

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

Thursday,
March 2, 2017

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

BOARD MEMBERS:

Raymond Palacios, Chair
Blake Ingram, Vice Chair
Robert "Barney" Barnwell, III
Luanne Caraway
Brett Graham
Kate Hardy
Gary Painter
Guillermo "Memo" Treviño
Johnny Walker

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P R O C E E D I N G S

1
2 MR. PALACIOS: Good morning, everyone. Today
3 it is my privilege, I will open up this meeting with an
4 extra degree of enthusiasm and high honor. I was provided
5 a very special gavel by a very special person, and her
6 name is Kristen Graham. Kristen is a senior at Pottsboro
7 High School and here's the significance of this gavel.
8 Kristen has been a member of the Pottsboro High School
9 Debate Team for four years. The last two years she's been
10 the captain of that team, and recently within the last
11 year she has won 20 out of the 24 debate competitions that
12 she's participated in. Recently she scored a perfect
13 score in her debate competition, she won a best speaker
14 award and was presented this gavel. She will be attending
15 Baylor University in the fall and is already on that
16 debate team.

17 And by the way, she also happens to be related
18 to one of our board members, Mr. Brett Graham is her
19 father. The question I have is did she get the skill sets
20 from you or was it the other way around?

21 MR. GRAHAM: I've been accused of arguing a
22 lot, so apparently she got the arguing from me and she got
23 the brains from her mom, and together it's made a
24 powerhouse.

25 MR. PALACIOS: Wonderful.

1 Well, it's my understanding that Pottsboro High
2 School is actually viewing this meeting live, so hello,
3 Pottsboro High School, hello Cardinals. I just want you
4 to know that this board is comprised of nine members that
5 have been appointed by either Governor Perry or Governor
6 Abbott. We serve the State of Texas, and I will say we
7 have a staff of 763 people at the Texas Department of
8 Motor Vehicles that are very dedicated, very committed to
9 their job, and together we strive to do the best for Texas
10 to serve its citizens.

11 I will say that I am very happy to know that
12 Texas is in great hands now with people like Kristen
13 coming up and the great students at Pottsboro High School.
14 So with that, I will call this meeting to order. Go
15 Cardinals.

16 (Applause.)

17 MR. PALACIOS: Okay. So let's get on to the
18 perfunctory items here. It is 8:02 a.m. I'm calling the
19 Board meeting for March 2, 2017 to order.

20 I want to note for the record that public
21 notice of this meeting, containing all items on the
22 agenda, was filed with the Office of Secretary of State on
23 February 21, 2017.

24 Before we begin today's meeting, please place
25 all cell phones and other communication devices in the

1 silent mode, and please, as a courtesy to others, do not
2 carry on side conversations or other activities in the
3 meeting room.

4 If you wish to address the board or speak on an
5 agenda item during today's meeting, please complete a
6 speaker sheet at the registration table. Please identify
7 on the sheet the specific item you are interested in
8 commenting on and indicate if you wish to appear before
9 the board and present your comment or if you wish only to
10 have your written comment read into the record. If your
11 comment does not pertain to a specific agenda item, we
12 will take your comment during the general public comment
13 portion of the meeting.

14 One other thing, a significant note. Today,
15 March 2, happens to be Texas Independence Day, so in honor
16 of Texas Independence, I will ask Board Member Graham to
17 lead us in the Texas Pledge.

18 (The Texas Pledge was recited.)

19 MR. PALACIOS: Thank you.

20 Now I'd like to take a roll call of the board
21 members.

22 Board Member Barnwell?

23 MR. BARNWELL: Here.

24 MR. PALACIOS: Board Member Caraway?

25 MS. CARAWAY: Here.

1 MR. PALACIOS: Board Member Graham?

2 MR. GRAHAM: Here.

3 MR. PALACIOS: Board Member Hardy?

4 MS. HARDY: Here.

5 MR. PALACIOS: Board Member Ingram?

6 MR. INGRAM: Here.

7 MR. PALACIOS: Board Member Painter?

8 MR. PAINTER: Here.

9 MR. PALACIOS: Board Member Treviño?

10 MR. TREVIÑO: Here.

11 MR. PALACIOS: Also, let the record reflect
12 that I, Raymond Palacios, am here too. We have a quorum.

13 Also, let the record reflect that Board Member Walker is
14 absent today.

15 With that, let's move on to my report. We'll
16 begin with agenda item 2. One of the duties of the chair
17 is to report to the governor on the state of affairs of
18 the department. I submitted that report to Governor
19 Abbott on February 8, 2017. The report includes updates
20 on agency staff, budget, enterprise projects, key
21 accomplishments and the legislative agenda. It also
22 contains information on the need for appropriations to
23 acquire property for the agency and also the need for
24 continued funding for automation projects in order to
25 continue the momentum of providing optimum service to the

1 State.

2 The report has been and continues to be
3 distributed to legislators as we meet with them and their
4 staff. The board members were provided a hard copy today.

5 It is posted on the agency website, both external and
6 internal, for all to access and read. Please reference
7 the report whenever needed to communicate about the
8 agency, as well as information on where the report can be
9 found. On the public website at the bottom it is under
10 Learn More in Reports and Data.

11 With that, I will now turn this over to our
12 deputy executive director, Shelly, who is sitting here in
13 place of Whitney, to give the executive director's report.

14 MS. MELLOTT: Thank you, Chairman and members
15 of the board. For the record, my name is Shelly Mellott.

16 I'm the deputy executive director of the agency.

17 If you don't mind, Chairman, I'd like to hold
18 off on item 3.A until our colleagues return from the
19 Capitol.

20 MR. PALACIOS: Yes.

21 MS. MELLOTT: This morning we'll start with
22 item 3.B which in your board books starting on page 5
23 you'll find the two memos from the Office of the Governor
24 regarding the statewide hiring freeze that was announced
25 on January 31. The first memo directs state agencies to

1 freeze hiring and the second memo provides a process for
2 requesting an exception to the hiring freeze.

3 The hiring freeze went into effect on January
4 31 and will end on August 31. During this time frame
5 agencies are not allowed to post a job requisition or fill
6 a position unless an exception to the freeze is granted by
7 the Office of the Governor. State agencies are allowed to
8 post vacant positions internally, but are expected to
9 provide savings for vacant positions regardless of whether
10 a position is filled internally.

11 Finance has developed a process for identifying
12 the salary savings for vacant positions and will ensure
13 those savings are available should the Governor's Office
14 request to transfer those funds. We're closely monitoring
15 the impact of the hiring freeze on the operations and are
16 in communications with the Office of the Governor. As of
17 today, we have a total of 48 vacant positions at this
18 time.

19 Are there any questions on the hiring freeze?

20 MR. INGRAM: On the 48 vacant positions, how do
21 they skew out?

22 MS. MELLOTT: If you look in your book, there's
23 a list in there of all the positions that are open across
24 the agency. It starts actually on page 11, and it tells
25 what position is open and which division those positions

1 are in.

2 MR. INGRAM: Okay. Keep going. I'll find it
3 eventually.

4 MR. PALACIOS: Are there any other questions
5 regarding the hiring freeze?

6 (No response.)

7 MR. PALACIOS: Okay. Let's go to eLICENSING.

8 MS. MELLOTT: So the last thing under the
9 executive director's report is the eLICENSING program, and
10 I'm excited to announce that the new eLICENSING program
11 has been deployed successfully this week. Yay! Good job,
12 everyone.

13 (Applause.)

14 MS. MELLOTT: So TxDMV can now utilize the
15 eLICENSING program to process dealer applications,
16 amendments, as well as complaints without having to
17 manually scan documents or data enter documents into the
18 system. Beginning March 6, we will open it up externally
19 to all the Texas dealers, and they will be able to access
20 the system 24 hours a day, seven days a week, and be able
21 to apply and renew online.

22 I was able to have the pleasure of taking
23 Chairman Palacios up yesterday afternoon and giving him a
24 little demo of the system. We still have little bumps but
25 we're working through them, and everybody has done a great

1 job. I want to thank everyone on the eLICENSING team, we
2 couldn't have got through it without all their help. It's
3 been an exciting week here at the agency.

4 MR. INGRAM: And I personally would like to
5 recognize many, many late hours working late overnight to
6 get this project off the ground, so thank you very much,
7 eLICENSING team. I don't know how many nights Daniel
8 slept up here, but it might be more than a few.

9 MR. PALACIOS: I'd like to second that as well.
10 Outstanding job, Shelly, Daniel, Judy, Eric, and I know
11 I'm leaving people out, but they have been working around
12 the clock to get his project moving.

13 This project puts the State of Texas at the top
14 in terms of the automation for these types of services.
15 We lead the country in this and this is something that we
16 can be very, very proud of. As Shelly said, certainly as
17 you roll things out there are going to be some bugs in
18 place, that's normal, but I can tell you the staff has
19 been working diligently to make sure that any problems
20 that occur are rectified as soon as possible, and we have
21 now a product that we can all be proud of, a shining
22 example for Texas as a result of your great efforts. So
23 thank you very, very much. We're very proud of what you
24 did.

25 MS. MELLOTT: That's the end of my remarks.

1 MR. PALACIOS: Thank you, Shelly.

2 We now will move into public comment, and I see
3 we have two petitions here for public comment, and we'll
4 start with Mr. Howard Hickman.

5 MR. DUNCAN: Board members, David Duncan,
6 general counsel.

7 As a reminder on public comment, under the
8 Texas Open Meetings Act, the board can't comment or
9 deliberate on public comment that doesn't relate to an
10 item on the posted agenda. This is because the public
11 would not have been on notice that the board might discuss
12 that subject. If the board desires, we can schedule some
13 aspect of the commenter's remarks for a future agenda with
14 the approval of the chairman.

15 Also, pursuant to Board Rule 34 TAC, 206.22,
16 open public comment is limited to three minutes per
17 presenter. We have a timer that's being operated by
18 Crystal Beckley of my office. The light will be yellow
19 when the commenter has one minute remaining and red when
20 their time is up.

21 Thank you.

22 MR. PALACIOS: Good morning, Mr. Hickman.

23 MR. HICKMAN: Good morning. For the record, my
24 name is Howard Anthony Hickman. I'm a retired enforcement
25 attorney for this agency.

1 Today is Texas Independence Day. It's the day
2 set aside to celebrate those Texans who freed us from the
3 tyranny and corruption of the Mexican government. Instead
4 of honoring these Texans with a celebration, you dishonor
5 them by holding an inconsequential public hearing. Your
6 mismanagement of this agency is evidenced by the continued
7 failure to meet the agency performance levels of June
8 2015. Your failure to sanction Volkswagen for the
9 defrauding of 32,000 Texas families, and your use of
10 taxpayer funds to finance this agency's lobbying for your
11 political agenda is an affront to the heroic dead of the
12 Alamo and Goliad and the veterans of San Jacinto.

13 I can make a case that Santa Ana should be more
14 admired by the people of Texas than this board. Santa Ana
15 gave Texas mismanagement and bad government but at least
16 he gave us chewing gum. This board just gives Texas
17 mismanagement and bad government.

18 To paraphrase Davy Crockett, you can go to
19 hell, I'm going to Washington on the Brazos for the
20 Independence Day celebration.

21 We'll see you at the next board meeting.

22 MR. PALACIOS: We have another commenter, Mr.
23 Bill McFarlane.

24 MR. DUNCAN: Members, David Duncan again. I
25 would point out that Mr. McFarlane has provided some

1 handouts for you. You'll see that there's a short power
2 point and a few documents that Mr. MacFarlane has asked us
3 to give you related to his comments.

4 MR. MacFARLANE: Deputy Director, Mr. Chairman
5 and Board members, thank you for giving me this three-
6 minute time period.

7 We started on this thing about two years ago.
8 My son brought this idea to me of having a historical
9 license plate for the State of Texas. We started out by
10 acquiring this one from the State of Delaware, the only
11 state right now that currently has a historic license
12 plate. They've done very well with it, with one percent
13 of the licensed cars there which is about 2,000 plates a
14 year.

15 I brought this in about six months ago. This
16 is the reflective value or the letters that you have in
17 your license plates today, and this is what we are
18 proposing. This is the same reflective values on the side
19 of your police cars which I think is very important.
20 Where the white dot is will be a hologram, which you have
21 a copy of the hologram. It's a 1917 Texas Seal which will
22 be celebrated at the Capitol Building the first of July
23 this year. Even though it came out in April of 1917, Mr.
24 Pickett decided he wanted to celebrate it the first of
25 July.

1 We've had numerous meetings with him, Marielle
2 Martinez, the lobbyist handling this for me with the
3 state. We've had rave reviews from DPS, City of Austin
4 Police, sheriff's department, and the actual hologram,
5 which I think is very important, will have a number on it
6 which will attach to anybody purchasing a license plate,
7 so if somebody was I a wreck, didn't have any
8 identification on them, that police officer could scan
9 that in, it would give the complete record of that person.

10 So in other words, it cannot be counterfeited.

11 It's built by a company that does primarily holograms for
12 the country of Mexico. They are probably the most
13 advanced that I've been able to find.

14 The plate weighs three pounds, it's special
15 steel coated with porcelain. Porcelain plates were used
16 in 1917, porcelain letters were used in 1917, so that's
17 why the historic value.

18 Why I'm here today, in order for the state
19 legislature to approve everything, we have to have a
20 separate category, which there is no category right now
21 for a replica plate or for a historic plate in the State
22 of Texas. I think it's very important that the state
23 should have something like this, we have nothing.
24 Everybody comments on how pretty it is. I actually had
25 got in a wreck back at the end of December and when I went

1 to pick up my car in the body shop, I had this plate
2 sitting in the back of it, and the guy that managed the
3 body shop said, Can I buy four of them?

4 MR. PALACIOS: Mr. MacFarlane, I believe your
5 time is expired. Thank you very much.

6 Let's move on. We will kind of move things on
7 the agenda around a little bit. We are going to closed
8 session. It is now 8:17. We'll go into closed session
9 under Texas Government Code Sections 551.071, 551.074, and
10 551.076. For those of you in the audience, I anticipate
11 being in executive session for approximately 45 to 60
12 minutes, and we'll convene in open session after that.

13 With that, we are recessed from public meeting
14 and we'll go into executive session.

15 (Whereupon, at 8:17 a.m., the meeting was
16 recessed, to reconvene this same day, Thursday, March 2,
17 2017, following conclusion of the executive session.)

18 MR. PALACIOS: We are back. It is
19 approximately 9:36 a.m. on March 2, 2017, and the Board of
20 the Texas Department of Motor Vehicles is now in open
21 session. We want to note that no action was taken in
22 closed session.

23 I would also like to note that our executive
24 director is back with us. Welcome back, Ms. Brewster.

25 MS. BREWSTER: Thank you.

1 MR. PALACIOS: We will now move on to get back
2 to an item that we skipped earlier, and this would be part
3 of the executive director's report. We'll move to the
4 awards recognition of years in service announcements.

5 MS. BREWSTER: Thank you, Mr. Chairman.

6 I'd like to invite Martha Yancey to come to the
7 podium to provide information on our employees receiving
8 recognition.

9 MS. YANCEY: I'm Martha Yancey, Human Resources
10 Division.

11 Will you all come down.

12 (Board members stood in front of dais.)

13 MS. YANCEY: So we have one employee being
14 recognized this morning for 30 years of state service,
15 Jimmy Archer.

16 (Applause.)

17 MS. YANCEY: Jimmy is the director of the Motor
18 Carrier Division. He joined the department in October
19 2012, and prior to that he served in various leadership
20 roles with the Comptroller of Public Accounts. Jimmy has
21 been a great addition to the department. He is quick to
22 lend a helping hand, has a contagious laugh, he has a
23 great smile and freely shares words of kindness with those
24 he meets. We appreciate his leadership of the Motor
25 Carrier Division and congratulate him on his service.

1 (Applause. Pause for presentation and photos.)

2 MS. YANCEY: The following employees also
3 reached a state service milestone but were unable to join
4 us this morning: Luis Perez who works in the Enforcement
5 Division has reached 20 years of state service; and Tammy
6 Wooten reached a state service milestone of 25 years, and
7 Tammy works in the Vehicle Titles and Registration
8 Division.

9 And finally, employees who retired from the
10 state agency recently are: Carl Scarier, Enforcement
11 Division; Celia Coker, Enforcement Division; and Bob
12 Brown, Information Technology Services Division.

13 Thank you.

14 (Applause.)

15 MS. BREWSTER: All right. Mr. Chairman, Board
16 members, it is my pleasure to present to you Janet Dudley,
17 the TxDMV Enforcement Division Employee of the Year.

18 This award has been presented by the division
19 since 2000. Janet works out of our San Antonio regional
20 Service Center, and conducts investigations dealing with
21 the motor vehicle sales and distribution and salvage
22 industries.

23 Janet, who joined TxDMV in November of 2013,
24 after a career in the military, was selected after her
25 supervisor nominated her. His nomination had since

1 joining TxDMV become, quote, "one of the top motor vehicle
2 investigators through her dedication and hard work." She
3 has consistently demonstrated her expertise in dealer laws
4 and has become one of the section's top report writers
5 documenting all details of her investigation.

6 Investigator Dudley always presents a professional
7 appearance and demeanor, she is always very enthusiastic
8 and energetic in completing her assigned duties.

9 However, according to the selection committee
10 of division managers, what won the day for Janet was the
11 following statement by Hernandez, her supervisor:

12 "Investigator Dudley is a shining example of the DMV's
13 mission to provide excellent customer service. A great
14 example of that is when Janet was able to assist over 100
15 consumers obtain titles for their vehicles after the
16 selling dealer went out of trust with their floor planner.

17 Through the use of her expert knowledge and investigative
18 skills, she was able to locate most of the titles and made
19 arrangement for ownership transfers. For consumers where
20 the title could not be located, she was able to assist in
21 setting up title hearings or assisted in obtaining bonded
22 titles. Investigator Dudley has also assisted consumers
23 through mediation arranging to have sales unwound or some
24 type of restitution to the benefit of both the consumer
25 and the dealer."

1 I just want to thank Investigator Dudley for
2 her very, very hard work and for representing the agency
3 so very well in the way that she assists consumers and
4 dealers. Thank you very much.

5 Please join me in congratulating Janet.

6 (Applause. Pause for presentation and photos.)

7 MR. PALACIOS: It's always nice to recognize
8 the outstanding employees of this agency, the employees
9 that make this agency the great agency that it is.
10 Congrats again, Ms. Dudley, Mr. Archer, for your service.

11 We truly appreciate everything you do.

12 Let's move on now to item 5, we'll get into the
13 finance and audit reports, and we will start with the
14 presentation on the TxDMV Fund update that will be given
15 by Ms. Linda Flores and Ms. Renita Bankhead.

16 MS. FLORES: Good morning. For the record, my
17 name is Linda Flores. I'm the chief financial officer for
18 the Texas Department of Motor Vehicles.

19 If you will turn to page 13 in your board
20 agenda book, this is a presentation, it is a briefing item
21 only, no action is being requested of the board. This
22 presentation is an update on the TxDMV Fund revenue and
23 expenditures for activities through January 31, 2017.

24 As you know, the agency began depositing
25 revenue into the Department of Motor Vehicle Fund, Fund

1 10, on September 1. The operating budget for fiscal year
2 2017 is primarily funded by revenues collected in the
3 fund. The legislation did authorize a one-time transfer
4 of \$23 million into the fund to provide cash for cash flow
5 purposes. The transfer was processed on September 2.

6 For the month ending January 31, the total
7 collections were \$49.3 million, and with the inclusion of
8 that \$23 million, brings total cash available to \$72.3
9 million. Although the process and handling fee went into
10 effect January 1, we did start to see collections in early
11 November of about \$3,000. Revenue collections for process
12 and handling for the month of September totaled \$2.7
13 million.

14 With regards to our projected revenue versus
15 actual revenue, you can see that our projections are
16 fiscally conservative. We have been seeing deposits come
17 in higher than we anticipated. Our projections through
18 January were \$44.6 million but our actual were \$49.2
19 million. We also know that in February we do expect to
20 see a slight drop from our projection because we know that
21 the refunds were delayed in February so we know that those
22 things have an impact on our constituents if they're going
23 out to buy new cars or whatever, if they didn't get their
24 refund in time or maybe they have other obligations, but
25 we do expect March to be a higher spike, as it normally

1 is. March, for whatever reason, is our highest month when
2 it comes to deposits.

3 But for the first time, we were able to cover
4 all of our expenses just from the revenue that we
5 deposited in January, so January revenue was more than
6 enough to cover our January expenditures, so that's a good
7 thing.

8 With regards to expenditures, I'll let Ms.
9 Bankhead cover our actuals and projected.

10 MS. BANKHEAD: Chairman Palacios, Ms. Brewster,
11 members of the Board, for the record, I am Renita
12 Bankhead.

13 Our January expenditures for Fund 10 totaled
14 approximately \$9 million, and salaries make up most of
15 those expenditures, along with contract services and
16 consumables. The table there shows what we projected for
17 our expenditures versus what we've actually spent, and the
18 amounts we projected were based on the expenditures in
19 fiscal year '16. So we've had some spikes and some other
20 kind of ups and downs, and basically those are related to
21 when we're billed for our major expenses, specifically,
22 the Data Center contract, sometimes they'll bill us a
23 little, sometimes they'll bill us a little later, also
24 when the agency decides to increase the postage meter for
25 mailing our renewal notices and that kind of thing, also

1 the contract with TDCJ for plates. It just depends on
2 when we bill those things and they kind of go up and down
3 during the year, so that's kind of why you see the
4 fluctuation between what we projected, which was based on
5 '16, and what's actually going on. Our actual
6 expenditures are a little bit more in line.

7 The other thing, if you look on page 14, you'll
8 see that we had \$2 million in contract services that was
9 related to plate production. You'll also see \$300,000 in
10 consumables which seems a little high when you think about
11 consumables like pens and paper and that kind of thing.
12 The other thing that's included in that amount is what we
13 spend for the counties for toner cartridges for the
14 printers that we have out in the county tax assessor-
15 collector offices, that's to replenish those toner
16 cartridges, so that's a pretty big bill that we have to
17 pay and we paid that in January.

18 Finally, in response to the governor's letter
19 on the hiring freeze, the staff has calculated the amount
20 of salary lapse for positions that were vacant as of
21 January 31. As Ms. Mellott indicated earlier, these funds
22 are being set aside to ensure that we meet the governor's
23 request to generate cost savings. In addition, Finance
24 staff is calculating each month the amount that's
25 generated through vacant positions and we're also setting

1 that money aside just to make sure that when the governor
2 calls for those savings that we will have them available.

3 Finally, and now really finally, the budget
4 staff is in the process of performing a midyear review of
5 expenditures. This process will identify funding for
6 unanticipated agency needs and help us to manage any of
7 our fund balances moving forward to ensure that we lapse
8 the appropriate amount but we still have enough in our
9 fund balance for the DMV Fund to keep us going for the
10 next year.

11 And that concludes my presentation.

12 MR. PALACIOS: I have I guess a broader
13 questions that's probably related to all the departments.

14 Has the hiring freeze had any impact on our ability to
15 provide services at the level that we're accustomed to
16 providing? Have we been inhibited in any way at all in
17 the operation of our responsibilities?

18 MS. BREWSTER: Mr. Chairman, if I may, I'd like
19 to respond to that.

20 MR. PALACIOS: Yes.

21 MS. BREWSTER: That is something that we are
22 looking at very closely on an ongoing basis. All of the
23 division directors are monitoring that very closely
24 because we are a customer service agency and if we don't
25 have sufficient staff to be able to provide quality

1 services, we're working against our mission. So we are
2 looking very closely at the impact on the agency of those
3 vacancies. We've also established an internal process for
4 submitting a waiver so that we can work with the
5 Governor's Office on anything related to public safety but
6 anything that is inhibiting our ability to perform.

7 And so to date we are proceeding business as
8 usual, however, we are looking very closely and talking
9 about that on an ongoing basis to ensure that our
10 performance as an agency is not suffering as a result of
11 vacancies, and having ongoing communication with the
12 Governor's Office as well; we've had regular contact with
13 them about the hiring freeze and the impact as well.

14 MR. PALACIOS: When is this hiring freeze
15 supposed to end?

16 MS. BREWSTER: It's through the end of the
17 fiscal year, so starting September 1, that's when state
18 agencies are able to start hiring again, actually posting
19 to fill.

20 MR. INGRAM: Then I had one followup question.
21 The amount per month that we're having to put aside for
22 those non-filled positions, how much is that?

23 MS. BANKHEAD: I really don't have an answer to
24 that. It depends on how many positions become vacant
25 during the month, so if somebody leaves in February or

1 whatever.

2 MR. INGRAM: Right. I know it's going to move
3 a bit.

4 MS. FLORES: It's based on what that person is
5 leaving, the compensation that they're leaving. So for
6 example, if that monthly compensation is about \$3,500,
7 that's what we're going to pull. So we have to know what
8 compensation they're leaving behind.

9 MR. INGRAM: Okay. I guess what I didn't
10 understand was it doesn't include the positions that were
11 previously empty.

12 MS. FLORES: Oh, yes, it does.

13 MR. INGRAM: Okay. That's what I thought. So
14 that amount is kind of what I was looking for.

15 MS. BANKHEAD: That amount is almost \$1.2
16 million.

17 MR. INGRAM: Okay. That's what I needed.

18 MS. BANKHEAD: Positions that were vacant as of
19 January 1.

20 MR. INGRAM: Yes, ma'am. Thank you. I was
21 just trying to figure out in my head because I can see
22 incomes, expenses, but that number was kind of like --

23 MR. TREVIÑO: Is that \$1.2 million the
24 projection for the entire hiring freeze?

25 MS. BANKHEAD: Yes. Once those positions stay

1 vacant through August 31.

2 MS. FLORES: And that's for the original set,
3 so as more positions become vacant during the fiscal year,
4 it's going to add to that, but it shouldn't be less than
5 \$1.2 million.

6 MR. TREVIÑO: So you're projecting like a \$1.4-
7 perhaps, something like that. Right?

8 MS. FLORES: We're hoping that it stays at
9 \$1.2-.

10 MR. GRAHAM: You don't actually have to freeze
11 those positions. I mean, you can move personnel. Right?

12 MS. BREWSTER: We have been told that we can
13 post internally, so meaning if there is someone within a
14 division where there is a position available, we can post
15 those internally for hire. So to your point, we could
16 fill positions internally, we just can't post for external
17 vacancies to be filled.

18 MR. GRAHAM: So you can shift personnel.

19 MS. BREWSTER: Yes, sir.

20 MR. GRAHAM: For essential positions that are
21 currently open.

22 MR. TREVIÑO: But you guys have done sort of a
23 task assessment of the positions that are open and
24 determined if anything is mission critical and then
25 shifted that over to make sure it's not something like

1 somebody has to plug something in.

2 MS. FLORES: The governor's directive indicated
3 that if we were going to request a waiver, it needed to be
4 related to public safety. As Ms. Brewster mentioned,
5 we're looking at all of our vacancies to determine whether
6 it meets that criteria. But if there's an opportunity
7 internally, we are letting those go through, but at the
8 end of the day, there has to be a vacancy, if people are
9 shifting around, somebody gets left behind or a position
10 gets left behind.

11 MR. TREVIÑO: I'm talking about more that if
12 something that there's a position open and part of the
13 responsibilities is something that impacts say a wider
14 body of team members, that task that they were performing,
15 it's almost a task assessment so it doesn't negatively
16 impact either how we operate or something that's going to
17 really affect us down the road.

18 MS. FLORES: I know from my own division you
19 saw quite a number of vacancies. Some of those duties
20 have had to be absorbed by others in the team to ensure
21 that nothing gets dropped off.

22 MR. TREVIÑO: We've done one sort of over the
23 entire agency, I would guess. It's not a financial
24 question, it's more a toward the director question, I
25 guess.

1 MS. BREWSTER: Yes. We're looking at all of
2 our processes to see, one, is there a different way of
3 filling that gap, or like Ms. Flores said, absorbing those
4 functions within the agency using existing agency staff to
5 a certain extent.

6 I will say that yes, the governor's directive
7 is related to the ability to fill positions related to
8 public safety, however, if we do see that there are
9 situations where performance is suffering as a result of
10 vacancies, we will submit a waiver to the Governor's
11 Office for consideration.

12 MS. FLORES: And that concludes our
13 presentation on the DMV Fund update.

14 MR. PALACIOS: Okay. Are there any other
15 questions?

16 MR. TREVIÑO: I've got a question, yes. Ms.
17 Flores, did you find anything surprising about the revenue
18 stream with the changes, anything that you weren't
19 expecting or anything you're surprised by?

20 MS. FLORES: No, sir. We're very fiscally
21 conservative when it comes to our projections. On the
22 process and handling fee we are receiving more than we
23 anticipated, but that's true in several other fees. The
24 one fee that we know is being consistent is the
25 oversize/overweight permitting fee revenue. That's been

1 in a slump, it continues to be in a slump, but all the
2 other fees, titles, other registration related fees such
3 as buyer's fees, those continue to go up a little bit
4 higher than our projections. So we can't really pinpoint
5 what's driving that increase yet, so we just continue to
6 monitor every month.

7 MR. PALACIOS: Are there any other questions
8 regarding the TxDMV Fund?

9 (No response.)

10 MR. PALACIOS: If not, at this time we will not
11 consider the relocation of the Pharr Regional Service
12 Center, and instead move on to a facilities update.

13 MS. FLORES: Thank you.

14 If you'll turn to page 15 of your board agenda
15 notebook, we will be discussing relocation projects for
16 Bull Creek, Corpus Christi Regional Service Center, San
17 Antonio Regional Service Center, and the Pharr Regional
18 Service Center.

19 As you know, we were appropriated \$1.49- for
20 the relocation of Bull Creek and \$1.4 million for the
21 relocation of the regional service centers. The Bull
22 Creek folks, rather than finding lease space in some part
23 of Austin will be relocating to the Camp Hubbard campus in
24 January 2018. So this is just a snapshot. We thought
25 we'd show you a snapshot of the building here on Camp

1 Hubbard. It's in Building 6 on the fifth floor, and this
2 is just a schematic of all for the planned cubes and
3 office spaces, so it's still a scheme.

4 They are in the process of literally tearing
5 things out on the fifth floor. I believe there's some
6 asbestos remediation going on so we're not allowed on the
7 floor at this time. But it's moving forward, they're on
8 target, they've got their contractor lined up and they've
9 started work. We're in the process of also ordering
10 modular pieces for our cube space, and making the plans to
11 physically move Motor Carrier. So all of that will kind
12 of come to a head around September-October-November of
13 this year.

14 As part of anticipating to move in January, we
15 have asked for a rider in our appropriations bill to allow
16 us to carry forward any unspent dollars into September,
17 because we know we're not going to move until January. So
18 normally our appropriations end in August but knowing that
19 we're not going to move until January, we wanted to be
20 able to access those appropriated dollars into the new
21 biennium. So that is out there. We have gotten questions
22 about it as recently as yesterday about that, so we're
23 also sharing the plans with the committee staff on this
24 item.

25 This is the Corpus Christi Regional Service

1 Center, and I think you've seen this before and we had
2 question last time, well, where is our office. You'll
3 notice that there is an orange arrow on the picture this
4 time around, and that is the exterior. There's a door
5 right under the arrow. That's where our entrance will be
6 located. We're moving along in this particular project.
7 We actually have pictures of the work that's going on
8 today. The plan here is to move March 31, so that's at
9 the end of the month, that's a Friday. We'll close down
10 the office, move everything over to the Corpus Christi
11 Regional Transit Authority on Friday, get them set up on
12 Saturday, and they'll be open for business on Monday.

13 So a lot of work going on right now. We've had
14 AT&T out there, the IT folks out there, our regional
15 service center manager, Stefan Krish, has been out there
16 as well just kind of staying on top of everything. And
17 we're very pleased with the way everything is looking.

18 For the San Antonio Regional Service Center,
19 the last time you were here you allowed us to enter into a
20 lease. The new property is located at 15150 Nacogdoches
21 Road. Again we included an arrow, and this is the front
22 of the new office location. It is in a strip center.
23 There's not much going on here as far as work, actual
24 construction. We just had plans that we submitted to the
25 landlord and their architect so they're working up an

1 office space plan, but it will be here.

2 And for Pharr, we did remove the Pharr item
3 from consideration. We thought we were real close on a
4 lease and it didn't go through. So we're back to kind of
5 looking in Pharr but at some point we're going to have to
6 make a determination whether that regional service center
7 is actually going to move from where it's at. Today we're
8 co-located with TxDOT. So we've looked at over 40
9 properties in Pharr and they've been out of our price
10 range or they don't fit our needs. Parking is an issue,
11 access for the large trucks, the 18-wheelers coming in for
12 permits, so those two things are really driving the issue
13 with Pharr, but there is one property that we're still
14 looking at and we'll see how it goes in the next month.

15 MS. BREWSTER: Mr. Chairman, if I may?

16 MR. PALACIOS: Yes.

17 MS. BREWSTER: Just a point of clarification.
18 We are co-located with TxDOT. There is no effort for
19 TxDOT to sell the property and they have not asked us to
20 relocate. So if ultimately we are not able to locate a
21 location that works and meets our needs, we're going to be
22 fine, so I just wanted to make sure that the board was
23 aware of that.

24 MR. PALACIOS: Thank you.

25 MS. FLORES: And that concludes the

1 presentation on the relocation efforts this year.

2 MR. PALACIOS: Thank you, Ms. Flores.

3 Are there any questions on the facilities
4 update?

5 (No response.)

6 MR. PALACIOS: Okay. Thank you.

7 Hearing no other questions, we'll move on to
8 the Internal Audit Division status report, to be given by
9 Sandra Menjivar.

10 MS. MENJIVAR-SUDDEATH: Good morning. For the
11 record, my name is Sandra Menjivar-Suddeath, Internal
12 Audit director, and I'll be presenting item 5.D which is
13 the Internal Audit Division status report. The status
14 update begins on page 19 and is a briefing item only.

15 So for the status update, the first part of the
16 status update is what Internal Audit is doing. Right now
17 our registration title and refactoring single sticker
18 post-implementation review is in reporting, we've finished
19 our field work on that. The report has been sent to the
20 division directors for their review, and then it will go
21 to the executive director for her review, and then it will
22 be sent to the board for their review. So we plan to
23 finish that audit completely with reporting by March.

24 The next one is the management board requests
25 the IT organizational review which was an advisory

1 service. We finished our field work on that last week.
2 We're currently working on the report, and once we are
3 doing with that, we will provide it to division directors,
4 the executive director and the board for review. We also
5 anticipate finishing that by late March.

6 The next item is one of our newer projects.
7 It's the continuous monitoring of vehicle registration and
8 title transactions. This is an advisory service.
9 Initially it was thought to be something we were going to
10 do continuous monitoring every month, pull transactions,
11 review them to identify potentially fraudulent
12 transactions. Due to timing and other competing
13 interests, we've updated the objective to help the
14 division, which is Vehicle Titles and Registration, to
15 identify reports that could be used to continuously
16 monitor for fraudulent transactions, and so on page 20
17 you'll see the advisory agreement.

18 The deliverables we'll be providing is
19 identifying high risk fraudulent activities that may
20 warrant monitoring, providing information on fraud risk
21 thresholds for transactions, providing information on
22 transaction trends that could be potential indicators of
23 fraud risk, and then identifying how often the reports
24 should be monitored. We plan to wrap this up by June.
25 That may change, however, due to competing priorities with

1 the legislative session and Vehicle Titles and
2 Registration's availability.

3 The final item for the Internal Audit is the
4 Internal Audit recommendation followup engagement. Our
5 audit standards require us to monitor the progress of
6 recommendations. In previous years what we've done is
7 done an actual followup audit on external recommendations.

8 This year we're taking a different approach, we're
9 looking at our internal recommendations, since the
10 recommendation statuses have not been verified since the
11 inception of Internal Audit. So on page 21 you can see
12 the list of Internal Audit recommendations we'll be
13 reviewing, there's 119 Internal Audit recommendations.

14 We've started with the audit of Automobile
15 Burglary and Theft Prevention Authority and the anti
16 fraud, waste and abuse program. We're wrapping up the
17 field work on those, and then we'll continue on with other
18 audits and review the recommendations. At the end of the
19 year we'll have a report that will say these are how many
20 that were actually implemented, these are still in
21 progress, these have new due dates, and these are not
22 implemented. And so that will give the board and the
23 agency assurance that these recommendations are being
24 taken care of. That's for the internal side.

25 On the external side, the SAO, the State

1 Auditor's Office, is still working on the complaint
2 process audit. They're finalizing their field work within
3 a week or so, so we plan to have a report from them in
4 May.

5 Are there any questions on our status update?

6 (No response.)

7 MS. MENJIVAR-SUDDEATH: Okay, great. Then the
8 next item I'm presenting is 5.E, and we're requesting a
9 decision on a bid, and I'll let our general counsel, David
10 Duncan, discuss it.

11 MR. DUNCAN: Members, David Duncan, general
12 counsel.

13 In your board books at page 22 you'll see a
14 short summary of the status of this issue. The State
15 Office of Risk Management visited early last year on an
16 audit and consultation on insurance and property risk
17 issues. One of the recommendations of that review was
18 that the board be presented additionally -- the board has
19 seen this issue previously twice -- that the board be
20 presented with the opportunity to obtain director and
21 officer insurance. You will see that the provider that is
22 on contract with the State Office of Risk Management has
23 provided you three options of \$1 million, \$3 million or \$5
24 million of coverage for varying costs that are discussed
25 in that summary document.

1 Having reviewed the risks that are covered by
2 that insurance and having had a discussion with the board
3 on those risks in executive session, it's the staff's
4 recommendation that coverage be declined.

5 MS. HARDY: I'll make a motion. I'll move that
6 the board decline the offered contract for the public
7 officials liability and employment practices liability
8 insurance with ACE American Insurance Company.

9 MR. INGRAM: Second.

10 MR. PALACIOS: We have a motion by Board Member
11 Hardy and a second by Board Member Ingram to decline the
12 public officials liability and employment practices
13 liability insurance. Is there any discussion?

14 (No response.)

15 MR. PALACIOS: Hearing none, I would ask that
16 all those in favor of the motion please signify by raising
17 your right hand.

18 (A show of hands.)

19 MR. PALACIOS: The motion passes unanimously.

20 MR. DUNCAN: Thank you, members.

21 MR. PALACIOS: Thank you.

22 Okay. Let's move on now to item 6.A which will
23 be an enterprise projects update to be given by Ms. Judy
24 Sandberg and Mr. Eric Obermier.

25 MS. SANDBERG: Good morning. For the record,

1 I'm Judy Sandberg, director of TxDMV's Enterprise Projects
2 Management Office.

3 A copy of this update begins on page 56 of your
4 briefing book and continues through page 68. I will not
5 be seeking any decisions today; instead, my purpose is to
6 provide you with a briefing only on the active projects.

7 Moving on to page 58, you'll see an overall
8 portfolio view of all the projects. I'm very pleased to
9 report to you that the TxDMV projects portfolio is very
10 healthy. It is green in almost all aspects, including
11 overall, schedule, budget and in change management.

12 As you've already heard this morning, on slide
13 59 is the dashboard for the LACE replacement project.
14 We're all very excited this week to be able to say that
15 eLICENSING is live and in production. It's been an
16 interesting journey but one that I do think I would like
17 to echo Chairman Palacios's words earlier: I think this
18 will be a moment we can all look back and be proud of.

19 Almost every division in the department has
20 been touched in some way by this project and has
21 contributed staff who have worked on it. They have all
22 risen to the occasion, often at personal sacrifice in
23 order to do so, but it is a proud moment to be able to see
24 it really working, so that's very exciting news.

25 MR. PALACIOS: Congratulations again.

1 MS. SANDBERG: Well, thank you on behalf of an
2 army that stands shoulder to shoulder to get this done.

3 So overall, the health of the project is green
4 because we are about to bring it into full production, and
5 at that point in time it will transition into a warranty
6 period where there are some remaining defects that our
7 vendor is responsible for repairing by the end of the
8 contract which is March 31. We have indicated that as one
9 of the risks, but I can also report to you that the vendor
10 has already actually begun work on those items in parallel
11 with the go-live activities and they've brought in
12 additional staff on their side to help make sure that they
13 finish those on time. And in fact, later today one of the
14 discussions to begin is to start planning on how we
15 resolve those defects, so we're already looking forward to
16 the warranty period.

17 With that, do you have any questions about this
18 particular project?

19 (No response.)

20 MS. SANDBERG: If not, I'll move on to RTS
21 refactoring. I'm also pleased to report to you that RTS
22 refactoring is in good health.

23 One of the things you may notice on the
24 dashboard, in the very center on the second row in the
25 status box there's a new little bubble to the far right

1 for risk. We're always looking for ways to improve the
2 information that we provide to you the board and the
3 executives in DMV, and we thought it might be helpful to
4 add an indicator for risk. Especially when a project is
5 in all green status, we want to make sure if there is a
6 risk that we should be watching that we indicate that.

7 And there are a couple of risks related to the
8 RTS refactoring project, primarily having to do with
9 resources and scheduling. The disaster recovery coverage
10 in the middle tier is a risk we've been carrying for quite
11 some time, but we expect it to be remediated once we
12 actually implement the new middle tier. So we view those
13 as low risk right now, we're just keeping an eye on them,
14 but I'm pleased to report that the future releases, the
15 upcoming releases for RTS, while there's been some delay
16 on one of the upcoming releases, we have kept a very close
17 eye on it and it is on schedule to be put into production
18 on time.

19 I also would like to in parallel go ahead and
20 talk about the Single Sticker.

21 MR. BARNWELL: Before you do that, I have a
22 question for you on the risk. How do you assess the risk?

23 Is it the risk that the middle tier fails, or is it the
24 risk of a loss of data, is it a critical failure? What
25 happens?

1 MS. SANDBERG: In this particular situation,
2 the way we're looking at the risk is the fact that we
3 don't have a specific disaster recovery plan in place for
4 the middle tier that's in the Austin Data Center.

5 MR. BARNWELL: If the Austin Data Center fell
6 into a giant hole and was unrecoverable, what would happen
7 to the data?

8 MS. SANDBERG: That's why Mr. Obermier is here.
9 I'll defer to him.

10 MR. OBERMIER: For the record, my name is Eric
11 Obermier, CIO for the DMV.

12 Mr. Barnwell, to address that question,
13 actually the production for the middle tier servers is
14 actually run out of the San Angelo data center, just for
15 clarification there. So the reason the risk is there
16 right now is when the middle tier was built years ago back
17 when TxDMV was actually still part of TxDOT, there was not
18 a separate set of servers stood up in parallel to be kind
19 of a hot standby set of servers to then move everything
20 over to, so what that means is if there was a failure,
21 then servers have to be stood up.

22 MR. BARNWELL: Stood up and configured and
23 loaded.

24 MR. OBERMIER: Correct.

25 MR. BARNWELL: But the data is not lost.

1 MR. OBERMIER: No, sir.

2 MR. BARNWELL: That's the critical kind of
3 failure I was concerned about.

4 MR. OBERMIER: Right. So it is always backed
5 up, and should we have a failure any time after the last
6 backup occurs, what happens with these databases is they
7 maintain transaction logs which are backed up every 15
8 minutes, I believe. So what happens is then if you did a
9 backup overnight and you had a failure late the following
10 night but before the next backup occurs, what you do is
11 you have to restore from the last full backup and then
12 play back all those transaction logs to roll forward up to
13 within 15 minutes of when you had the failure.

14 MR. BARNWELL: Okay. Thank you.

15 MS. SANDBERG: Moving on to Single Sticker
16 Phase II, which is on slide 61, which has actually been
17 run much in parallel with the RTS project. We're very
18 excited to report that actually is going to go live next
19 week ahead of schedule. We had some good news overnight
20 on some batch testing that's been very interesting for us
21 to watch, but we had some success last night, so we will
22 actually be implementing that particular project a little
23 ahead of time next week.

24 Any questions about Single Sticker Phase II?

25 (No response.)

1 MS. SANDBERG: Moving on to webDealer, I'm
2 pleased to report that the status of webDealer has
3 improved since the last time I reported to you. It is
4 overall in a healthy green status, it is on schedule to
5 finish by the current project end date which is in April
6 2018, and we are within budget and we are within scope.

7 And the only risk that we are really watching
8 at the moment has to do with resources. We are sharing
9 resources for this particular project along with AMSIT and
10 in some cases the eLICENSING efforts of this week have
11 drawn upon those very same resources. And over the last I
12 would say month, we have had to very closely look at the
13 schedule for AMSIT, the schedule for webDealer, the impact
14 on the RTS project because we are using some of the exact
15 same skill sets, particularly from the IT Services
16 Division.

17 We took a hard look at what it is we were
18 trying to accomplish, and as we were developing the
19 requirements for the centralized payment module of
20 webDealer, we also uncovered that the automated
21 clearinghouse, ACH portion of centralized payment was
22 broader than we might have originally imagined. It
23 affected beyond the webDealer project. It would require
24 some modifications in RTS, IVTRS, and we began to realize
25 as we tried to define the requirements, it was going to

1 require a bigger solution than we had envisioned. We also
2 began to understand from a business point of view that it
3 might require some changes in rules that might have to be
4 considered and adopted.

5 So we convened the executive steering
6 committees for those three projects in a joint meeting to
7 talk about what our options are to make sure that AMSIT
8 stays on schedule since it's scheduled to end by August
9 31, and we made a recommendation that we defer the ACH
10 portion of centralized payment to a completely separate
11 project to be organized at some point in the future and
12 that we focus on credit card payments for salvage and for
13 out-of-state tags. And that was approved by the executive
14 steering committees for those three projects that we take
15 that step.

16 We also postponed the deployment of centralized
17 pay by one month. It was scheduled to go in mid October,
18 we postponed it to mid November. That allowed us to have
19 some relief for staff who are working on AMSIT so that
20 they can finish their work and we can completely complete
21 that project by the end of August, which is when our
22 funding is required to be used.

23 So I wanted to attempt to explain to you why we
24 made that kind of change. We attempted to look at this
25 from an enterprise perspective how the applications relate

1 to one another, how our funding has been provided,
2 approved by the legislature for each one of these projects
3 in order to make sure we were being efficient and
4 effective in using that funding while still accomplishing
5 as much scope as we possibly could. And we still have
6 plans to proceed with the eTitles portion of webDealer
7 which will be the next phase after we complete eTags,
8 centralized pay, and then eTitles is fast on the heels of
9 centralized pay.

10 Do you have any questions about webDealer?

11 MR. PALACIOS: Yes, I do, Ms. Sandberg.

12 So I understand the applications that are still
13 pending, I guess, we're looking to have put in place, I
14 guess, by April of 2018 would be eTags, eTitles and then
15 the centralized pay.

16 MS. SANDBERG: Yes, sir, that's correct.

17 MR. PALACIOS: Okay. Otherwise, everything
18 else is in place for use by the end-users.

19 MS. SANDBERG: They're available for us, yes,
20 sir.

21 So that brings us to AMSIT on slide 63. It is
22 also in a favorable state and a healthy status. The
23 reason risk is yellow is because of the resource
24 competition that we just described to you. We're watching
25 that very closely, but we are attempting to prioritize

1 AMSIT since we have the shortest runway for AMSIT to
2 complete that project on time.

3 But there have been significant progress in the
4 last couple of months, especially working with our vendor.

5 You may recall we did some amendments with them a couple
6 of months ago, made some changes. They are now on board
7 and working solidly. We've actually started the Novell to
8 Windows migration. We've made a good deal of internal
9 progress on cleaning up our files on servers so that they
10 can be moved into the new data center. Our NSOC
11 installation is well underway, so we're making good
12 progress there.

13 The issue where we have overlap is implementing
14 the ForgeRock identity access management piece on
15 webDealer, and we need to do that before we migrate off
16 the TxDOT servers into the new Austin Data Center, and so
17 that's where we have some competition for webDealer
18 resources and why we're focusing on getting that AMSIT
19 piece done first.

20 Any questions about AMSIT?

21 (No response.)

22 MS. SANDBERG: Thank you.

23 Moving on to slide 64, the facility physical
24 security project, I'm also pleased to report to you that
25 we are on target for 15 out of 16 regional service centers

1 to have the physical security equipment installed and in
2 use by April 1.

3 The one office that is remaining is the San
4 Antonio office, and that's because of an overlap with
5 their move to a new facility. And we've encountered a
6 situation where the contract project manager we hired will
7 essentially be finished with most of their work in early
8 April. It does not seem cost-effective to keep them on
9 board for two months while we wait to move into San
10 Antonio's new office. So we presented some suggestions to
11 the executive steering committee for that project and the
12 governance team, and they just earlier this week approved
13 moving the San Antonio RSC out of scope for the project
14 and transferring it to the IT Division for their
15 responsibility to take care of. That will save us two
16 months in project manager costs by making that move, and
17 the IT Division will be responsible for maintaining that
18 equipment at some point anyway once the project ends.

19 So that was a change in scope that I wanted to
20 share with you to let you know, but we are on target to be
21 finished with every office except San Antonio by early
22 April.

23 Any questions about that project?

24 (No response.)

25 MS. SANDBERG: County equipment refresh project

1 is also ahead of schedule. You can see the metrics for
2 yourself there on the lower left. We have over 63 percent
3 of the work is finished, with only 46 percent of the
4 schedule duration having elapsed. In the lower left
5 corner you can see how many of the work stations have
6 actually been installed, how many are remaining. We are,
7 as I mentioned earlier, about 63 percent complete with all
8 the installations of the new PCs, new printers, removal of
9 the old PCs and processing those through the warehouse and
10 having that particular equipment surpluses. But we
11 anticipate that this project will also be finished in
12 April.

13 There will be some work to be done after the
14 installations are actually finished. It will take us
15 probably a few weeks after that to make sure that all of
16 the old equipment that we've brought in has been properly
17 processed, and the data has been accurately accounted for,
18 but we are on target with completing that.

19 That is the last of our active projects.

20 I have one new piece of information I wanted to
21 just make you aware of on slide 68. For the first time we
22 have attempted to provide you some definitions for the
23 dashboard colors that we use for the indicators. I won't
24 read those to you now, but certainly after you peruse
25 them, if you have any questions, please feel free to

1 contact me and I'll be happy to try to answer any
2 questions you might have. But we thought it might be
3 helpful if you could see how we decide something is red,
4 yellow or green.

5 Blue is usually reserved for things that are
6 completely finished and so that's why has an indicator in
7 the column heading that's usually for closed projects.
8 Just because a project is closed, however, doesn't
9 necessarily mean that every indicator is blue. Sometimes
10 you can close a project with something not necessarily in
11 a blue status, but that's not our goal.

12 That concludes my briefing. Do you have any
13 questions?

14 (No response.)

15 MS. SANDBERG: Thank you very much.

16 MR. PALACIOS: Thank you, Ms. Sandberg, Mr.
17 Obermier, for your briefing.

18 Next we're going to move on to the Performance
19 Quality Recognition Program update. It will be a briefing
20 that I believe will be led by Mr. Jeremiah Kuntz.

21 I'd also like to state for the record it is
22 10:31 a.m., and Luanne Caraway is leaving.

23 MR. KUNTZ: Good morning, board members. For
24 the record, my name is Jeremiah Kuntz, director of the
25 Vehicle Titles and Registration Division. I'm joined

1 today by Tim Thompson, my deputy, and he will be going
2 over some of this Performance Quality Recognition Program.

3 Before we get started, I wanted to thank all
4 the members that participated in our Performance Quality
5 Recognition Program working group. Those included Ro'Vin
6 Garrett, Kevin Kieschnick, Ronnie Keister, Cristyn
7 Hallmark, Becky Robles, Becky Watson, Deborah Hunt, Robin
8 Harper, Tammy McRae and Terri Garvey, who were all tax
9 assessor-collectors who participated in that working group
10 to help put this together. Additionally, we had DMV staff
11 that worked a whole lot on this program, and that included
12 Aline Aucoin from our General Counsel's Office, William
13 Diggs, Amber Wilson and Jeanna Gordon, Tamra Parr Lamb and
14 Kimberly Jasso from the Vehicle Titles and Registration
15 Division. They put in a lot of hours putting this program
16 together, and so I wanted to make sure that we publicly
17 thanked them for all their assistance in getting that
18 together.

19 With that, I'm going to actually turn it over
20 to Tim Thompson to go over some of the merits of the
21 program and how it's put together.

22 MR. THOMPSON: Good morning, members. My name
23 is Tim Thompson, serving as the deputy director of the
24 Vehicle Titles and Registration Division.

25 The purpose of this item before you is to

1 provide you a high level overview of the program. It's
2 going to require no additional action to be taken on your
3 part. So as I thought about this in preparation, I
4 realized that this item really predates, I guess, most of
5 the board, so I thought I would provide you some degree
6 background, hopefully not give you a historical lesson but
7 give you some background to give you context for this item
8 and hopefully some appreciation for where we're at today.

9 The genesis for the item actually goes back to
10 HB 2017 from the 82nd Legislature. It's interesting that
11 we've been at this for six years now, but here we are.
12 That particular bill was signed into law and created
13 Transportation Code Section 520.004. That section of
14 statute required that the agency establish standards for
15 uniformity and service quality for county tax assessors
16 regarding vehicle titles and registration, so we've been
17 under the auspices of that law for six years now.

18 Initially after that statute was passed, a
19 working group was formed. That particular working group
20 was spearheaded by former member Cheryl Johnson from
21 Galveston County, and also the former VTR director, Randy
22 Elliston. Much as the current working group is
23 constituted today, that group also included a number of
24 prominent tax assess-collectors from across the state and
25 DMV subject matter experts.

1 That group, really all the work was done by
2 teleconference and the group did a lot of work as far as
3 cleaning up, I'd call cleanup type work, you know, we
4 verified the ways a lot of things should be done and
5 instituted maybe some consistency about different
6 processes, but there were, what I would say, no long
7 lasting things left in place for future use. So after the
8 group concluded its work, there really was some dormancy
9 until late 2015.

10 At that time our Internal Audit Division had
11 done some work, had worked with 50 different tax assessor-
12 collector offices from around the state, did some survey
13 information, discussed current practices and actually
14 discussed what would be a good way to provide recognition
15 for the work done across the state. The Internal Audit
16 Division released to you Audit Number 15-4 in November of
17 2015, and so once you accepted that audit, we put together
18 another working group, again comprised of the ten tax
19 assessor-collectors recognized by Mr. Kuntz and our
20 current staff here.

21 As opposed to the teleconference method, one of
22 the things that I thought as nice is we actually had three
23 different meetings here in Austin, Texas where all these
24 tax assessors came in, all of our staff was here, and we
25 really just discussed some best practices and ways that

1 other states do their business, and really just kind of
2 put together some work for what would become a rules
3 package that you were delivered back in June of this past
4 year.

5 So I guess going back to the audit work, what
6 they really did was they laid out a template for
7 recognition. That template contemplated having a bronze
8 level of recognition, a silver level of recognition and a
9 gold level of recognition.

10 Bronze really was to recognize offices that
11 complied with state laws and agency rules for registering
12 and titling motor vehicles and then doing that type of
13 training with our DMV training modules.

14 Silver was to recognize offices that met bronze
15 but also moved more into customer-centric operations and
16 innovations within their offices, and obviously
17 contemplated that they would comply with all the statutory
18 requirements.

19 And then finally gold, that was to again
20 require that you would meet all the requirements of both
21 bronze and silver, and then that you were, again,
22 following statutes and our rules, and that you were
23 actually performing customer-centric business practices
24 that met or exceeded expected levels of service.

25 They also provided a number of actual items to

1 be looked at in meeting these service levels, and we
2 essentially used that status that you approved as a
3 template for where we're at today. So again, in June you
4 passed Subchapter J of Chapter 217, which in essence the
5 purpose and scope of the new subchapter was to describe
6 procedures and general criteria for the department to use
7 in establishing and administering this program, it's kind
8 of where we got to today.

9 We had two subsequent meetings with the working
10 group and actually did a lot of work to develop a guide
11 that I believe you got for your last meeting, so hopefully
12 you have that before you.

13 I guess the easiest way to go about this is if
14 you look at the sheet that you were given today, you
15 really have at the top the three recognition levels that
16 we were discussing earlier as far as bronze, silver and
17 gold, and if you also notice, there are, I guess,
18 basically you could say strategies for policy, programs
19 and procedures, and then the outcome measures, and then on
20 the vertical plane you see training, customer service,
21 fraud prevention and business process.

22 Just if you look at the bronze level, you've
23 got twelve different required items there. To achieve
24 this recognition, the tax assessor-collector would have to
25 actually meet all twelve of those items. Then in bronze

1 it goes to 22 items, nine of which are required and the
2 remaining are optional items -- I'm sorry -- silver, and
3 so you would earn one point for each of the nine required
4 and then you would need to earn additional points to total
5 up to 14, so you could take on any of those additional
6 items to try to get to that recognition level. And then
7 finally, gold you would, again, meet both bronze and
8 silver, again, you have 22 items, nine of which are
9 required in that as well, plus achieving these optional
10 items to get up to 14 points.

11 If you were to look down across the horizontal
12 plane at the customer service, for example, you would have
13 a dedicated county tax assessor website, so that would be
14 your base item in that category. And then if you go
15 across to S-11, you have published motor vehicle services
16 and information on the county tax assessor's website, and
17 then finally, if you go across to gold on G-11 you have
18 county website analytics. So that's an example that this
19 is designed to start off with a base level of recognition,
20 a base level of performance, and each of these items then
21 gradually increase in the requirement, but more
22 importantly, the service to which it's tied to.

23 I would tell you that the group that came in
24 included well respected members of the tax assessor-
25 collectors group. I thought actually their

1 representatives and the members here, I thought we worked
2 together very well. We actually have a product now that
3 will be long lasting. The guide that you have, we
4 actually received our printed copies from our printer this
5 week. We're in the process now of preparing it for
6 distribution across the state.

7 We're also going to have a link or actually
8 have a place on our website on the tax assessor-collector
9 sub where counties that are recognized, they'll be able to
10 be listed on our website to let the public know who's
11 recognized. Those that receive recognition will receive a
12 certificate from Ms. Brewster and also receive a logo that
13 they can put on their website to show that they're a
14 recognized tax assessor-collector office. Actually, that
15 logo that they can put on their website can be linked back
16 to ours to give an explanation of the overall program.

17 MR. BARNWELL: How often is that reviewed?
18 Once I'm a gold level, how long am I gold level?

19 MR. THOMPSON: You would be gold through the
20 end of your current term.

21 MR. BARNWELL: Term of office?

22 MR. THOMPSON: Yes, sir. Then you would renew
23 after you're into your next term.

24 MR. BARNWELL: Is there a further review?

25 MR. KUNTZ: They would reapply, so after their

1 term of office expires and their recognition expires, they
2 would have to reapply for that recognition.

3 MR. BARNWELL: So is there any way during a
4 term to upgrade?

5 MR. KUNTZ: Yes. They can upgrade after the
6 completion of a full fiscal year. So if they got bronze
7 for fiscal year '17, they could come back and reapply in
8 fiscal year '17 for silver or gold. They can go right to
9 applying for gold. If they meet all of the criteria, they
10 don't have to apply for one and then step through them,
11 they could just apply for gold in their first application
12 so long as they've met all of the criteria for all of the
13 levels.

14 MR. BARNWELL: Okay.

15 MR. THOMPSON: Likewise, if there's some event
16 that might lead to the office no longer being eligible for
17 that particular recognition level, there's actually a
18 provision where the level could be demoted a level, and
19 just as Mr. Kuntz said, that would require a new
20 evaluation period to pass before you could apply for the
21 higher level.

22 MR. BARNWELL: Do we go and reclaim the
23 certificate we gave them?

24 MR. THOMPSON: We might just cut the logo off
25 the internet.

1 MR. TREVIÑO: How many tax assessor-collectors
2 are there?

3 MR. KUNTZ: 254.

4 MR. TREVIÑO: And this is a voluntary program.
5 Do you have any thoughts on what your goals are for how
6 many people will actually apply for the program?

7 MR. KUNTZ: At this point we have not
8 established any goals for that. We really wanted to get
9 the program rolled out and then gauge interest from the
10 tax assessor-collectors. This is something we will
11 definitely talk with them about at their conferences. We
12 will also make sure that our field service reps and our
13 regional service center managers are discussing this
14 program with their tax assessor-collectors to try and
15 encourage them to participate.

16 MR. THOMPSON: One thing to keep in mind to
17 that degree too -- and who knows how this will turn out --
18 some of these tax assessor-collectors that were on the
19 group, and again, I would characterize as well respected
20 within that organization, this was actually a program that
21 they desired as well, so hopefully that attitude will
22 prevail among the group and we'll have good participation.

23 MR. KUNTZ: To add on to that, one of the
24 comments that they made during the work group was that
25 this was a great template for best practices, and one of

1 the tax assessor-collectors said, I really wish that this
2 had been around when I was first elected because it kind
3 of gives you a roadmap of what should I be focused on,
4 what should I be doing in my office. And so hopefully
5 they take that to heart and they use it, the new tax
6 assessor-collectors have something they can reference to
7 see kind of what are the best practices in the industry.

8 MR. THOMPSON: I personally think that the most
9 exciting part about this is we do have a published
10 document, we do have something that will be ongoing, and
11 again, will hopefully be a model to help provide better
12 citizen service for the foreseeable future.

13 MR. INGRAM: So if you could walk me through
14 what it's going to look like to a tax assessor. They
15 perform these items and they apply. I'm wondering who
16 verifies it and who makes the decisions, so is it a group
17 or you're going to actually go to the tax assessor? How
18 is that going to be done?

19 MR. KUNTZ: So one of the things is as we built
20 this program we needed to build it in such a way that it
21 was easy to administer. Obviously, we don't have extra
22 staff that are dedicated to this program, we're doing it
23 with existing resources, so we have an application, there
24 will be a digital application that's available to them
25 that they can fill out. A lot of this is self-

1 certification, they certify that they are doing these
2 things, they sign the document at the end. Some of these
3 items are particular in that they have reports out of RTS
4 that they would rely upon and they would submit as
5 supporting documentation to that. So it really depends on
6 which criteria we're focused in on.

7 As you look at this program, really in bronze a
8 lot of is base level things, it's your oath of office,
9 provide us that you took your oath of office. You've got
10 bonds that you're maintaining, you would provide us copies
11 of your bonds that you're maintaining. So there's going
12 to be supporting information that they provide that they
13 should readily have available.

14 As you move into silver, what we're looking
15 at -- and I'll take the very first one -- is annual
16 inventory concludes with no discrepancies found. That
17 annual inventory is performed by our field service
18 representatives. We will know if they have met that
19 because that's our own report, our field service reps
20 would be able to validate that yes, they had no
21 discrepancies found in their review.

22 So as I'm kind of walking through that, there's
23 a lot of this information that we either have available or
24 that they can present. Some of them, like a commitment to
25 training, in the manual we have provided a kind of

1 statement that they are signing, so they are signing that
2 commitment when they sign their application that they are
3 committed to training their office. There's not anything
4 that's needed there, it's something that they are making a
5 commitment as they submit their application.

6 As you go forward from that, participation in
7 webinars, we track that participation so we would see what
8 their numbers are in participating in webinars.

9 MR. THOMPSON: Member Ingram, likewise on item
10 S-14 and G-14, which contemplates queuing systems and use
11 of stanchions, et cetera, that also was a discussion that
12 our SFRs and our regional managers, as they do site visits
13 in the counties would also be verified and that those
14 things are in place as well.

15 Also, we've actually contemplated that the
16 receipt of the application initially go to our regional
17 managers who have the most familiarity with those
18 particular tax offices and would have a better idea of
19 where we're at on a lot of these things.

20 MR. KUNTZ: To do an initial review so they
21 could initially review them and then submit them up. We
22 have not constituted the committee that would be reviewing
23 these at this point but that's in our plan as we get to
24 that first review stage gate.

25 MS. BREWSTER: Mr. Chairman, if I may?

1 MR. PALACIOS: Yes.

2 MS. BREWSTER: There is also within the manual
3 information about if we do not have sufficient evidence of
4 something, we can request additional information before
5 making a determination, so there is a process built in for
6 getting more information if their application is deficient
7 in some way.

8 MR. KUNTZ: One of the other things that we
9 were very cognizant of, I know Mr. Thompson went over how
10 many points they have to receive in each of the criteria,
11 those were very carefully thought out, the number of
12 points required, and we heard a lot about can a small
13 county participate, can a large county participate. We
14 were very cognizant of the different types of criteria,
15 some are easier for large counties to achieve, some are
16 easier for smaller counties to achieve, and so we tried to
17 make sure that there was a balance that small counties
18 meeting those that they could achieve could get to the
19 same points that the large counties would be able to get
20 to that same points because they could get queuing
21 systems, for example. A small county doesn't need or
22 would not have the funding to put in electronic queuing
23 systems like a large county would.

24 And so there's definitely some differences in
25 the way that the points were weighted so that we made sure

1 that everybody could equally participate.

2 MR. THOMPSON: And actually, in the group, the
3 tax assessors themselves went for a more aggressive points
4 level.

5 MR. PALACIOS: Peer pressure, in my judgment,
6 is always a good motivator. I know you mentioned the TACA
7 meeting coming up in June. How do you see this? Because
8 the way I look at it, those that are going be at gold
9 level or maybe even silver are going to sign up
10 immediately, those that are bronze, but I guess the goal
11 would be to get everybody to sign up for this, but how do
12 you see that? It would appear to me that it would be the
13 TACA network themselves that would have to promote this.

14 MR. KUNTZ: Yes, and like we said, there's
15 definitely members from that association that participated
16 in the work group that are vocal members within that
17 organization, and so my hope is that they would bring
18 forward that message that this is a good program that
19 their membership should participate in.

20 MR. TREVIÑO: Even if you don't get universal
21 uptake, at least you have a standard that's been presented
22 by the association, the TACs and also the department of
23 what is expected of a well run office, so this is a good
24 document, even if we don't get universal uptake.

25 MS. HARDY: And back to peer pressure, once a

1 year you'll publish a list on whether you're gold, silver
2 or bronze, and everybody can check the list.

3 MR. GRAHAM: So along that same line of
4 thought, what are we doing -- I heard you talk about a
5 certificate that they'll earn -- but they're going to a
6 great effort that this is going to provide a much better
7 experience for their constituents, Texas taxpayers, what
8 will they then be able to do to kind of beat their chest a
9 little bit to their constituents that, hey, we've worked
10 hard and achieved this measure?

11 MR. KUNTZ: They will definitely have that
12 ability, in stump speeches, all those kinds of things,
13 make it known that they have met those recognition
14 criteria. They will actually get a physical certificate
15 they can hang in their office, plus the digital
16 certificate they can put on their website, which we
17 thought was important. A lot of these counties, I know
18 Williamson County has got a great website, there are a lot
19 of folks that go and visit that website, and so having
20 something that they can put on there that shows that
21 they've met some level of recognition I think is important
22 to them.

23 We have also contemplated how to issue those
24 certificates. Depending on the different levels, I think
25 gold level is one that would definitely warrant some

1 production, if you will, having some kind of award
2 ceremony, and so that's something that we'll look at as we
3 get to that.

4 MR. THOMPSON: The logo in use on this program
5 contains the wording Driven to succeed.

6 MR. KUNTZ: Driven to serve.

7 MR. THOMPSON: Driven to serve. And really, I
8 think that those offices that they really are driven to
9 serve the public and take this heart will be proud to
10 show, hey, we have really received this level of
11 recognition.

12 The only thing that I foresee that could be a
13 slow start for us, I almost think about webDealer in the
14 early days how we barely started going and then it's just
15 taken off like lightning. The only issue we have here is
16 our evaluation period runs September through August, so
17 they're going to see the criteria kind of during the
18 midpoint, so it may be a little difficult for them to
19 achieve gold in this first year.

20 MR. PALACIOS: Okay. Are there any other
21 questions on these standards?

22 (No response.)

23 MR. PALACIOS: Okay. Hearing none, thank you,
24 Mr. Thompson, Mr. Kuntz.

25 We'll move on to the MOU for Enforcement staff

1 relocation to be presented by Mr. Bill Harbeson.

2 MR. HARBESON: Thank you, Mr. Chair. My name
3 is Bill Harbeson. I'm the director of the Enforcement
4 Division at the TxDMV. I'm speaking on item 6.C of your
5 agenda which is a briefing item only.

6 The agency on the 17th of February entered into
7 a memorandum of understanding with the Tarrant County
8 Sheriff's Office and their Auto Theft Task Force. Under
9 this MOU, they are essentially going to be providing
10 office space for one of our Dallas-Fort Worth
11 investigators to work in that office.

12 To back up a little bit, ABTPA Director Bryan
13 Wilson, when he took the position here, immediately
14 recognized that our investigators work on a daily basis
15 with these auto theft task forces as far as sharing
16 information, handing off cases that one may have
17 jurisdiction over and the other doesn't, so Bryan
18 recognized this and encouraged us several years ago to
19 start the first one of these joint office arrangements,
20 and that was down in the Galveston area outside of
21 Houston. And that was such a success that Tarrant County
22 approached me and said, When can I get one?

23 And that's what you're looking at today. So
24 this second MOU for housing one of our people is a
25 continuation of what we see as a big success as far as

1 partnering with these auto theft task forces and we see
2 that this is going to be another positive for the agency
3 and for the task force in their respective duties.

4 I'll be glad to answer any questions you may
5 have about the program or the memorandum itself.

6 MR. PALACIOS: Are there any questions for Mr.
7 Harbeson?

8 (No response.)

9 MR. PALACIOS: All right. Hearing none, thank
10 you, Mr. Harbeson.

11 Let's move on to the item 6.D.

12 MR. TREVIÑO: Chairman, excuse me.

13 Mr. Harbeson, if you could, after you do the
14 program with Tarrant County, just what is the success,
15 just could you come back with some stats as how the
16 program is running and how you guys feel it's working?

17 MR. HARBESON: It's difficult to measure.

18 MR. TREVIÑO: No problem. Just think about it
19 and just kind of a report.

20 MR. HARBESON: Mostly it will be anecdotal,
21 sir.

22 MR. TREVIÑO: Well, as long as we can come back
23 with something, I think it would be useful.

24 MR. HARBESON: Well, if there's one positive,
25 it's one less body in our facility. We'll save a little

1 on energy and parking.

2 (General laughter.)

3 MR. TREVIÑO: All right, fair enough.

4 MS. BREWSTER: Mr. Chairman.

5 MR. PALACIOS: Yes.

6 MS. BREWSTER: Member Treviño, we'd be happy to
7 provide you with a report.

8 MR. HARBESON: Yes, sir.

9 MR. TREVIÑO: Thank you.

10 MR. PALACIOS: Thank you, Mr. Harbeson.

11 Let's move on now to centralized registration
12 fulfillment update by Mr. Kuntz.

13 MR. KUNTZ: Again for the record, Jeremiah
14 Kuntz, Vehicle Titles and Registration Division Director.

15 This is a briefing and will provide you an
16 overview of the centralized fulfillment of online
17 registration renewals. Back in November of 2016, we began
18 processing centrally online renewals through our
19 centralized vendor which is Xerox, and so I wanted to give
20 you an update of how that's been going.

21 To date it has been extremely successful, in my
22 determination. In November -- and I believe you've got
23 some of these numbers in your board book -- we processed
24 512 renewals. Those were early renewals for January
25 stickers, so customers that had a January expiration were

1 renewing early online in November. In December it started
2 to tick up, we had 34,902 registration renewals processed
3 in December, in January 180,465 renewals were processed,
4 and then in February we have processed 167,696, for a
5 total of 383,575 stickers have been centrally processed
6 through our vendor.

7 The system, as any new system, we're monitoring
8 it very closely, we're tracking to make sure that things
9 are being printed on time, being put in the mail on time.

10 We have had some learning curve, I guess, if you will,
11 with the post office on their ability to trace letters
12 through the postal system. They have something called an
13 IMB trace number, which is an intelligent mail barcode.
14 If you're familiar with barcodes, it's actually got some
15 interesting variations, I guess to it, it's a specific
16 barcode that the post office uses, and we are in something
17 called informed visibility which we get a report back on
18 all of the letters that have gone through their scanners
19 and that have scanned that intelligent mail barcode.

20 It is something that is, I think, relatively
21 new for the post office to scan and track just regular
22 mail. Obviously, they track packages door to door so you
23 actually get a scan when it's delivered to the door. With
24 the intelligent mail barcode, we don't get that door-to-
25 door scan, so when it goes through distribution center and

1 it's scanned, we see that and we can pick that information
2 up through an electronic report that they submit to us.
3 That information is used for our tracking tool that is
4 online, and so based on the codes that we get back from
5 them, they actually have some ability to show us return
6 mail and those kinds of things as well.

7 So we're tracking that very closely. It is a
8 newer initiative, I guess you'll say, for the post office,
9 so I think they've got some learning, we've got some
10 learning with it to make sure that we're understanding and
11 interpreting the information that they're sending back to
12 us and that we're making sure that we're getting timely
13 stands from them. So there is some nuances to the program
14 that we're having to make sure that Xerox is paying
15 attention to and we're going to continue to monitor. It
16 keeps getting better; every day that it goes by it seems
17 like we're getting better at kind of understanding the
18 data that they're sending back to us.

19 But because of some of that scanning, our
20 process that we have in place right now is if we don't get
21 a scan back from the post office, initially we were highly
22 concerned that we had an issue and we went ahead and re-
23 mailed stickers thinking, hey, it never actually entered
24 the mail stream. We determined later on that no, there
25 are times that the post office is not scanning those

1 codes.

2 So what we have instituted is a survey process,
3 and so what we are doing is we are getting back a report
4 of any pieces of mail that did not get scanned by the post
5 office and we are sending an email survey out to them to
6 ask them how's your experience been, have you received
7 your sticker, if you have not please let us know. And if
8 they have not received it, our assumption is it never got
9 into the mail and we are sending them a new sticker
10 without having to have them go to the county offices.
11 We're hoping to try and eliminate the trips to the county
12 office with a customer that's upset that they didn't get a
13 sticker.

14 So we're continuing to monitor that. We'll
15 keep you updated as things evolve on this program, but it
16 seems to have gotten off to a pretty good start as far as
17 we can tell.

18 MR. BARNWELL: Jeremiah, how do you look at the
19 scans? Is that on computer, or do you have people
20 dedicated to look at the scans and match them up with your
21 printout?

22 MR. KUNTZ: So we do get reports from Xerox.
23 Xerox actually gets reports from the post office and they
24 load it into a web-based system that they have, and then
25 they provide us with a daily report. We have something

1 that we call the exception report.

2 MR. BARNWELL: An exception report, sure.

3 MR. KUNTZ: And so we get an exception report
4 daily that has all of the exceptions on it. If something
5 was on the exception report the day before and it falls
6 off, I have one individual in my office that is tracking
7 that very tightly, and so she sees if the numbers get
8 better from the day before, she knows that it went down
9 and she can see where that has occurred. So I really have
10 one resource upstairs that's doing this, she's doing a
11 great job, Tricia Eckert, and so she's tracking that very
12 tightly.

13 MS. HARDY: What percent do you think doesn't
14 get scanned, do you know?

15 MR. KUNTZ: That don't get scanned? It's a
16 pretty low percent. Out of the 383,000, we have only had
17 a few hundred. And it's interesting because when you say
18 they don't get scanned, the first day they hit the post
19 office you've got a very large number, every day that goes
20 by it shrinks and shrinks and shrinks until you get down
21 to after about ten days you know you're not going to be
22 any more. And so that's kind of what she's experienced is
23 after you get past the tenth day, you kind of know that
24 that one is not going to get scanned, it probably made it
25 all the way to the customer. In fact, in our surveys

1 we've found that there are quite a few that it made it all
2 the way to the customer, never got a scan by the post
3 office. But it's a very low percentage, I mean, it was
4 less than a percent, I believe.

5 MR. BARNWELL: Do the people that you send
6 these to -- I do it online -- do they all have email?

7 MR. BARNWELL: Yes. Email is a required field
8 when you process online, so we automatically know we have
9 an email address from that customer because they can't
10 complete the transaction without it.

11 MR. BARNWELL: And Jeremiah, out of 300-however
12 many thousand out of four months, you've had a couple
13 hundred that didn't get delivered?

14 MR. KUNTZ: Less than a thousand that didn't
15 get a scan.

16 MR. BARNWELL: Okay. It begs the question is
17 this an efficient use of your resources.

18 MR. KUNTZ: We are automating that survey for
19 emails. Right now it's a little bit manual.

20 MR. BARNWELL: I understand there's a growing
21 process for it, so you're working on the email, which we
22 all get those all the time: Did you receive it; if you
23 did, you don't need to take any further action; if you
24 didn't, contact us.

25 MR. KUNTZ: Correct.

1 MR. BARNWELL: Okay. I knew you were on that
2 but I just wanted to ask the question.

3 MR. KUNTZ: I think we sent emails around, I
4 think it's less than 300 emails that we've sent to date,
5 and I think we've received like five or six returns that
6 have said no, I didn't get it, so it's been a very, very
7 small percent.

8 MR. BARNWELL: Okay, cool.

9 MR. TREVIÑO: So you've only sent out five or
10 six replacements out of all those.

11 MR. KUNTZ: Since we started doing the email.
12 Originally we did a large run of replacements because we
13 didn't have the survey process in place, and I think we
14 sent out a couple hundred of those, but since then it's
15 fallen off dramatically.

16 MR. TREVIÑO: On the overall uptake, though,
17 are you hitting the projections that you had? I can't
18 remember what the number was, 15 percent, 10 percent, 5
19 percent were going to go to this online. Are we ahead of
20 that, are we behind that as a percentage of our overall?

21 MR. KUNTZ: Our online percentage has been flat
22 at 18 percent for like the last six months, it has not
23 moved. We're pretty early into this process, I haven't
24 looked to see if February had an uptick or not, but it has
25 just been holding steady at 18 percent. We continue to

1 monitor that and see if we get an uptick later in the year
2 or something.

3 MS. BREWSTER: Mr. Chairman, if I may?

4 MR. PALACIOS: Yes.

5 MS. BREWSTER: We did project 19 percent for
6 2017, so we're still pretty early.

7 MR. BARNWELL: You overestimated then.

8 MS. BREWSTER: Yes, we're one percent off.
9 2017 isn't over, Member Barnwell.

10 (General laughter.)

11 MR. INGRAM: I have a related question, barely
12 related, but it made me think of it. Did we ever change
13 the RTS system so that we could start capturing cell
14 phones, or is that still something we need to do?

15 MR. KUNTZ: I would have to go back and review
16 the different requests that we have in. I don't know if
17 that one has been put in place or not, I would have to go
18 back and check. I know we have a lot of requirements that
19 are coming up. Most of what has been going on with RTS
20 has been trying to fix issues that have popped up. I'd
21 have to look and see where that is in the list.

22 MR. INGRAM: Okay. Because you know where my
23 head is at.

24 MR. KUNTZ: Absolutely.

25 MR. GRAHAM: So my fellow board members have

1 asked some very, very good questions here today, but there
2 is one compelling question I believe remains to be
3 answered. Who was the number one online registrant? Do
4 we know who number one was?

5 MR. KUNTZ: We do know who patient zero is,
6 yes.

7 MR. GRAHAM: Who was patient zero? Can you
8 disclose that?

9 MR. KUNTZ: Eric Obermier, our CIO.

10 MR. GRAHAM: Just wanted to give him a little
11 public shout-out. I heard that.

12 MR. KUNTZ: He stayed up to do it.

13 MR. GRAHAM: Midnight, 12:01, bam. Well done.

14 MR. KUNTZ: He was a batch of one for that
15 night. Nobody else stayed up for it.

16 MR. PALACIOS: Did he get a certificate or
17 something for that?

18 MR. GRAHAM: He did get his registration
19 sticker, I think.

20 (General laughter.)

21 MR. PALACIOS: Any other questions for Mr.
22 Kuntz on the centralized registration fulfillment?

23 (No response.)

24 MR. KUNTZ: Thank you very much.

25 MR. PALACIOS: Thank you, Mr. Kuntz.

1 Okay. Let's move on to another very, very busy
2 person these days, Ms. Caroline Love, who will give us the
3 legislative and public affairs update.

4 MS. LOVE: Good morning. For the record, I'm
5 Caroline Love, director of the Government and Strategic
6 Communications Division, and I'm here to provide you all a
7 briefing on the status of legislative efforts this
8 session. This is what I like to refer to as the fun part
9 of the agenda, because it's always fun, going to the
10 Capitol and dealing with all these things. At least I
11 think it is; otherwise, I wouldn't be here.

12 MR. PALACIOS: We appreciate your great
13 attitude about all this.

14 MS. LOVE: That's the key.

15 So what I'll start off with is just a refresher
16 of the Texas Transportation Code does require that this
17 board consider opportunities to look at improvements and
18 efficiencies in statute. It's just for reference,
19 Transportation Code Section 1001.025. And after those
20 recommendations are adopted by the board, we share those
21 with legislative leadership, including the Office of the
22 Governor, Lieutenant Governor, Speaker and the chairs of
23 our committees. So we had done that after the board
24 adopted these recommendations in November, and then, of
25 course, we got a new chair of Transportation a few weeks

1 ago, Representative Geanie Morrison of Victoria, and so we
2 have since shared that information with her and her staff
3 as well.

4 And just this morning, our executive director,
5 Whitney, was able to give an overview to that committee,
6 the House Transportation Committee, in their
7 organizational hearing, and I heard that it went quite
8 well, there weren't a lot of questions at all, from what I
9 understand, zero. But we'll definitely keep you apprised
10 of those types of hearings and things like that.

11 Of the recommendations that were adopted by
12 this board, there were about ten, and six of those
13 measures have been filed as legislation to date, so I'll
14 give you an update on those, and I'll also talk about
15 which ones have not been filed. The one related to
16 several registration code changes which includes a lot of
17 cleanup language and also the opportunity for a
18 registration sticker that is done through an online
19 renewal, for the receipt of that registration renewal to
20 serve as proof of registration for 30 days, and we're
21 hoping that that measure will help prevent people from
22 going into their tax assessor office, a rush at the end of
23 the month or the very beginning of the month because they
24 want that sticker on their window. So that's an important
25 one, that's House Bill 2461, and Representative Pickett

1 filed that for us.

2 And then we also have the permanent token
3 trailer registration provision which is House Bill 2433,
4 also by Representative Pickett. This one allows for token
5 trailers the option to go with either an annual
6 registration of \$15, which is the current process, or if
7 this were to pass, they could go for a permanent
8 registration at a cost of \$80, and that's something that
9 will help make Texas more competitive with other states in
10 that regard since other states have these types of
11 programs.

12 There is another one on motor carrier
13 registration and enforcement changes. This has a lot of
14 provisions that we pursued in the 84th Legislative Session
15 that didn't end up becoming law, and it relates to greater
16 enforcement for what are referred to as chameleon
17 carriers. So these are carriers that may have operated
18 under another name and they may have been sanctioned or
19 have issues, but under current law, our authority to
20 either prevent them from registering or taking any kind of
21 action on those carriers is very limited, so this would
22 help in that regard. That one has not yet been filed but
23 the draft has been complete on that, so we're working on
24 getting that one filed soon.

25 Next is the Title Act changes. That is House

1 Bill 2462, also by Pickett. And this one includes the
2 certified copy of original title provision. We're the
3 only state that allows for this type of title to be
4 issued, and it leads to confusion that the original title
5 and the certified copy of a title all have the same value,
6 essentially. So this would eliminate that, that if
7 someone were to go in and get a certified copy of original
8 title, it would supersede any previously issued titles, so
9 that's an important anti-fraud type measure.

10 And another component of this bill would also
11 allow for the state statutes to reflect federal
12 requirements when it comes to odometer disclosure
13 statements. This is certainly of great stakeholder
14 interest as well. In fact, very similar legislation has
15 been filed on that one component by Representative Jay
16 Dean, and that one is House Bill 1693, so we're going to
17 be working with that office and kind of making sure that
18 we're all consistent on that.

19 The next one is the Lemon Law bill, that's
20 House Bill 2070 by John Smithee, and he is chairman of the
21 House Judiciary and Civil Jurisprudence Committee. During
22 the interim, his committee heard an interim charge related
23 to Lemon Law, and they did ask us if there were any items
24 that we felt like could be improved upon in the Lemon Law
25 statute. We came to him with this legislation that had

1 not only things that we were trying to get cleaned up in
2 that statute last session that didn't pass, but also, a
3 way to clarify what qualifies in terms of people
4 attempting to remedy a Lemon Law type situation.

5 MR. PALACIOS: Do you know the specifics of
6 those rule changes or statute changes?

7 MS. LOVE: I would hate to get too much into
8 the detail on it and appear that I might mess it up, but
9 should we call on Bill Harbeson, maybe?

10 MR. PALACIOS: Yes. Just the major points.

11 MS. LOVE: Thank you.

12 MR. HARBESON: Bill Harbeson, director of
13 Enforcement.

14 Yes, Chairman Palacios, under the current law
15 there's a requirement that before repair attempts prior to
16 becoming eligible under the Lemon Law, in the current
17 statute it says two of these have to happen within the
18 first year and the second two have to happen in the second
19 year. The change in the statute allows just for four
20 attempts, the belief being that meeting that requirement
21 of two in one year and then two in the second year was
22 removing a lot of people from eligibility for not really a
23 very good reason. For instance, under the old law if you
24 had one problem the first year and then three the second
25 year, you would not be eligible. That's the major change.

1 There's also some things in the statute, when
2 the Lemon Law was changed several sessions ago, there was
3 two bills filed and both of them ended up in the law.
4 They're not significantly different in any meaningful way,
5 but it's a little confusing because there's two sections
6 addressing the same matter in the current statute.

7 MR. PALACIOS: Okay. So to be clear, the four
8 repairs, what's the time frame for those four repairs?

9 MR. HARBESON: Two years or 24,000 miles.

10 MR. PALACIOS: Two year/24. All right.

11 MR. HARBESON: That part is in the law, but
12 there's a further restriction about when those four repair
13 attempts have to occur.

14 MR. HARRIS: And that is pretty consistent
15 across the country?

16 MR. HARBESON: Across the country, yes, ma'am.

17 MR. PALACIOS: Thank you.

18 MS. LOVE: Thank you, Bill.

19 On to the next item, there is a seized disabled
20 parking placard process. That one has been filed by House
21 Bill 1790 by Representative Pickett, and essentially, this
22 removes an outdated requirement that the department send a
23 letter to a person who has had a handicap placard seized.

24 It's something that usually by the time the letter gets
25 there, they're already aware, so it's something that would

1 certainly increase efficiency for the department.

2 The next one relates to administrative changes
3 on vehicle size and weight limits. A lot of this is
4 cleanup language, it's been filed by House Bill 1795 by
5 Representative Pickett. And it also includes a new
6 recommendation that would help streamline the distribution
7 of the permit fees. The current statute in these
8 oversize/overweight permits are all over the place in
9 terms of what percentage goes to the State Highway Fund or
10 the DMV Fund and GR and all sorts of different areas.

11 By and large, a majority of the permits have 10
12 percent of any permit issued go to the credit of the DMV
13 Fund to cover the cost of issuing those permits, but to
14 help make it clear for any future permits, we have
15 included language in there that says for any permit
16 created by this legislature in the future, unless it's
17 otherwise stated in statute, the DMV Fund would get 10
18 percent to cover our program costs.

19 And the next one, House Bill 1789 by
20 Representative Pickett, has very specific changes to
21 vehicle size and weight limitations and it helps to
22 reflect state statutes with what was recently passed at
23 the federal level through the FAST Act, or the Fixing
24 America's Surface Transportation Act.

25 And one that's yet to be filed is the

1 notification to demolish a vehicle and that process. One
2 of the things that's currently in statute is a redundant
3 process to notify an applicant that they're going to
4 demolish their own vehicle, so certainly if someone is
5 applying to demolish the vehicle, then they wouldn't need
6 to be notified that they're about to get it demolished,
7 and that's something that we're hoping to clarify there.
8 And also, clarify that there's a \$10 fee that's associated
9 with the authority to demolish that vehicle from the
10 applicant, and that that fee will be deposited to the
11 credit of the DMV Fund.

12 And then the last one that also the draft has
13 been received but we're talking about who might be
14 carrying this one, is the ability for the department to
15 own and control real estate, and it very specifically
16 lists Camp Hubbard property and the ongoing discussions
17 we've been having with the Office of the Governor and
18 TxDOT about transitioning the space from TxDOT to the
19 department.

20 I'll give some other updates about the session
21 in general. Are there any questions on the board
22 recommendations?

23 (No response.)

24 MS. LOVE: Thank you.

25 And in terms of in general the legislative

1 session, there are definitely some key dates coming up,
2 the most imminent one being next Friday, March 10 is the
3 last day for general bill filing. After that date, local
4 bills can be filed that have a very limited impact or
5 emergency legislation, but for the most part, most bills
6 will be complete and filed by that date. The legislature
7 has filed more than 4,000 bills to date, and so that
8 probably will go up around 6,000, I would imagine, by next
9 week, so there will be a lot filed in the next several
10 days.

11 At the department level we're monitoring
12 approximately 10 percent of those, I would say, right now,
13 and a lot of those are things that we're just kind of
14 keeping on our radar in case they might be changed. They
15 don't necessarily have a significant impact to the
16 department, but we just want to kind of check and see what
17 happens.

18 The Legislative Budget Board does request that
19 agencies fill out fiscal notes for bills that have an
20 impact to them. We've received 60 of those requests from
21 the Legislative Budget Board so far. About 50 of those
22 are a direct impact to the agency, the other ten all are
23 all state agencies impacts but they do request that we
24 weigh in on some of those in terms of our impacts.

25 We've certainly had quite a few hearings that

1 are more organizational in nature, but we had last week
2 our Senate Transportation organizational hearing and
3 provided testimony there, and that went very well. And
4 then we've also had both our Senate Finance and House
5 Appropriations committee meetings that talk about our
6 article, and we're continuing meetings ongoing there. And
7 we'll certainly be keeping the board apprised of any
8 significant updates.

9 That's all I have for today, unless you have
10 any questions.

11 MR. PALACIOS: Thank you, Ms. Love.

12 MS. LOVE: And I hope that was fun for you.

13 (General laughter.)

14 MR. PALACIOS: Always.

15 Okay. Let's move on. Let the record reflect
16 it's 11:24 a.m., and Mr. Barnwell has left the room.

17 Okay. Let's move on to item number 8 in our
18 agenda, Chapter 209, Finance, to be presented by Mr.
19 Jeremiah Kuntz and Linda Flores.

20 MR. KUNTZ: Good morning again. For the
21 record, Jeremiah Kuntz, director of Vehicle Titles and
22 Registration Division.

23 Before you is a proposed rule for publication,
24 Rule 209.2. This rule is regarding the charges for
25 dishonored checks or insufficient fund checks. As we have

1 been looking at adding ACH to some of our applications,
2 one of the things that has been identified is that there
3 are possibly charges that would be assessed by our ACH
4 vendor, which would be Texas.gov. There are some
5 assessment of fees that they would assess to us for those
6 charges not paid. What this rule does is add the ability
7 for the department to assess those fees to the customer
8 that had insufficient funds for that transaction.

9 MR. TREVIÑO: Do we receive a lot of
10 insufficient funds?

11 MS. FLORES: No, sir, normally we don't. For
12 the record, Linda Flores, chief financial officer.

13 No, sir. Our insufficient funds are pretty
14 low. Specifically with registration we collect pretty
15 much everything. We normally take credit cards, so if it
16 bounces, it's processed within the time so we're not
17 charged that on nonsufficient funds, it's just a
18 chargeback.

19 MR. TREVIÑO: Mr. Chairman, I move that the
20 board approve the proposed amendments to Section 209.2 for
21 publication in the *Texas Register* for public comment.

22 MR. PALACIOS: Okay. Motion.

23 MR. GRAHAM: Second.

24 MR. PALACIOS: Motion by Board Member Treviño,
25 second by Board Member Ingram.

1 MR. INGRAM: It was actually Brett.

2 MR. PALACIOS: I'm sorry. Board Member Graham.

3 Is there any more discussion?

4 (No response.)

5 MR. PALACIOS: Okay. All in favor of the
6 motion please signify by raising your right hand.

7 (A show of hands.)

8 MR. PALACIOS: The motion passes unanimously.

9 Again, for the record, Board Member Barnwell is absent.

10 Let's move on to item number 9 now, Chapter
11 215, Motor Vehicle Distribution, to be presented by Mr.
12 Harbeson and Mr. Avitia.

13 MR. HARBESON: My name is Bill Harbeson. I'm
14 the director of the Enforcement Division.

15 Before the board this morning at agenda item
16 number 9 is an amendment that we're asking the board to
17 approve today for publication for public comment. More
18 specifically, this is a change to Section 215.140 of our
19 rules which deals with the requirements that a dealer have
20 certain premises requirements to be considered to be
21 regularly and actively engaged in the business.

22 What this rule does is says that in regard to
23 these requirements to be considered to be regularly and
24 actively engaged that every dealer located at that
25 location must meet these requirements. And this rule

1 meets a problem that we on occasion will face in the field
2 where there are multiple dealers at one location, for
3 instance there will be four and we show up and find out
4 that really there's one desk, one chair --

5 MR. PALACIOS: Excuse me, Mr. Harbeson. Let
6 the record reflect that it's 11:28 and Board Member
7 Barnwell has returned.

8 MR. BARNWELL: Thank you, Raymond.

9 MR. PALACIOS: Please proceed.

10 MR. HARBESON: We will show up at these
11 locations and discover really what we're dealing with is
12 just a front for curbstoners. They will lease a space,
13 license as many dealers as they can at that location, but
14 it's really not a dealership for one or the other three.
15 So the rule merely clarifies that everybody that's
16 licensed at a location by Mr. Avitia's group must meet the
17 premises requirements of every other dealer that we
18 license about the proposed rule.

19 I'll be glad to answer any questions.

20 MR. PAINTER: Do we have a lot of that?

21 MR. HARBESON: Yes, sir, we do. Unfortunately,
22 we have certain landlords that that's the business model.
23 They will take a piece of property say outside of
24 Dallas -- without naming a specific town -- and they will
25 have a series of very inexpensive buildings set up and

1 each one of those is potentially for dealerships, and when
2 we go out there we find nobody out there, no vehicles, no
3 dealers, but again, they're using it just to get the
4 license to get into the auction to buy the cars and then
5 to curbstone them within the community.

6 So all this does is we have always interpreted
7 the rule to mean everybody has to have their requirements,
8 this merely clarifies it and makes it easier for the
9 licensing folks to say, hey, the rule specifically says
10 you have to meet all the requirements.

11 MR. PAINTER: And this is to help protect the
12 public?

13 MR. HARBESON: It definitely is, sir.

14 MR. PAINTER: Mr. Chairman, I make a motion
15 that the board approve the proposed amendments to Section
16 215.140 for publication in the *Texas Register* for public
17 comment.

18 MR. INGRAM: Second.

19 MR. PALACIOS: We have a motion by Board Member
20 Painter, a second by Board Member Ingram. All in favor of
21 the motion please signify by raising your right hand.

22 (A show of hands.)

23 MR. PALACIOS: Motion passes unanimously.

24 Thank you, Mr. Harbeson, Mr. Avitia.

25 Let's move on now, moving right along here, to

1 item number 10, Chapter 215, Motor Vehicle Distribution,
2 to be presented by Mr. Jeremiah Kuntz once again.

3 MR. KUNTZ: For the last time today, for the
4 record, Jeremiah Kuntz, director of the Vehicle Titles and
5 Registration Division.

6 Before you is a rule that we're seeking to
7 publish the proposed rule for 215.155 related to buyer's
8 temporary tags. This rule will clarify in rule that the
9 fee for a buyer's tag is \$5. That has always been the fee
10 for buyers' tags. The statute actually in Transportation
11 Code 503.063 requires buyers' tags and a fee of not more
12 than \$5. We have never set that fee in administrative
13 rule, and so this would clarify that it is a \$5 buyer's
14 tag fee.

15 The rule also clarifies that if the department
16 is issuing the buyer's tag through its electronic system
17 and there is a means by which it can be paid for through
18 that system for out-of-state buyers' tags, that the
19 funding would go directly to the department rather than
20 having to go through the county offices. We are looking
21 at adding a payment portal in webDealer, as we roll eTags
22 into that system, and are looking for a more streamlined
23 way to process these so that the counties don't have to
24 process the out-of-state buyers' tags, out-of-state
25 meaning a buyer that's coming in from another state,

1 purchasing a vehicle that will not be titled or registered
2 in the state, and they need the buyer's tag to drive that
3 vehicle back to their home state.

4 With that, that completes my presentation.

5 MR. GRAHAM: Mr. Chairman, I move the board
6 approve the proposed amendment to Section 215.155 for
7 publication in the *Texas Register* for public comment.

8 MR. PAINTER: Second.

9 MR. PALACIOS: Okay. We have a motion by Board
10 Member Graham and a second by Board Member Painter. All
11 in favor of the motion please signify by raising your
12 right hand.

13 (A show of hands.)

14 MR. PALACIOS: Wonderful. Unanimous again.

15 Thank you so much, Mr. Kuntz, appreciate it.

16 Let's move on now -- we're getting towards the
17 end here -- our 30-year veteran will take us home.

18 MR. ARCHER: Mr. Chair, members of the board,
19 for the record, my name is Jimmy Archer. I'm the director
20 of the Motor Carrier Division.

21 For the board's consideration, I'm proposing
22 amendments to 43 Administrative Code, Chapter 217, to be
23 published in the *Texas Register*, relating to registration
24 reciprocity agreements. The proposed amendments to
25 Section 217 are: adopt by reference any amendments to the

1 International Registration Plans that became effective on
2 January 1, 2017; adopt by reference the current versions
3 of the International Registration Plan Audit Procedures
4 Manual; and correct language that's inconsistent with
5 International Registration Plan; and to list the sources
6 of the department's authority to cancel or revoke
7 registrations under that chapter.

8 If you approve, these rules will be published
9 in the *Texas Register* on March 24, 2017 and comments will
10 be accepted until April 24, 2017. I ask that the board
11 approve the proposed amendments.

12 MS. HARDY: Mr. Chairman, I move that the board
13 approve the proposed amendments to Section 217.56 for
14 publication in the *Texas Register* for public comment.

15 MR. TREVIÑO: Second.

16 MR. PALACIOS: Okay. We have a motion by Board
17 Member Hardy, second by Board Member Treviño. Any further
18 discussion?

19 (No response.)

20 MR. PALACIOS: All in favor please signify by
21 raising your right hand.

22 (A show of hands.)

23 MR. PALACIOS: Motion passes unanimously.

24 Thank you, Mr. Archer. Please proceed.

25 MR. ARCHER: The next item may be found on page

1 132 of your board book, proposing amendments to Texas
2 Administrative Code Chapter 219, to be published in the
3 *Texas Register*, relating to oversize and overweight
4 vehicles and loads.

5 The proposed amendments to Chapter 219 are:
6 improve the terminology, correct errors, modify language
7 for consistency with other rules in Chapter 219; clarify
8 that definitions in the Transportation Code apply to
9 Chapter 219 and delete definitions that are already
10 contained in the statute; removes unnecessary language
11 that clarifies requirements. Basically, this is a cleanup
12 and a housekeeping rule to make our rules more consistent
13 with the Transportation Code.

14 And finally, include language from 219.125
15 which proposes to repeal in order to streamline language
16 regarding administrative proceedings by requiring the
17 party who appeals a final decision to pay the cost of
18 preparing the record the department is required to file to
19 the reviewing court unless the department grants a waiver.

20 It is equitable that the appellant pay for the record.
21 These amendments create only minimal financial
22 implications for the party that may have to pay for the
23 record on appeal.

24 If the board approves, again, these will be
25 published in the March 24, 2017 *Texas Register*, and they

1 will appear for public comment until April 24, 2017, and I
2 ask the board to approve these.

3 MR. INGRAM: Mr. Chair, I move that the board
4 approve the proposed amendments be repealed and the new
5 section to Chapter 219 for publication in the *Texas*
6 *Register* for public comment.

7 MR. PAINTER: Second.

8 MR. PALACIOS: Okay. We have a motion by Board
9 Member Ingram, second by Board Member Painter. Any
10 further discussion?

11 (No response.)

12 MR. PALACIOS: Hearing none, I ask that all
13 that approve the motion please signify by raising your
14 right hand.

15 (A show of hands.)

16 MR. PALACIOS: Wonderful. Everything passed
17 unanimously. Great.

18 Thank you so much, Mr. Archer.

19 I believe we are at the end of our agenda.
20 What a great deal, we started out on a really good note,
21 all the motions passed unanimously, it's Independence Day,
22 it's a great meeting, great day in Texas.

23 Unless there's any further business, I would
24 like to entertain a motion to adjourn.

25 MR. TREVIÑO: So moved.

1 MR. HARRIS: Second.

2 MR. PALACIOS: Okay. Motion by Board Member
3 Treviño, second by Board Member Hardy. All in favor?

4 (A show of hands.)

5 MR. PALACIOS: Let the record reflect again
6 it's unanimous. We are adjourned.

7 (Whereupon, at 11:37 a.m., the meeting was
8 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Board
LOCATION: Austin, Texas
DATE: March 2, 2017

I do hereby certify that the foregoing pages, numbers 1 through 98, 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.

(Transcriber) 3/13/2017
(Date)

On the Record Reporting
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