption of amendments to Chapter 217, Vehicle Title and Registration, 217.13, Motor Vehicle Titles.

The amendment is final adoption, does the following things. It adds auto cycles as was referenced earlier from the legislative session to those vehicles that may be titled and registered as motorcycles. It also corrects some size issues that we had with travel trailers for consistency with the Transportation Code.

It clarifies language that excludes some house trailer type vehicles from eligibility of titling under Transportation Code 501. And then the majority of this rule packet relates to clarifying language regarding assembled vehicles.
Those vehicle types, we are making sure that as
vehicles are assembled, that they are using the correct
component parts as allowed by federal law and that we do
not have issues that are created by assembled vehicles.
There were no fiscal implications related to the
amendment.

The proposal was published in the Texas
Register on December 4, 2015, and comment period closed on
January 4, 2016. With that -- and there were no comments
received. With that, I close my presentation.

MS. RYAN: Can we have like a motion.

MR. BARNWELL: I am not doing that again.

MR. RUSH: I will make the motion.

MS. RYAN: Motion to -- would you like to.

MR. RUSH: Never mind. You do it.

MS. RYAN: What have you got. What have you
got, Marvin?

MR. RUSH: Got amendment to approve. Which one
am I approving after that.

MR. BARNWELL: Yes. See, I ran into that
problem a minute ago.

MS. RYAN: Jeremiah. Motion to approve?

MR. RUSH: I move the Board approve the
adoption of amendments of Section 217.3 without changes
and the published proposed text.

ON THE RECORD REPORTING
(512) 450-0342
MS. RYAN: We have a motion from Member Rush.

MR. INGRAM: Second.

MS. RYAN: And a second from Member Ingram.

Any comments or discussion?

(No response.)

MS. RYAN: All right. All in favor, raise your right hand.

(A show of hands.)

MS. RYAN: The motion carries unanimously.

Thank you very much. Okay. With that, we will move to Item 2A. And -- no. We won't move to -- move to 5D(2).

MR. DUNCAN: Members, good morning again.

David Duncan, General Counsel. I am joined by Mr. Avitia, the Director of the Motor Vehicle Division; and Mr. Harbeson of the Enforcement Division.

This is the only proposal today. It is a reproposal of the Chapter 215 rules, which we have been massaging and struggling with for about a year now.

We had discussions internally and externally over late spring and into the summer; proposed the rules. And unfortunately, were unable to reach a consensus on certain key issues in time to have the rules adopted by the six-month deadline that is imposed by the Texas Administrative Procedure Act.

So we are back with a slightly revised package.
There are only a handful of changes. One of them, you will see, is the new 215.160 which would impose a duty to identify vehicles at both wholesale and retail sale as salvage.

And additionally, we have tried to revisit the Subchapter H advertising rules. You may see in front of you a small selection of pages from Chapter 215. And I would point out that these rules run from pages 191 to page 528 of your Board backup.

So I doubt you are going to scroll through and read them all while we are here. But there are a few selected pages that we have left in front of you that have a blue line. They are sort of a pale blue.

We had missed some highlighting. When we change rules like this, we are supposed to underline new language and strike out. We missed underlining two abbreviations of a new term that we have used, called SRP, which is Suggested Retail Price.

And we also neglected to include a strikeout. The language just disappeared. It was just as gone, but we didn't put it in there as stricken out. So we would just like to point out that the big package that is in your backup had three small errors in it. And that is everything that we found since we provided that backup.

We look forward to working with interested
stakeholders on this rule. We realize it is not perfect. We have gotten some verbal feedback already. And it is our desire and our sincere hope that we would take the next few months.

It will obviously be open formally for comment for 30 days. However, that 30-day comment period, we must consider any comments we get in that 30 days. But agencies are always free to consider comments that are received outside that period. So if we receive other comments that point out things that we agree should be fixed in the rule, obviously, we are going to work with those stakeholders and try to reach consensus among everyone.

With that, I would open it to my colleagues to see if there is anything they would like to add. But other than that we would urge that the Board give the staff permission to propose these rules and begin the work of reaching out to all of our stakeholders and seeing what we can arrive on as an agreed package.

MS. RYAN: These rules, unlike the others, are for posting only?

MR. DUNCAN: Correct. These are for proposal.

MS. RYAN: For comment.

MR. DUNCAN: Yes.

MR. INGRAM: Okay. Nobody say anything. I
have got this. Now, I move that the Board approve the
proposed rule review, repeals, amendments and new section
215.160 to Chapter 215 and for publication in the Texas
Register for public comment.

    MR. TREVINO: Your turn. Are you sure?

    MR. INGRAM: I am sure.

    MR. TREVINO: And I am sure I will second that.

    MS. RYAN: We have a motion from Member Ingram

and a second from Member Trevino. Any comments or
discussions?

    MR. INGRAM: Well, I thought that went very
smooth. Thank you.

    MS. RYAN: All in favor, raise your right hand.

    (A show of hands.)

    MS. RYAN: The motion carries unanimously.

    It will work. All right. Thank you very much.

    Okay. With that, we will go back to Item 2 on
our agenda. And we will -- the Board will move in --
excuse me one second.

    We are going into closed session. It is now
10:56 a.m. on February 4, 2016. We will go into closed
session under Government Code Section 551.071 and 551.074.

    For those of you in the audience, I anticipate
being in Executive Session for approximately 45 minutes.

    And we will reconvene in open session after that. With
that, we are recessed from the public meeting, and we are going into Executive Session.

(Whereupon, the Board recessed into Executive Session at 10:56 a.m.)

MS. RYAN: It is approximately 12:24 p.m. on February 4, 2016. And the Board of the Texas Department of Motor Vehicles is now in open session. I want to note that no action was taken in closed session.

We will now take up Item 5A(1). Mr. Archer.

MR. ARCHER: Thank you. Good afternoon, Chair Ryan and members of the Board. Again, for the record, my name is Jimmy Archer. I am the Director of the Motor Carrier Division.

This agenda item is located on page 145 of your Board book. The Motor Carrier Division asks the Board approval to seek a new contract through a Request for Offers to support the Texas Permitting and Routing Optimization System or TxDPROS.

Specifically, it is requested that the Board delegate authority to the Executive Director or designee to award a contract to support TxDPROS which will put website hosting and maintenance for an initial term of 29 months. This will allow for future contracts and renewals for the TxDPROS website hosting and maintenance to sync up with the fiscal year. Right now, it will expire in March,
1 at the end of March.

2 This way, at the end of the fiscal year, be a renewed beginning. The TxPROS system was developed by ProMiles Software Development Corporation, which is a Texas Corporation, established in 1997.

3 Since the launch of TxPROS in August of 2011, Promiles has hosted the system on its servers, provided annual maintenance and support. This includes software and technical support, bug fixes, documentation, correlate geographic information system data, updates and enhancements.

4 Because ProMiles developed and maintains TxPROS, the RFO will state that a new contract may be proprietary to that vendor under the Government Code, Section 2155.067. Other providers are encouraged to respond, however.

5 In fiscal year 2015, total oversize and weight permit fees collected through TxPROS was $183,622,000 and the total web hosting and maintenance cost was $456,700, a cost of one dollar for every $402 collected in permit fees.

6 TxPROS modernized oversize/overweight permitting and routing, allowing customers to apply for and receive permits 24 hours a day, seven days a week. The efficiency of TxPROS allow the Motor Carrier Division
to handle increase of permit volume since it launched from 590,000 permits in 2011 to 836,000 permits in 2014.

The program volume has fluctuated with oil and gas drilling activity. It dropped 803,000 501 permits in 2015. However, fee collections continue to climb from 178,841,571 in 2014 to 183,622,000 in fiscal year 2015.

TxPROS vital and DMVs goal, provide reliable and safe routes and permits to motor carriers, moving oversize and overweight loads on the Texas highways. Finally, TxPROS is exempt from being hosted at a state-maintained data center through a temporary exemption, through the Department of Information Resources.

I respectfully ask that the Board delegate authority to Executive Director Whitney Brewster or her designee to award a contract to support TxPROS which will include website hosting and maintenance for an initial term of 29 months. I would be happy to answer any questions.

MS. RYAN: Do I have a motion?

MR. INGRAM: Well, I would like to make a motion, but I want to make sure we are on 5A(1).

MS. RYAN: Yes, sir. Yes, sir.

MR. INGRAM: Okay. Well, dang, this is going to be long. I will try to make this fast. I move that the Board delegate authority to the Agency's Executive
Director or her designee to award a contract to support
the Texas Permitting and Routing Optimization System,
TxPROS.

The Agency shall utilize the appropriate
procurement method to achieve the best value to the Agency
in determining the awarded vendor or vendors. I also move
that the Board delegate authority to the Agency’s
Executive Director or her designee to award, execute and
sign the initial contract for 29 months or as negotiated.

I further move that the Board delegate
authority to the Agency Executive Director or her designee
to execute any amendments or renewal options to the
contract if agreed upon by both parties, with approval of
the Chair.

MS. RYAN: Motion by Member Ingram.

MR. TREVINO: Second.

MS. RYAN: Second by Member Trevino. Any
discussion or comments?

MR. INGRAM: If that was the wrong one, I was
going to be so sad.

MS. RYAN: No. You can be happy.

MR. BARNWELL: I was going to never let you
forget it.

MS. RYAN: Further discussion, all?
(No response.)

MS. RYAN: All in favor, raise your right hand, please. Mr. Rush, are you voting?

MR. RUSH: I'm sorry.

MS. RYAN: That is okay. I just want to make sure.

MR. RUSH: I was reading.

MS. RYAN: That is okay. All in favor?

(A show of hands.)

MS. RYAN: The motion carries, unanimously.

MR. ARCHER: Thank you very much.

MS. RYAN: Thank you. Okay. That covers our agenda. I would be happy to entertain a motion to adjourn.

MR. RUSH: Motion.

MS. RYAN: I have a motion from Member Rush. We have his attention now. Do I have a second?

MR. TREVINO: Second.

MS. RYAN: Second from Member Trevino. All in favor, raise your right hand.

(A show of hands.)


(Whereupon, at 12:30 p.m., the meeting was concluded.)
CERTIFICATE

MEETING OF: Texas Department of Motor Vehicles Board
LOCATION: Austin, Texas
DATE: February 4, 2016

I do hereby certify that the foregoing pages, numbers 1 through 116, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

/s/ Carol Bourgeois 2/10/2016
(Transcriber) (Date)

On the Record Reporting
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