

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

Texas Department of Motor Vehicles  
4000 Jackson Avenue  
Building 1  
Lone Star Room  
Austin, Texas 78731

Thursday,  
December 12, 2024  
9:00 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair  
Tammy McRae, Vice Chair (absent)  
Christian Alvarado  
Stacey Gillman  
Brett Graham (absent)  
Mark Jones  
Sharla Omumu  
John Prewitt  
Darren Schlosser

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P R O C E E D I N G S

1  
2 MR. BACARISSE: Good morning. It is 9:00 a.m.,  
3 and I'm Charles Bacarisse, and I'm pleased to open this  
4 board meeting of the Texas Department of Motor Vehicles.

5 I'm now calling the board meeting for December  
6 12, 2024, to order. I want to note for the record that  
7 the public notice of this meeting, containing all items on  
8 the agenda, was filed with the Office of Secretary of  
9 State on December 4, 2024.

10 Before we begin today's meeting, please place  
11 all cell phones and other communication devices in a  
12 silent mode. Also, as a courtesy to others, please do not  
13 engage in side conversations in the meeting room.

14 I want to welcome those who are with us for  
15 today's board meeting. If you wish to address the board  
16 or speak on an agenda item during today's meeting, please  
17 complete a speaker's sheet at the registration table or  
18 send an email to GCO\_General@TxDMV.gov. Once again,  
19 that's GCO\_General@TxDMV.gov.

20 Please identify in your email the specific item  
21 you're interested in commenting on, your name and address,  
22 and whether you are representing anyone or speaking for  
23 yourself. If your comment does not pertain to a specific  
24 agenda item, we will take your comment during the general  
25 public comment portion of the meeting.

1           In accordance with the department's  
2 administrative rule, comments to the board will be limited  
3 to three minutes. To assist each speaker, a timer has  
4 been provided at the podium. The time light will be green  
5 for the first two minutes, yellow when the speaker has one  
6 minute left, and then red when the speaker's time is up.

7           Individuals cannot accumulate time from other  
8 speakers, and comments should be pertinent to the issues  
9 stated on the comment sheet. When addressing the board,  
10 please state your name and affiliation for the record.

11           And there are a few things that will help to  
12 make the meeting run smoothly and assist the court  
13 reporter to get an accurate record: please identify  
14 yourself before speaking, that's very important; secondly,  
15 speak slowly and clearly; third, do not speak over others;  
16 and fourth, ask the chair for permission to speak and be  
17 sure to get recognized before speaking.

18           I would like to thank our court reporter who is  
19 transcribing this meeting. Thank you.

20           Before we begin today, I'd like to remind all  
21 presenters and those in attendance of the rules of conduct  
22 at our board meetings. In the department's administrative  
23 rule, the chair has the authority to supervise the conduct  
24 of the meetings, and this includes the authority to  
25 determine when a speaker is being disruptive of the

1 meeting or is otherwise violating the timing or  
2 presentation rules that I just discussed.

3 So with that, I would now like to have a roll  
4 call of the board members. Please respond verbally when I  
5 call your name.

6 Member Alvarado, are you present?

7 MR. ALVARADO: Present.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Present.

10 MR. BACARISSE: Member Jones?

11 MR. JONES: Present.

12 MR. BACARISSE: Member Omumu?

13 MS. OMUMU: Present.

14 MR. BACARISSE: Member Prewitt?

15 MR. PREWITT: Present.

16 MR. BACARISSE: Member Schlosser?

17 MR. SCHLOSSER: Present.

18 MR. BACARISSE: And let the record reflect that  
19 I, Charles Bacarisse, am here too. And let the record  
20 reflect that Vice Chair McRae and Board Member Graham are  
21 absent today, and we miss them, but we do have a quorum.

22 Let's all now please stand and honor our  
23 country and state with the pledges of allegiance, and I'll  
24 turn it over to Member Prewitt to lead us in the U.S.  
25 Pledge.

1 (Whereupon, the U.S. Pledge was recited.)

2 MR. BACARISSE: And now, Member Schlosser will  
3 lead us in the Texas Pledge.

4 (Whereupon, the Texas Pledge was recited.)

5 MR. BACARISSE: Thank you, Members Prewitt and  
6 Schlosser, for leading us in the pledges.

7 Agenda item 3 is chair's reports, and I want to  
8 observe a moment of silence for our great friend and  
9 former board member, Paul Scott, who passed away last  
10 month after battling cancer.

11 Paul was appointed to this board by Governor  
12 Abbott in September of 2018 and was known for his  
13 exemplary service and valuable contributions to the  
14 agency. With a 45-year career in the automotive industry,  
15 Paul worked in finance, management and ownership,  
16 including both franchised and independent dealerships. He  
17 was the president of Fiesta Motors and Fiesta Acceptance  
18 in Lubbock.

19 His career reflected hard work, integrity and  
20 excellence. Paul was a veteran of the United States  
21 military and a dedicated family man, and of course, a  
22 passionate Texas Tech Red Raider fan, and an avid lover of  
23 the outdoors.

24 I'd like to open, before we do the moment of  
25 silence, if there are any other members who want to say

1 anything about Member Scott, please, you have the floor.

2 MR. PREWITT: Mr. Chairman, John Prewitt.

3 MR. BACARISSE: Member Prewitt.

4 MR. PREWITT: I just want to comment that Paul  
5 was a highly intelligent gentleman and he always conducted  
6 himself as a gentleman, and very considerate of others and  
7 tireless in his efforts to help the State of Texas and the  
8 Department of Motor Vehicles. He'll be missed.

9 MR. BACARISSE: Well said.

10 I'll tell you a story about my first meeting.  
11 I came in and I was going to be vice chair and I wasn't  
12 sure exactly how that was going to happen. But I'm here  
13 at the meeting and the motion is made and seconded and the  
14 vote is taken and he voted no.

15 So we go to executive session and we get in the  
16 room and he goes, Hey, listen, nothing personal but, hell,  
17 I don't even know you. And I said, Well, you know, I  
18 don't blame you. I wouldn't have voted either, I'd have  
19 voted no too. So that was my first interaction with  
20 Member Scott.

21 (General laughter.)

22 MR. BACARISSE: But we grew to be great  
23 friends, many lunches at the Chili Parlor and discussions  
24 of Montana and the west, things he loved. And of course,  
25 he had to gig me about Texas Tech athletics all the time,



1 being a former SMU Mustang. We developed a great  
2 friendship and he will be missed indeed.

3 Anything else, members? Yes, Member Jones.

4 MR. JONES: Mr. Chairman, I'd just like to  
5 recognize Paul Scott for the wonderful human being that he  
6 was. I had the privilege of serving with Paul on the  
7 TIADA Board for about seven years. And he was always at  
8 our conference that we would have every summer, and the  
9 countless hours that Paul would sit in the hallways with  
10 dealers that were not as big as he was, hadn't reached the  
11 success that he had reached, and he would literally spend  
12 hours in the hallway trying to advise and let those  
13 smaller dealers understand and give them advice on how  
14 they could grow their business.

15 So that's just the kind of human being that  
16 Paul was. He was always trying to help others.

17 MR. BACARISSE: Member Gillman.

18 MS. GILLMAN: I completely agree with that.  
19 Once I got to know him, he definitely taught me and gave  
20 me more knowledge than I gave him. He was always really  
21 current on our business and knowledgeable, specifically  
22 with the lenders and acquiring inventory, and he was  
23 hands-on. I learned a lot from him and brought it all  
24 back to my store and hopefully we were able to install  
25 some of his good practices.

1           He was a great wonderful board member; I  
2 sincerely enjoyed working with him. He was a great man.

3           MR. BACARISSE: You bet. Thank you, Member  
4 Gillman.

5           I think it's unanimous.

6           I'm so thankful, too, that this staff showed up  
7 for the service very strongly. Thank you all for making  
8 time to go out to Lubbock and be there for his wife and  
9 his family. I know they appreciated it greatly.

10          So join me in a moment of silence, please.

11          (Whereupon, a moment of silence was observed.)

12          MR. BACARISSE: Thank you.

13          We'll now move on to agenda item 3.B, and that  
14 is the chair's annual report to the governor on the state  
15 of affairs in fiscal year 2024. That was a really  
16 tremendous report. Thank you, team at DMV, for amassing  
17 it and putting it together and letting me read it before  
18 you signed it and put my name on it and sent it off.

19          (General laughter.)

20          MR. BACARISSE: And I agree with most of it,  
21 which is even better. It was really a great report.

22          One of the duties of the board chair is to  
23 report to the governor on the state of affairs of the  
24 department. The board is reviewing the annual report that  
25 was prepared by staff and will soon be submitted to the

1 Governor's Office. This report includes updates on the  
2 agency's key accomplishments, revenues, expenditures,  
3 performance data, technological improvements, and  
4 significant legislation that was enacted by the 88th  
5 Legislature.

6           Once we publish it formally, the report will be  
7 distributed to legislators, stakeholders, and the public  
8 electronically. It will also be sent to the gov.delivery  
9 subscribers and posted on the agency's external website at  
10 [www.TxDMV.gov](http://www.TxDMV.gov) at the bottom of the page located under  
11 Reports and Data, so that is soon to come.

12           We'll now move on to agenda item 3.C and we're  
13 going to cover the proposed 2025 board meeting schedule  
14 which may be found in your board books on page 6. These  
15 dates are tentative, but we wanted to make the schedule  
16 available for your planning purposes. The board typically  
17 meets on the second Thursday of the month every other  
18 month at 9:00 a.m., so the draft schedule is consistent  
19 with that typical timing and meeting schedule.

20           If there's a change, the department's board  
21 liaison will notify the board members. And as meeting  
22 dates are confirmed, they will be posted on the  
23 department's website.

24           So if anybody has an issue you see there,  
25 certainly let Carrie know about that, if you would,

1 please.

2 And we will now move on to agenda item 3.D  
3 which is a very exciting thing, the Texas Department of  
4 Motor Vehicles 15-year anniversary. Later today we'll  
5 gather to commemorate a significant milestone which is the  
6 15th anniversary of the Texas Department of Motor  
7 Vehicles.

8 Over the past 15 years, the department has  
9 consistently worked to serve, protect and advance the  
10 citizens and industries in the state by providing motor  
11 vehicle related services. Through the dedication of  
12 staff, the guidance of the Texas DMV Board members, and  
13 the support of our stakeholders, we have achieved some  
14 remarkable results.

15 And as I reflect on the department's past  
16 successes, I am filled with gratitude for everyone who has  
17 contributed to the department throughout this journey,  
18 even before we were the department in some of your cases.

19 Your hard work, innovation and commitment have been  
20 instrumental in shaping the department's successes. And  
21 looking ahead, I am excited about the opportunities that  
22 lie before us and what's immediately on our plate. Here's  
23 to the next 15 years and beyond.

24 I want to open the floor to board members for  
25 any additional comments or reflections on the department's

1 15 years of service.

2 Member Gillman. Sorry, I had my head down.

3 MS. GILLMAN: Fifteen years ago, my dad had the  
4 pleasure of joining this board when it was reformed, and  
5 he enjoyed it so much, and 15 years later, I'm privileged  
6 to be here. Thanks.

7 MR. BACARISSE: We are thankful that you are  
8 here. You represent an amazing legacy in the industry.  
9 Everybody in the Houston region knows and appreciates and  
10 respects the Gillman name and the way in which you run  
11 your business, Member Gillman.

12 You're really a very, very valuable member of  
13 this community, and we love you and appreciate you and  
14 we're glad you're serving here. Thank you. That's my  
15 thought, and it's true.

16 Anyone else? Oh, yes, Member Omumu.

17 MS. OMUMU: I can honestly say that I never  
18 wanted to have anything to do with government in my entire  
19 life.

20 (General laughter.)

21 MS. OMUMU: But I'm absolutely thrilled to work  
22 with such great people in this outstanding agency. I look  
23 forward to coming to serve and be with you guys every  
24 other month. This is really the highlight of my career,  
25 so thank you. Thank you for all the great work that you

1 do, it is so greatly appreciated, and just I'm excited to  
2 be here every other month.

3 MR. BACARISSE: We are glad you're with us.  
4 Member Schlosser.

5 MR. SCHLOSSER: I want to also kind of mimic  
6 what Member Omumu said. I am just a lowly sergeant at the  
7 Houston Police Department. I've been very fortunate to be  
8 part of the dealership industry and law enforcement, and  
9 when I came to this, I would have never guessed in a  
10 million years the governor would appoint me to anything.  
11 That was never even in my wheelhouse when I was  
12 approached, but the staff, the leadership, everybody I've  
13 met here has been phenomenal.

14 The trajectory this is going is just amazing.  
15 It is such a well-oiled machine. Like Sharla said, I am  
16 just happy to come here and look forward to spending my  
17 next amount of time on the board.

18 This is an amazing agency. I had no idea just  
19 how important and powerful it was. Everybody thinks of  
20 DMV as what you see at the office when you renew your  
21 registration, but it is so much more than that. And I'm  
22 just honored to be here.

23 MR. BACARISSE: Thankful for your service.  
24 Anyone else, members?

25 (No response.)

1 MR. BACARISSE: Thank you.

2 Let's move now to agenda item 4, which is the  
3 executive director's reports.

4 Mr. Avitia.

5 MR. AVITIA: Thank you, Mr. Chairman.

6 Chairman, members, good morning, and thank you  
7 for the opportunity to share a few words and updates  
8 regarding happenings within the organization.

9 We are 15 years old, and as you all know, 15  
10 years means the teenage years. Hopefully we're not that  
11 troubled teenager that we've all known and grown up with.

12 (General laughter.)

13 MR. AVITIA: With that said, item 4.A can be  
14 found on page 7 of your board materials.

15 The department's Information Technology  
16 Services Division represented the DMV at the TASSCC annual  
17 conference held August 4 through 7 in Houston. At the  
18 event, the TxDMV disaster recovery program was honored  
19 with the 2024 Project Excellence Award for cost-effective  
20 and high value initiatives. The TASSCC Project Excellence  
21 Award specifically recognized projects within the State of  
22 Texas that have significantly improved operations or  
23 services while demonstrating a high return on investment.

24 The TxDMV recovery program was selected for  
25 outstanding work in disaster recovery planning and the

1 innovative use of dark capacity disaster recovery storage  
2 within the state's data center services program. IT  
3 achieved more than 80 percent in savings for the  
4 technology disaster recovery preparedness -- very proud of  
5 that. These improvements also enabled the DMV to recover  
6 swiftly from the recent global technology outage.

7 Chairman, if I can go on to the second item in  
8 4.A, I'll recognize our CIO and Director Wendy Barron,  
9 chief information officer, was elected as treasurer --  
10 congratulations, Wendy -- for the TASSCC Board of  
11 Directors.

12 (Applause.)

13 MR. AVITIA: This appointment builds upon our  
14 previous service on the board, which began in September of  
15 2022. TASSCC is an organization that promotes the  
16 effective use of information technology in Texas state  
17 agencies and higher education institutions.

18 Director Barron's election to the treasurer  
19 position on the TASSCC Board of Directors reflects DMV's  
20 commitment to leadership in government technology in  
21 collaboration with other state agencies. This recognition  
22 highlights the department's ongoing efforts to stay at the  
23 forefront of technological advancements and best practices  
24 in state government IT operations.

25 Again, Wendy, congratulations to being



1 appointed as the TASSCC treasurer.

2 Chairman, item 4.B is the formal introduction  
3 of our Internal Audit director, Mr. Jason Gonzalez. In  
4 his new capacity, he is responsible for leading the  
5 division that provides the DMV, myself and department  
6 management with assurances and advisory services to reduce  
7 exposure to risks associated with the department  
8 operations.

9 Jason joined the DMV with Internal Audit in  
10 November of 2016. During his state service, he has held  
11 senior positions, principal internal audit roles and  
12 served as the interim Internal Audit director two times.  
13 Congratulations. Third time is a winner.

14 He has also led advisory and assurance  
15 engagements across the department. Jason has also held  
16 senior internal audit positions within the Texas  
17 Department of Criminal Justice and the Texas Department of  
18 Public Safety. Jason holds a bachelor of business  
19 administration with a minor in Spanish from Southwestern  
20 University at Georgetown and is a certified internal  
21 auditor.

22 Chairman, members, please join me in formally  
23 Jason congratulating Jason to his new post.

24 (Applause.)

25 MR. AVITIA: Agenda item 4.C can be found on

1 page 10 of your board materials.

2 Chairman, members, the department staff  
3 attended the 42nd Annual B.G. Young School for Tax  
4 Assessor-Collectors Conference, November 19 through 21 in  
5 San Marcos. The conference offers continuing education  
6 for tax assessor-collectors, deputies and their employees  
7 and provides an opportunity for the DMV to share  
8 information on department activities and directly respond  
9 to questions from our county partners.

10 The Vehicle Titles and Registration and  
11 Enforcement divisions provided training sessions on system  
12 reporting and fraud prevention programs. The department  
13 also participated with state staff from the Office of the  
14 Comptroller of Public Accounts in a joint session to  
15 discuss how to navigate overlapping or joint state  
16 regulations with multiple offices.

17 Deputy Executive Director Luna, accompanied by  
18 program leadership staff, provided a TxDMV update on House  
19 Bill 718 and House Bill 3297, as well. While these bills  
20 represent significant operational changes and challenges  
21 for the department, they will also make material  
22 processing adjustments for county tax office operations.

23 TxDMV Board Vice Chair Tammie McRae and I  
24 addressed the full group in the conference's closing  
25 session to provide an overview of major projects and

1 initiatives underway at the DMV.

2 Conference attendees and the DMV staff  
3 networked and engaged in collaborative discussions to  
4 continue to build upon and establish our partnerships with  
5 our county partners. I appreciate them very much.

6 Chairman, if I may continue?

7 MR. BACARISSE: Please.

8 MR. AVITIA: Okay. Agenda item 4.D is our  
9 awards and recognition of years of service. At this time  
10 I'd like to recognize our employees who have reached a  
11 state service milestone. We celebrate these employees as  
12 a way to show our appreciation for their service and their  
13 dedication to the citizens of the State of Texas.

14 I'll begin with 20 years of service. Our very  
15 first 20 years of service is Mr. Guy Montgomery with the  
16 Information Technology Services Division.

17 Next with 25 years of service we have Ms. Wendy  
18 Barron, our very own IT CIO; Lenora Blakes, Motor Carrier  
19 Division; Thelma Dufort, Finance and Operations Division.

20 Next with 30 years of state service, we have  
21 Mr. Warren Kirkland, with the Enforcement Division; and  
22 Jennifer Robbins, with the Vehicle Titles and Registration  
23 Division.

24 And finally, 40 years of state service, Diane  
25 Kenny, with the Motor Carrier Division. Wow, 40 years.

1 Chairman, members, I'd like to say a few words  
2 about the recipient that is with us today. Wendy, as I  
3 just mentioned, our very own CIO and director of  
4 Information Technology Services Division, has engaged with  
5 the Texas government IT community and serves as a member  
6 of the TASSCC Board, as I just mentioned, and was recently  
7 elected treasurer.

8 It has been a great pleasure working with Wendy  
9 on IT activities and projects to improve the department's  
10 operations. Wendy has demonstrated sound leadership in  
11 her division and provided stability and vision that was  
12 much needed. I'm very thankful for Wendy's resolve,  
13 foresight, flexibility, and innovative efforts to improve  
14 efficiency and respond to our customer needs.

15 Wendy, congratulations on your 25 years of  
16 state service.

17 (Applause.)

18 MR. AVITIA: Chairman, members, if you would  
19 join me at the front of the dais for a phot with Miss  
20 Wendy.

21 (Pause for presentation and photos.)

22 MR. AVITIA: Chairman, members, that concludes  
23 the executive director's report. Again, thank you for the  
24 time this morning.

25 MR. BACARISSE: Thank you, Mr. Avitia.

1           We will now move to agenda item number 5 which  
2 is rule adoptions, and so I'd like to call Mr. Jimmy  
3 Archer up to the podium, please, to present on this  
4 chapter.

5           Mr. Archer.

6           MR. ARCHER: Thank you, Chairman.

7           Good morning, Chair Bacarisse, Executive  
8 Director Avitia and members of the board. For the record,  
9 my name is Jimmy Archer. I'm director of the Motor  
10 Carrier Division.

11           This is item number 5 on today's agenda, and  
12 materials are found beginning on page 12 of your board  
13 books. For the board's consideration, I'm presenting  
14 these rule amendments to 43 Texas Administrative Code,  
15 Chapter 218 for adoption and approval for publication in  
16 the *Texas Register*.

17           The rule amendments and repeal are necessary to  
18 adopt amendments to the Texas Administrative Code and were  
19 proposed at the August 2024 board meeting. The amendments  
20 and repeal clean up the language in Chapter 218.

21           The amendments and repeal are necessary to do  
22 the following: require new applicants of operating  
23 authority to provide the department with more information  
24 and documents so the department can detect and prevent  
25 chameleon carriers; to make the rules consistent with the

1 department's current processes; to make the rules  
2 consistent with current law; clarify and delete  
3 unnecessary language; and otherwise clean up rule text.

4 The repeal is necessary to delete language  
5 which the department does not have rulemaking authority.

6 There will be no significant fiscal impacts due  
7 to the proposed amendments and repeal.

8 The proposed revisions to Chapter 218 were  
9 published for comment in the August 23, 2024, issue of the  
10 *Texas Register*. The comment period closed on September  
11 23. The department received one written comment, which is  
12 attached on page 127 of your board books, from  
13 representative John Esparza on behalf of the Southwest  
14 Movers Association and Texas Trucking Association. The  
15 department considered the comment, but is not recommending  
16 changes to the rule text at adoption in response to the  
17 comment.

18 If the board adopts the revisions during the  
19 December 12 board open meeting, staff anticipates  
20 publication in the December 27 issue of the *Texas Register*  
21 and an effective date of January 2.

22 I ask the board to adopt these rule amendments  
23 for publication, and I'm happy to answer any questions you  
24 may have.

25 Mr. Esparza and Mr. Moore from TXTA would like

1 to make comments, I believe.

2 MR. BACARISSE: Thank you, Mr. Archer.

3 There are public comments, Laura?

4 MS. MORIATY: We have one registered public  
5 comment, John Esparza, representing Texas Trucking  
6 Association and Southwest Movers Association.

7 MR. BACARISSE: Great. Mr. Esparza, good  
8 morning. Please come and talk with us.

9 MR. ESPARZA: Mr. Chairman, members, good  
10 morning. Thank you for having me. My name is John  
11 Esparza. I'm the president and CEO of the Texas Trucking  
12 Association, as well as I serve as the executive director  
13 of the Southwest Movers Association.

14 I do want to first extend my gratitude to the  
15 members of the DMV Board and for the staff for the work  
16 that they've done in this particular area over motor  
17 carrier. Additionally, I want to thank Jimmy Archer, in  
18 particular. I see Aline over here and a number of the  
19 members of staff, Carol Fallon. We all worked together  
20 when these issues came up, we brought our concerns up, and  
21 have really worked to alleviate that, and I wanted to just  
22 mention two of them.

23 The first concern involved the requirement for  
24 motor carriers to update the department of all individuals  
25 within the company who have operational control. While we

1 fully understand the department's responsibility to  
2 prevent the operation of chameleon carriers and certainly  
3 support that, we do believe that requirement would have  
4 imposed undue burden on existing carriers and companies  
5 given routine staff turnover. We are pleased that the  
6 revised rule does limit this requirement to new applicants  
7 for motor carrier registration to achieve that intent, and  
8 I believe that specifically directs it to that.

9 The second area of concern pertained to the  
10 household goods movers or carriers and consumer protection  
11 in particular. The proposed rule highlighted a provision  
12 in 643 of the Texas Transportation Code that allowed for  
13 voluntary uniform cargo liability consistent with Federal  
14 Surface Transportation Board. Under those STB rules, the  
15 minimum cargo liability is set at 60 cents a pound.

16 SMA, in particular, believes this provision  
17 should be changed from voluntary to mandatory, but we  
18 understand that that would take legislative action in  
19 order to do that. And we're going to work to continue to  
20 collaborate with the department and most certainly the  
21 stakeholders, consumers, so that we can take advantage of  
22 the upcoming session to make those adjustments, as we  
23 believe that is an important consumer protection.

24 Thank you very much for the opportunity to be  
25 before you.



1 MR. BACARISSE: Thank you.

2 Members, any questions for Mr. Esparza?

3 (No response.)

4 MR. BACARISSE: Thank you, sir. Appreciate  
5 your time this morning.

6 MR. ESPARZA: Thank you.

7 MR. AVITIA: Mr. Chairman, if I may?

8 MR. BACARISSE: Member Avitia -- excuse me --

9 MR. AVITIA: I'll be Member Avitia, I'm good  
10 with that.

11 (General laughter.)

12 MR. BACARISSE: Okay, good, good. Mr. Avitia.

13 MR. AVITIA: Chairman, members, I just want to  
14 thank John Esparza for his continued partnership with the  
15 agency. We work extremely well together.

16 John, I appreciate you. Let's keep doing the  
17 good work that we're doing together.

18 MR. ESPARZA: Thank you. Likewise. I can't  
19 believe it's been 15 years. It's important today what  
20 we're doing here than it was when it was created, and  
21 we'll continue to work together.

22 MR. AVITIA: Indeed. Thank you, sir.

23 MR. ESPARZA: Thank you.

24 MR. BACARISSE: Thank y'all.

25 All right. Any other commenters, Laura?

1 MS. MORIATY: No other additional commenters,  
2 sir.

3 MR. BACARISSE: Okay, great.

4 I will now entertain a motion on agenda item 5.

5 MR. PREWITT: Mr. Chairman?

6 MR. BACARISSE: Yes, Member Prewitt.

7 MR. PREWITT: I'd like to move the board  
8 approve the adoption of proposed revisions to 43 Texas  
9 Administrative Code, Chapter 218, as recommended by staff,  
10 for publication in the *Texas Register*. In addition, I  
11 move the board grant the department the authority to make  
12 non-substantive changes to the preamble and text of  
13 Chapter 218 revisions, as recommended by the Office of  
14 Secretary of State for purposes of filing in the *Texas*  
15 *Register*.

16 MR. BACARISSE: Thank you.

17 Is there a second to that motion?

18 MS. OMUMU: Second.

19 MR. BACARISSE: Member Omumu. Any further  
20 discussion?

21 (No response.)

22 MR. BACARISSE: Seeing none, the chair will  
23 call the vote, please.

24 Member Alvarado?

25 MR. ALVARADO: Aye.

1 MR. BACARISSE: Member Gillman?

2 MS. GILLMAN: Aye.

3 MR. BACARISSE: Member Jones?

4 MR. JONES: Aye.

5 MR. BACARISSE: Member Omumu?

6 MS. OMUMU: Aye.

7 MR. BACARISSE: Member Prewitt?

8 MR. PREWITT: Aye.

9 MR. BACARISSE: Member Schlosser?

10 MR. SCHLOSSER: Aye.

11 MR. BACARISSE: And I, Chair Bacarisse, vote  
12 aye as well. It's unanimous. Thank you.

13 All right. Agenda item number 6 is our next  
14 action here, and we will turn it over to Laura Moriatty to  
15 lay this out for us.

16 MS. MORIATY: Good morning, Board. Laura  
17 Moriatty, general counsel.

18 On item 6, I'm bringing you the rule review  
19 adoption for Chapter 218 which, again, is our chapter for  
20 motor carrier rules.

21 Every agency, as you know, is required by the  
22 Government Code to examine their rules every four years  
23 and decide whether the reasons for initially adopting them  
24 continue to exist, so that's what we've just done with the  
25 Chapter 218 rules. We last reviewed Chapter 218 in 2015,

1 so this has been a long time coming and I'm very glad that  
2 we've gotten it done.

3 We published our notice of intent to review in  
4 the *Texas Register* and we received no public comments, so  
5 we went through the rule review process. We identified  
6 the amendments we needed to make to bring it in line with  
7 our statutes and our current practices, and you all just  
8 adopted those in item 5. So we're good to go to re-adopt  
9 the rest of Chapter 218 and be set for another four years  
10 with our rule review.

11 So with that, I am open to questions.

12 MR. BACARISSE: Great.

13 Members, any questions for general counsel?

14 (No response.)

15 MR. BACARISSE: Seeing none, no public comments  
16 at this point?

17 MS. MORIATY: No public comments, sir.

18 MR. BACARISSE: Okay, very good.

19 The chair would entertain a motion on agenda  
20 item 6.

21 MR. SCHLOSSER: I'll make a motion.

22 MR. BACARISSE: Member Schlosser.

23 MR. SCHLOSSER: I move that the board approve  
24 the notice of re-adoption of 43 Texas Administrative Code,  
25 Chapter 218, as recommended by staff, for publication in

1 the *Texas Register*. In addition, I move the board grant  
2 the department the authority to make non-substantive  
3 changes to the notice of re-adoption of Chapter 218, as  
4 recommended by the Office of the Texas Secretary of State  
5 for purposes of filing in the *Texas Register*.

6 MR. BACARISSE: Great. And is there a second  
7 for this motion?

8 MS. GILLMAN: I'll second.

9 MR. BACARISSE: Member Gillman, thank you.  
10 Any further discussion?

11 (No response.)

12 MR. BACARISSE: Seeing none, the chair would  
13 call the vote.

14 Member Alvarado?

15 MR. ALVARADO: Aye.

16 MR. BACARISSE: Member Gillman?

17 MS. GILLMAN: Aye.

18 MR. BACARISSE: Member Jones?

19 MR. JONES: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. BACARISSE: Member Schlosser?

25 MR. SCHLOSSER: Aye.

1 MR. BACARISSE: And I, Chair Bacarisse, vote  
2 aye as well. It's unanimous. Thank you.

3 We move to agenda item number 7, rule  
4 proposals, and for this we have Ms. Quintero with us this  
5 morning, so please lay this out for us.

6 MS. QUINTERO: Good morning, Chairman, good  
7 morning, members, Executive Director Avitia. I'm Annette  
8 Quintero, director of Vehicle Titles and Registration  
9 Division.

10 I am presenting agenda item 7 which begins on  
11 page 131 of your board book. This item is an action item  
12 for the board to approve publication of the proposed new  
13 section 217.66 under Chapter 217, Subchapter B, Motor  
14 Vehicle Registration, for publication in the *Texas*  
15 *Register*.

16 The proposed rule establishes a specialized  
17 license plate for utility rental trailers as authorized  
18 under Transportation Code 502.059 and 504.516. The  
19 proposed rule is designed to address stakeholder requests  
20 for a more efficient registration process for rental  
21 trailer fleets frequently used for one-way trips. These  
22 stakeholders highlighted the logistical challenges and  
23 operational inefficiencies associated with replacing  
24 registration insignia on rental trailers.

25 For example, rental trailers can be rented here

1 in Texas for a one-way trip to Arizona and returned to a  
2 fleet entity location there in Arizona. Under the current  
3 rule, the rental trailer fleet companies must locate each  
4 trailer for which they are renewing registration and affix  
5 a new registration insignia, so a sticker, to that  
6 trailer. This practice can be labor-intensive and can  
7 take a significant amount of time.

8 These entities attempted to change the statute  
9 during the 88th Legislative Session to a non-expiring  
10 plate to support a better business model but were  
11 unsuccessful.

12 The proposed new rule is the department's  
13 attempt to be as supportive as possible within the  
14 existing statutory authority and are proposing the  
15 following key provisions in new Section 217.66. The new  
16 rule creates a specialized license plate for utility  
17 rental trailers. This plate does not require an  
18 expiration date or an annual registration insignia for  
19 validation as allowed under Transportation Code  
20 502.059(e).

21 It adds a definition of rental fleet requiring  
22 ownership of five or more rental trailers to ensure the  
23 specialized plate is available only to businesses with  
24 substantial rental operations. And it adds a definition  
25 of utility trailer to limit eligibility of trailers of

1 flatbed design with low or no side walls and a gross  
2 weight of 7,500 pounds or less, aligning with common  
3 industry terminology and usage.

4 This proposed rule addresses the logistical  
5 challenges and provides efficiency for rental trailer  
6 fleet entities and eliminates the need to regularly attach  
7 or replace the registration insignia. The most prevalent  
8 stakeholder here is U-Haul and other entities who have a  
9 physical footprint in multiple states or nationwide.

10 The proposed rule will save the department  
11 approximately 18 cents per sticker per registration period  
12 by eliminating the need for registration insignia for  
13 these plates, with an anticipated volume of approximately  
14 10,000 plates.

15 It's important to note the proposed rule also  
16 considers the impact to law enforcement. Eligibility for  
17 the specialized plate will be limited to rental fleet  
18 companies with five or more utility trailers, so the  
19 proposed rule would not allow an individual utility  
20 trailer owner to obtain this plate. The law enforcement  
21 in Texas and throughout the United States would continue  
22 to have the ability to query this new plate and all other  
23 plates and motor vehicles in the Texas Law Enforcement  
24 Telecommunications System.

25 If approved, the proposed new section will be



1 published for public comment in the *Texas Register* and the  
2 comment period will remain open until January 27, 2025.

3 This concludes my remarks, and I'm happy to  
4 answer any questions from the board.

5 MR. BACARISSE: Thank you, Ms. Quintero.

6 Members, any questions on this item?

7 (No response.)

8 MR. JONES: Mr. Chairman, I'd like to make a  
9 motion.

10 MR. BACARISSE: Are there any public comments?

11 Hold on just one moment and I'll take you, Mr.  
12 Jones.

13 MS. MORIATY: No, sir, no public comments.

14 MR. BACARISSE: Okay. Mr. Jones has a motion.

15 MR. JONES: I move that the board approve  
16 proposed new Section 217.66 in 43 Texas Administrative  
17 Code, Chapter 217, as recommended by staff, for  
18 publication in the *Texas Register*. In addition, I move  
19 that the board grant the department the authority to make  
20 non-substantive changes to the preamble and text, as  
21 recommended by the Office of the Texas Secretary of State,  
22 for the purposes of filing in the *Texas Register*.

23 MR. BACARISSE: Thank you, Mr. Jones.

24 Is there a second for this motion?

25 MS. OMUMU: I second.

1 MR. BACARISSE: Member Omumu.  
2 Any further discussion, members, on this agenda  
3 item?

4 (No response.)

5 MR. BACARISSE: Seeing none, I'll call the  
6 vote, please.

7 Member Alvarado?

8 MR. ALVARADO: Aye.

9 MR. BACARISSE: Member Gillman?

10 MS. GILLMAN: Aye.

11 MR. BACARISSE: Member Jones?

12 MR. JONES: Aye.

13 MR. BACARISSE: Member Omumu?

14 MS. OMUMU: Aye.

15 MR. BACARISSE: Member Prewitt?

16 MR. PREWITT: Aye.

17 MR. BACARISSE: Member Schlosser?

18 MR. SCHLOSSER: Aye.

19 MR. BACARISSE: And I, Chair Bacarisse, vote  
20 aye as well. It's unanimous. Thank you.

21 We'll move now to agenda item number 8, and  
22 Annette is still up, so this is specialty plate design,  
23 and we only have one today?

24 MS. QUINTERO: We only have one.

25 MR. BACARISSE: Wow, fantastic. You have the

1 floor, Ms. Quintero.

2 MS. QUINTERO: Thank you.

3 Again, my name is Annette Quintero, director of  
4 the Vehicle Titles and Registration Division.

5 This is agenda item number 8 which can be found  
6 on page 138 of your board book. The action item before  
7 you is a request for board approval of one specialty plate  
8 design in accordance with board statutory authority.

9 The State Fair of Texas specialty plate design  
10 is proposed by the State Fair of Texas, a nonprofit  
11 organization. The plate design was posted for public  
12 comment in October 2024. This plate design is authorized  
13 under the Texas Transportation Code 504.801; 2,888 people  
14 liked this design and 505 did not.

15 The State Fair of Texas is a nonprofit  
16 organization who proposed this plate design. The proceeds  
17 from the sale of this plate will go to the Big Tex  
18 Scholarship Program. The Big Tex Scholarship Program  
19 provides millions of dollars in new college scholarships  
20 to graduating high school seniors around the State of  
21 Texas who participated in competitive youth livestock  
22 events held at the State Fair. It also goes to graduating  
23 seniors from six independent school district high schools  
24 in the Fair Park area, as well as seasonal employees of  
25 the State Fair of Texas or their dependents.

1           Of the \$30 plate fee, \$22 will go to the credit  
2 of the Big Tex Scholarship fund via the sponsoring agency,  
3 the Texas Department of Agriculture. The department will  
4 retain an \$8 administrative fee.

5           This concludes my presentation on this action  
6 item. I am available to take any questions.

7           MR. BACARISSE: Great. Members, any questions  
8 on this?

9           (No response.)

10          MR. BACARISSE: No. Any public comment, Laura?

11          MS. MORIATY: No, sir, no public comment.

12          MR. BACARISSE: All right.

13          MS. OMUMU: Mr. Chairman, I'd like to make a  
14 motion.

15          MR. BACARISSE: Member Omumu has a motion.

16          MS. OMUMU: I move that the board approve the  
17 specialty plate designs, as presented by staff.

18          MR. BACARISSE: Is there a second for this  
19 motion?

20          MS. GILLMAN: I'll second.

21          MR. BACARISSE: Member Gillman a second.

22          Any further discussion on this motion?

23          (No response.)

24          MR. BACARISSE: I'll now call the vote.

25          Member Alvarado?

1 MR. ALVARADO: Aye.

2 MR. BACARISSE: Member Gillman?

3 MS. GILLMAN: Aye.

4 MR. BACARISSE: Member Jones?

5 MR. JONES: Aye.

6 MR. BACARISSE: Member Omumu?

7 MS. OMUMU: Aye.

8 MR. BACARISSE: Member Prewitt?

9 MR. PREWITT: Aye.

10 MR. BACARISSE: Member Schlosser?

11 MR. SCHLOSSER: Aye.

12 MR. BACARISSE: And I, Chair Bacarisse, vote  
13 aye as well. It's unanimous. Thank you.

14 MS. QUINTERO: Thank you.

15 MR. BACARISSE: Move to agenda item 9, projects  
16 and operations, and we will hear from Marlin Craig. So  
17 please come up and lay it out.

18 MR. CRAIG: Good morning, Chairman, board  
19 members, Executive Director. For the record, I'm Marlin  
20 Craig, the chief information security officer for the  
21 Texas Department of Motor Vehicles.

22 I'm happy to inform the board that the  
23 Information Technology Services Division has received the  
24 State Office of Risk Management 2024 Continuity Program  
25 Preparedness Award. The Information Technology Services

1 Division business continuity and disaster recovery  
2 planner, our disaster recovery planner, Monica Jackson,  
3 attended the annual event and the Risk Management  
4 Symposium the end of July. At the event, the State Office  
5 of Risk Management and Continuity Council recognized Texas  
6 Department of Motor Vehicles with the 2024 Continuity  
7 Program Preparedness Award for exceptional achievement in  
8 designing and implementing a program that enhances the  
9 agency's resiliency and preparedness.

10 Texas Department of Motor Vehicles continuity  
11 of operations plan serves as our critical roadmap to  
12 maintain the operations during and after disruptive  
13 events, such as natural disasters, pandemics, and  
14 terrorist attacks, or other manmade events.

15 So I just wanted to let you know that we got  
16 another award.

17 MR. BACARISSE: Great.

18 MR. CRAIG: Yes, sir.

19 MR. BACARISSE: Well, and I still remember and  
20 certainly I know y'all worked so incredibly hard during  
21 that massive -- I don't know if it was a hack or an outage  
22 that affected quite a few businesses across the globe, and  
23 it certainly hit the state. And I think you all brought  
24 this agency up to operations in a really quick fashion.  
25 And I remain impressed with you and the team, your

1 abilities to be resilient.

2 Whether a contractor cuts a power line or  
3 whether some global situation occurs, you all are always  
4 on it right away for the people of Texas. We appreciate  
5 it.

6 MR. CRAIG: Thank you, Chairman.

7 MR. BACARISSE: Members, any other comments?  
8 Member Prewitt.

9 MR. PREWITT: Kudos, Marlin, to you and your  
10 team, and Wendy, the whole group as well. I just think  
11 we've come -- and I think Daniel would agree that we've  
12 come miles and miles in progress with our IT in the last  
13 several years, and that's due to you're and y'all's  
14 efforts. So thank you again for your dedication and just  
15 quality work.

16 MR. CRAIG: Thank you.

17 MR. BACARISSE: It's a great team. Thank you  
18 very much. Thank you for the briefing.

19 MR. CRAIG: Thank you, sir.

20 MR. BACARISSE: Agenda item 9.B will have us  
21 hear from Glenna Bowman, and so this is the Camp Hubbard  
22 renewal project, that's our other small little thing going  
23 on here.

24 So please, Ms. Bowman.

25 MS. BOWMAN: Good morning, Chairman Bacarisse,

1 members, and Mr. Avitia. For the record, my name is  
2 Glenna Bowman. I am the chief financial officer for  
3 TxDMV.

4 I am here to provide a briefing on the Camp  
5 Hubbard renewal project. It starts on page 142 of your  
6 board materials.

7 As you can see as you came into the building,  
8 the project is underway and we've completed several tasks.

9 We had to move our data center from Building 5 to  
10 Building 6 so that we could get ready to tear down  
11 Building 5. That's now complete and IT network systems  
12 are operational.

13 Thank you, Wendy and team. So that is is one  
14 task complete and we're very excited about that.

15 You all, of course, were here, all of you, for  
16 our groundbreaking ceremony which took place --

17 MR. BACARISSE: We threw some dirt.

18 MS. BOWMAN: We did, and we've got some  
19 pictures.

20 Zack, if you want to just scroll through a  
21 couple of these pictures just to see those. Keep going.  
22 These are all of our teams, everybody that's involved in  
23 this project. Go ahead and keep going.

24 And that was a fun one when we got to put dirt  
25 on the parking lot before we tear it up. And one more.



1 Okay.

2 So we just got a slide here where we wanted to  
3 share some construction statistics that Rich Maynard with  
4 Flintco, our construction manager, shared at the  
5 groundbreaking. I'm not going to read all of those but it  
6 is interesting that over 700 truckloads will be used to  
7 remove existing buildings; 80 percent of that will be  
8 diverted and recycled instead of going to the landfill.  
9 We're going to use over 650 tons of steel, and we'll be  
10 using solar power that will run about 18 percent of the  
11 building's peak energy load, so we're excited about that.

12 Next slide, please. This is just Flintco has  
13 worked with us to do great neighborhood outreach. I think  
14 the neighbors are going to be good. In front of Building  
15 5 there is a stand of oak trees, and Flintco has put up a  
16 children's construction book library as well as a sandbox  
17 with construction toys. We're excited.

18 Okay. Next I'll give you a little bit of new  
19 information. This is a very high level overview of our  
20 anticipated construction schedule. We did, actually at  
21 the end of last week, get the official notice to proceed  
22 that went to Flintco, so we are officially underway, even  
23 though they've been here on campus working for some time.

24 The overall construction schedule includes five  
25 phases which you can see. We are in the process of

1 starting renovations to Building 6. Those are anticipated  
2 to be completed by July of next year. Phase 2 is the  
3 demolition -- Daniel is very excited about this --  
4 Buildings 2, 3 and 5 are going to come down and we  
5 actually are expecting that to occur and be completed by  
6 the end of January. So when y'all come next time, you  
7 will not see those three buildings.

8 Phase 3, of course, is the new building  
9 construction. That will take a little bit longer; we're  
10 expecting a completion in August of 2026. There's a  
11 little more detail in the memo if you want to look at  
12 that.

13 And then Phase 4, the staff and business  
14 operations will move out of this building, for example,  
15 and into the new building. And Flintco will decommission  
16 our building 7, which is our central utility plant,  
17 because we'll have a new one in the new building. And  
18 then Phase 5, this building will be demolished and will no  
19 longer be here and they'll finish related site work. And  
20 by spring of 2027, we expect and hope that everything will  
21 be finished and we'll have a new cohesive campus, so we're  
22 very excited.

23 Last slide, please. Just in a three-month look  
24 ahead of our construction activities, we're working on  
25 site safety measures because obviously we're now an active

1 construction site. So making sure that people are going  
2 into the places that are okay for them to go to and not  
3 going into other places, and if they do, we've got  
4 hardhats and safety equipment.

5 As we talked about, the buildings will be  
6 demolished and the debris removed. We're working on  
7 underground utilities to make sure that all the cutoffs  
8 are done so that when they demolish something, we don't  
9 take out the rest of the campus in the process, because  
10 most of the parking lot between Buildings 2 and 6 will be  
11 dug up. So it will be a mess before it's more beautiful.

12 It will be great.

13 Finally, they're going to be removing windows  
14 from Building 6 on the third and fourth floor so they can  
15 waterproof those and replace those so that that older  
16 building can then be brought up to modern standards.

17 That concludes my remarks, but I'm happy to  
18 answer any questions.

19 MR. BACARISSE: Members, any questions for Ms.  
20 Bowman?

21 (No response.)

22 MR. BACARISSE: I know Marlin is going to stand  
23 out over the connection from the power line to the IT,  
24 Marlin and Wendy will be out there.

25 MS. BOWMAN: Exactly.

1 MR. BACARISSE: Do not cut.

2 Very good. Thank you so much. That was an  
3 amazing presentation.

4 MS. BOWMAN: Thank you.

5 MR. BACARISSE: Look forward to coming back and  
6 being parts of the celebration there.

7 We now move to agenda item, what is that, 10?

8 MR. AVITIA: Ten.

9 MR. BACARISSE: How about that? If I'd follow  
10 this agenda, it would work well.

11 This is Finance and Audit, and so our FY 2024  
12 annual financial report will be presented by Mr. Hayden.  
13 Chris Hayden is here with us this morning. You have the  
14 floor.

15 MR. HAYDEN: Good morning, Chairman Bacarisse,  
16 board members, Director Avitia. For the record, I am  
17 Chris Hayden, deputy chief financial officer for the Texas  
18 Department of Motor Vehicles.

19 I'm not Eric Horn, obviously. He has strep  
20 throat so I'm covering for him today.

21 The materials for the AFR begin on 154 of your  
22 board book. This is a briefing item only and the  
23 financial report is prepared under Texas Government Code  
24 Section 2101.001, and reporting requirements as  
25 established by the Comptroller. The report was submitted

1 to the Comptroller by the November 1 deadline. They  
2 pushed the deadline back from November 20 to November 1  
3 and we met that deadline.

4 In fiscal year 2024, the DMV reported revenue  
5 of \$2.06 billion. We're already in the exhibits. I'm  
6 just going to do some highlights then I will get to that;  
7 you will see that in a few minutes.

8 But essentially, the State Highway Fund was  
9 \$1.8 billion, almost \$200 million in Fund 10, and general  
10 revenue appropriations of \$49 million. In 2024, the  
11 expenditures totaled \$213 million -- which I will get to  
12 that -- \$184,620, including \$18,000 paid from the general  
13 revenue fund and \$194,000 paid from the Texas Department  
14 of Motor Vehicles fund.

15 The key is there's no material changes in the  
16 2024 AFR. There's an increase in revenue, a small  
17 increase in expenditures, and an overall fund balance  
18 increase in Fund 10.

19 Now I'll go over the highlights. And one other  
20 thing that's exciting is that -- and I'm going to do  
21 Exhibit II first and then Exhibit I. So Exhibit II is the  
22 combined statement of revenue and expenditures and changes  
23 in fund balances, and this is a comparison of 2023 to  
24 2024.

25 Revenues, as I said, collected was \$2.06

1 billion, with an increase in revenue of approximately  
2 \$90.8 million, or 4.62 over the 2023 level. Licenses,  
3 fees and permits reflect only the revenue collected  
4 reported by the TxDMV. In 2024, Fund 10 revenue from the  
5 issuance of licenses, fees, permits totaled approximately  
6 \$178.3-, revenue deposited, State Highway Fund increased  
7 by approximately \$58.05 million, or 3.3 percent increase  
8 over 2023.

9 Expenditures totaled \$213.818 million, after  
10 adjustments, and increased \$3.79 million over the 2023  
11 level due to an increase in professional fees and  
12 services, \$5.33 million for TxDMV automation and capital  
13 projects and a one-time cost for data center services.  
14 Intergovernmental payments increased to \$1.4 million due  
15 to increase of more MVCPA grants in 2024. These increases  
16 were offset by fewer reclassifications of expenditure  
17 adjustments related to software as a service that we  
18 reported in 2023.

19 Also, salary and wages increased by \$3.46  
20 million compared to 2023 because of a salary increase for  
21 eligible employees -- we received a 5 percent salary  
22 increase -- and there were fewer vacancies in 2024 which  
23 is great news, we have less vacancies here at the TxDMV.

24 And now I'll go to Exhibit I. This is just a  
25 snapshot of a comparison between 2023 and 2024. I'm going

1 to go into some of the underlying numbers that are behind  
2 this chart which you don't even see, so this is going to  
3 be interesting.

4 The DMV closed 2024 with a net asset balance  
5 increase of \$59.6 million over 2023. The total net asset  
6 amount as of August 31, 2024 was \$427.3 million. Again,  
7 I'm going to go into some of the numbers behind this; this  
8 is just actual areas of our Exhibit I.

9 The cash and treasury is net of revenue  
10 collected and deposits less appropriated expenses. The  
11 legislative appropriation represents unspent  
12 appropriations in the general revenue fund and Fund 1 and  
13 may be any benefits of appropriations. Motor Vehicle  
14 Crime Prevention Authority is the main item funded from  
15 Fund 1, as you may recall, which increased by \$32.26- in  
16 2024.

17 Accounts receivable represents the amount due  
18 from county tax assessor-collectors and regional offices,  
19 less collections. The increase of \$17.7 million in the  
20 accounts receivable compared to the prior years primarily  
21 to timing of differences in counties processing deposits  
22 at year-end.

23 And then in capital assets, the non-current  
24 assets had a net increase of \$3.36 million over 2023.  
25 This is primarily due to the addition of new software

1 service agreements in the new call center project.

2 Again, like I said, I was going over the  
3 details that are in the actual AFR behind this and these  
4 are just a snapshot of the different categories for the  
5 combined balance sheet.

6 This concludes my presentation and I'm happy to  
7 answer any questions you may have on the AFR.

8 MR. BACARISSE: Thank you.

9 Members, any questions for Mr. Hayden?

10 (No response.)

11 MR. BACARISSE: I see none, so thank you.

12 That's a good report.

13 MR. HAYDEN: Thank you.

14 MR. BACARISSE: Thank you, Mr. Hayden.

15 Agenda item 10.B is our Internal Audit Division  
16 status update, and we will now call on Mr. Jason Gonzalez,  
17 our internal auditor, to come up and give us a briefing.

18 Good morning.

19 MR. GONZALEZ: Good morning, Chairman  
20 Bacarisse, board members, and Executive Director Avitia.  
21 For the record, I'm Jason Gonzalez, director of the  
22 Internal Audit Division.

23 Agenda item 10.B is a briefing item to provide  
24 you with information on the Internal Audit Division  
25 activities. On page 206 of your board materials, there's



1 a brief summary of our current engagements.

2 The first engagement is the fleet management  
3 audit. The audit's objective is to evaluate the  
4 effectiveness of fleet monitoring, vehicle maintenance and  
5 compliance with the state fleet plan. The audit is  
6 currently in the reporting phase.

7 The audit report has been drafted and is  
8 currently going through our internal review process. We  
9 plan on providing the report to Finance and Operations  
10 early next week for their review and for the management  
11 responses. We hope to finalize the report next month and  
12 we plan on providing a detailed summary during the next  
13 board meeting.

14 Our second engagement is the Consumer Relations  
15 Division quality assurance advisory. The objective of the  
16 advisory is to evaluate the Consumer Relations Division's  
17 quality assurance processes. The advisory service will  
18 compare the quality assurance metrics to other state  
19 agencies and private sector call centers.

20 We also plan to identify any process  
21 inefficiencies and make recommendations to streamline the  
22 quality assurance process. The advisory is currently in  
23 our field work phase.

24 Next, the Comptroller of Public Accounts  
25 recently completed its first annual statewide controls

1 over expenditures processing audit. They audited 205  
2 state agencies and institutions of higher learning. The  
3 Comptroller reviewed the department's security access in  
4 the statewide accounting systems, individuals on warrant  
5 pickup lists and on voucher signature cards for fiscal  
6 year 2023.

7 The Comptroller's audit found the Department of  
8 Motor Vehicles had several individuals' security access to  
9 accounting systems that created segregation of duties  
10 issues. For example, the system's ability to create a  
11 vendor and process vendor payments.

12 I'd like to note that the department utilizes  
13 two accounting systems, that one is for daily accounting  
14 transactions and the other is just to report accounting  
15 transactions. The Internal Audit and Finance and  
16 Operations met with the Comptroller's audit team to assess  
17 how the segregation of duties issues could be mitigated  
18 and Finance and Operations are currently taking action to  
19 mitigate this. After reviewing everything, it didn't seem  
20 like it was a big risk but we're taking action.

21 Finally, I'd like to introduce the audit team  
22 to the board. First, our senior internal auditor, Sonya  
23 Murillo, joined our internal audit team just over a year  
24 ago from Texas Parks and Wildlife, where she conducted  
25 grant management audits.

1           Prior to Texas Parks and Wildlife, Sonya worked  
2 as an external auditor with Health and Human Services  
3 Commission Office of the Inspector General, where she  
4 conducted performance, compliance and operational audits.

5       Sonya is from West Texas and enjoys attending concerts,  
6 camping and off-roading in her Jeep. So if you see a  
7 fancy Jeep in the parking lot, it's hers.

8           Next I'd like to introduce Erica Evans. Erica  
9 joined our team in October. Erica's background includes  
10 working in compliance and operations for health tech and  
11 food tech startups, like Honor, Square and Postmates by  
12 Uber.

13           She enjoys traveling and live music. Erica is  
14 originally from San Francisco and went to college in North  
15 Carolina, and we're happy to have her.

16           Finally, I would like to introduce Terry  
17 Berkley. Terry also joined our team in October. Terry is  
18 from Dallas.

19           Terry joined us from the financial services  
20 industry, where he worked as an internal auditor and is an  
21 operational risk manager. He enjoys rooting for the  
22 Cowboys and the Longhorns -- Hook'em -- traveling and  
23 spending time with family.

24           This concludes my updates and I'm happy to  
25 answer any questions.

1 MR. BACARISSE: Just for the record, I want  
2 that to be a public comment at the end there.

3 (General laughter.)

4 MR. BACARISSE: Thank you, Mr. Gonzalez.

5 MR. GONZALEZ: Thank you.

6 MR. BACARISSE: Any questions for Jason, board  
7 members?

8 (No response.)

9 MR. BACARISSE: Really glad you're in this spot  
10 and you've got a great team assembled, and we look forward  
11 to continued great work. Thank you very much, Jason.

12 (Applause.)

13 MR. BACARISSE: Thank you.

14 This brings us to what I'm going to do here is  
15 kind of skip around a little bit, we're going to go to  
16 agenda item 13, which is public comment, before we go into  
17 closed session.

18 Ms. Moriarty, are there any guests here willing  
19 to make a public comment at this point?

20 MS. MORIARTY: No, sir, no public comments.

21 MR. BACARISSE: Okay, very good. Thank you.

22 In that situation, stay with me, we're hopping  
23 back to agenda item number 11, and we're going to go into  
24 closed session.

25 It is now 10:00 a.m., straight up, on December

1 12, 2024, and we'll go into closed session under Texas  
2 Government Code Sections 551.071, 551.074, 551.076, and  
3 551.089.

4 For those of you in the audience, I anticipate  
5 being in closed session for approximately an hour, and  
6 we'll reconvene in open session after that.

7 With that, we are now recessed from the public  
8 meeting and we're going into closed session.

9 (Whereupon, at 10:00 a.m., the meeting was  
10 recessed, to reconvene this same day, Thursday, December  
11 12, 2024, following conclusion of the closed session.)

12 MR. BACARISSE: It is now 12:11 p.m., and the  
13 board of the Texas DMV is now back in open session.

14 No action items were taken up from the closed  
15 session, and we'll now move to agenda item number 14,  
16 adjournment.

17 So unless there's any further business, I would  
18 like to entertain a motion to adjourn.

19 MR. PREWITT: So moved.

20 MR. BACARISSE: Member Prewitt.

21 MR. SCHLOSSER: And I'll second.

22 MR. BACARISSE: Member Schlosser.

23 All in favor aye.

24 (A chorus of ayes.)

25 MR. BACARISSE: Opposed nay.

1 (No response.)

2 MR. BACARISSE: This meeting is adjourned.

3 (Whereupon, at 12:12 p.m., the meeting was

4 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Board  
LOCATION: Austin, Texas  
DATE: December 12, 2024

I do hereby certify that the foregoing pages, numbers 1 through 55, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy King before the Texas Department of Motor Vehicles.

DATE: December 24, 2024

/s/ Nancy H. King  
(Transcriber)

On the Record Reporting  
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