

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

William B. Travis Building
1701 N. Congress Avenue
Room 1-111
Austin, Texas 78701

Thursday,
April 14, 2022
9:00 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair
Christian Alvarado
Stacey Gillman
Brett Graham
Tammy McRae
Sharla Omumu
John Prewitt
Manuel "Manny" Ramirez
Paul R. Scott (absent)

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Roll Call and Establishment of Quorum	7
2. Pledges of Allegiance - U.S. and Texas	8
3. Chair's Reports	8
A. Chair's Annual Report to Governor on State of Affairs - Fiscal Year 2021	
4. Executive Director's Reports - Daniel Avitia	
A. Motor Vehicle Industry Regulation Advisory Committee (MVIRAC) Update	11
B. Update on Temporary Tags, Fingerprinting and Pre-licensing Rules, and Responding to Law Enforcement Data Requests	13
C. Introduction of Internal Audit Director Salem Chuah	25
D. Introduction of Deputy Chief Information Officer Will Hilton	27
E. Awards, Recognition of Years of Service, and Announcements	28
F. Performance Quality Recognition Program	31
RULE ADOPTION	
5. Chapter 208, Employment Practices	35
(ACTION ITEM)	
New, §208.13	
(Relating to HB 2063, New Family Leave Pool Required by Statute)	
(Published 12/17/2021 - 46 TexReg 8585)	
RULE PROPOSALS	
6. Chapter 215, Motor Vehicle Distribution	38
(ACTION ITEM)	
Amendments, §215.505 - Rulemaking under Government Code §2001.023 and Emergency Rulemaking under Government Code §2001.034 (Relating to HB 3927, Denial of Access to the Temporary Tag Database)	
7. Chapter 215, Motor Vehicle Distribution	44
(ACTION ITEM)	
Amendments, §215.207	
(Relating to HB 3514, Designating a Person to	

Decide Motions for Rehearing; Cleanup)

BRIEFING AND ACTION ITEMS

- | | | |
|-----|--|----|
| 8. | Specialty Plate Designs
(ACTION ITEMS) | 48 |
| | A. University of Georgia - Redesign offered
by License Plates of Texas | |
| | B. Dallas Stars Hockey - Redesign offered by
License Plates of Texas | |
| | C. The University of Texas at Dallas - Redesign;
Crossover into License Plates of Texas
Program | |
| 9. | Projects and Operations Committee Update | |
| | A. Accounts Receivable Study
(BRIEFING ONLY) | 54 |
| | B. Headquarters Building Project
(BRIEFING ONLY) | 55 |
| | C. Active Agency Projects Update
(BRIEFING ONLY) | 57 |
| | 1. Statewide webDEALER Adoption (SWA)
Phase II | |
| | 2. webSALVAGE | |
| | 3. Registration and Title System (RTS)
Projects | |
| | I. Tax Assessor-Collectors (TAC)
T1 Upgrade | |
| | ii. Tax Assessor-Collectors (TAC)
Workstation Refresh | |
| | iii. RTS Batch Cycle | |
| | iv. RTS Support (formerly RTS Defects) | |
| | v. RTS Performance Stabilization | |
| | 4. Digital License Plates (DLP) | |
| | 5. Call Center Upgrade Phase II | |
| | 6. Texas International Registration Plan
(TxIRP) Upgrade | |
| | 7. Texas by Texas (TxT) | |
| | 8. Motor Carrier Credentialing System (MCCS)
Rewrite | |
| | D. Replace Balanced Scorecard with Key
Performance Indicators for the Department's
Performance Measurement System
(ACTION ITEM) | 59 |
| 10. | Finance and Audit | |
| | A. FY 2022 Financial Report as of
February 28, 2022
(BRIEFING ONLY) | 70 |

B.	Strategic Plan (BRIEFING ONLY)	78
C.	TxDMV Midland/Odessa Regional Service Center Remodel Contract(ACTION ITEM)	83
D.	FY 2022 Second Six-Months Internal Audit Plan (ACTION ITEM)	87
11.	Renewal of the Contract for the Texas Permitting and Routing Optimization System (TxPROS), and Delegation of Authority to the Executive Director to Execute Any Renewal Contract (ACTION ITEM)	92
CLOSED SESSION		
12.	The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551, including briefing, discussion and deliberation regarding temporary tags and the temporary tag system, fingerprinting and prelicensing rules, and responding to law enforcement data requests: Section 551.071 Section 551.074 Section 551.076 Section 551.089	99
13.	Action Items from Closed Session Acting Executive Director's Compensation	100
14.	Public Comment	none
15.	Adjournment	103

P R O C E E D I N G S

1
2 MR. BACARISSE: Good morning. My name is
3 Charles Bacarisse, and I'm pleased to open this Board
4 meeting of the Texas Department of Motor Vehicles.

5 It is 9:00 a.m., and I'm now calling the Board
6 meeting for April 14, 2022, to order. I want to note for
7 the record that the public notice of this meeting,
8 containing all items on the agenda, was filed with the
9 Office of Secretary of State on April 6, 2022.

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

15 I want to welcome those who are with us for
16 today's board meeting. Face coverings and social
17 distancing are not required at this meeting, and each
18 individual attending the meeting has the right and
19 responsibility to decide for themselves, based on their
20 personal circumstances, if you'd like to do that. It's
21 your choice and you're welcome here at this meeting of the
22 Texas DMV.

23 If you wish to address the board or speak on an
24 agenda during today's meeting, please complete a speaker's
25 sheet at the registration table just outside these doors

1 over here, or you can send an email to
2 GCO_General@TxDMV.gov. Please identify in your email the
3 specific item you're interested in commenting on, your
4 name and address, and whether you're representing anyone
5 to speaking for yourself. If your comment does not
6 pertain to a specific agenda item, we'll take your comment
7 during the general public comment portion of the meeting.

8 In accordance with the department's
9 administrative rule, comments to the board will be limited
10 to three minutes. To assist each speaker, a timer has
11 been provided, and the timer light will be green for the
12 first two minutes, yellow for one minute, and then red
13 when your time is over. Individuals cannot accumulate
14 time from other speakers. Comments should be pertinent to
15 the issues stated on the comment sheet, and when
16 addressing the board, please state your name and
17 affiliation for the record.

18 There are a few things that will assist in
19 making the meeting run smoother and assist the court
20 reporter in getting an accurate record: please identify
21 yourself before speaking, speak clearly, do not speak over
22 others, and please ask the chairman to proceed and be sure
23 and get recognized before speaking.

24 I would also like to thank our court reporter
25 who's transcribing this meeting. To make sure we have an

1 accurate recording of this meeting, it is very important
2 that board members and anyone presenting today identify
3 themselves before speaking and to speak clearly and
4 slowly.

5 Before we begin today, I'd like to remind all
6 presenters and those in attendance of the rules of conduct
7 at our board meetings. In the department's rule Section
8 206.22, the board chair is given authority to supervise
9 the conduct of the meeting. This includes the authority
10 to determine when a speaker is being disruptive of the
11 meeting or is otherwise violating the timing and
12 presentation rules that I just discussed.

13 So with all that out of the way, I'd now like
14 to have a roll call of the board members, so please
15 respond verbally when I call your name.

16 Member Alvarado, are you here?

17 MR. ALVARADO: Here.

18 MR. BACARISSE: Member Gillman?

19 MS. GILLMAN: Here.

20 MR. BACARISSE: Member Graham?

21 MR. GRAHAM: Here.

22 MR. BACARISSE: Member McRae?

23 MS. McRAE: Here.

24 MR. BACARISSE: Member Omumu?

25 MS. OMUMU: Present.

1 MR. BACARISSE: Member Prewitt?

2 MR. PREWITT: Here.

3 MR. BACARISSE: Member Ramirez?

4 MR. RAMIREZ: Here.

5 MR. BACARISSE: Let the record reflect that I,
6 Charles Bacarisse, am here too. Member Scott is absent
7 today. Thank you.

8 So now we'll move to agenda item number 2, the
9 pledges of allegiance to the U.S. and Texas flags. And I
10 want to turn it over to Member McRae to lead us in the
11 U.S. pledge and then Member Omumu will lead us in the
12 Texas pledge.

13 All rise.

14 (The pledges were recited.)

15 MR. BACARISSE: Thank you, Member McRae and
16 Member Omumu for leading us in those pledges.

17 We'll now move on to agenda item 3, the chair's
18 report, and let me mention one thing. I think it's
19 important -- I want to make sure that we respect those
20 members of the public that are here to speak and not keep
21 them any longer than necessary.

22 We're going to take the public comment portion
23 of the agenda out of order, move it up to after agenda
24 item 11, right before our closed session. So I just
25 wanted to make that note for all of you in the audience.

1 So the chair's report. Under Section 1001.023
2 of the Transportation Code it sets out the duties of the
3 board chair and the vice chair, and one of those duties of
4 the board chair is to report to the governor on the state
5 of affairs of the department.

6 This annual report is in the final draft and it
7 will be submitted this month. And this report includes
8 updates on the agency's key accomplishments, revenue,
9 expenditures, performance data, technological
10 improvements, and significant legislation enacted by the
11 87th Legislature.

12 Once published, the report will be distributed
13 to legislators and board members electronically. It will
14 also be sent to GovDelivery subscribers and posted on the
15 agency's external website at www.TxDMV.gov, at the bottom
16 of the page located under Reports and Data.

17 And if I may, before I turn it over to Daniel,
18 I want to just say -- these are my thoughts and I think
19 it's reflective of the board, but I'll let our members
20 speak on their own behalf if they wish -- I think this
21 department has taken some strong actions since the
22 beginning of this year that were not legally available to
23 us prior to the passage of House Bill 3927. These actions
24 have ended the ability for any dealer -- so called -- to
25 print unlimited numbers of temporary tags and allowed the

1 department to immediately block access to those fraudulent
2 actors.

3 And they have limited that access, I think,
4 fairly well. So far, fraudulent actors have been
5 identified and 29 different, at last count, have been
6 blocked from the system. The full impact of these actions
7 already taken will take time to understand and to feel,
8 but it is already clear that the opportunity to abuse temp
9 tags in the State of Texas has been materially reduced
10 from what it was at the end of last year.

11 Now, all these actions are good but we're not
12 done, far from it. As these actions have proven
13 effective, criminals have begun looking for other ways to
14 abuse licensing and tag processes. And we're going to
15 continue to work with law enforcement to identify these
16 new abuse patterns and take swift action to close off
17 opportunities to misuse the system, and we'll hear more
18 about that later.

19 There's a lot more that we'd like to be able to
20 share and that we will share as time allows. But the
21 challenge we have here is we're balancing the public's
22 right to know and our transparency with giving out too
23 much information and giving the criminals an opportunity
24 to continue their bad actions. So it's a balancing act.

25 And this system, the webDEALER system, was

1 built never intending or never imagining the amount of
2 fraud and abuse that's occurred. So we have a challenge,
3 both system and policy, to manage this in a better way,
4 and that's been happening.

5 I want to thank the members of the Texas DMV
6 staff for your yeoman's work in this area, as well as
7 everything else. It's been a challenging three months,
8 but you all have proved up to the challenge, and I
9 appreciate it greatly. Thank you.

10 Any other members?

11 (No response.)

12 MR. BACARISSE: If not, I'll turn it over to
13 Daniel for your report, the executive director's report,
14 item 4.A.

15 MR. AVITIA: Chairman, members, thank you for
16 those kind words, very much appreciated. Staff has worked
17 really hard every day and tirelessly, I'll say, to help
18 curtail the fraud that we had seen in the past. And we'll
19 be able to share more information with the public, as you
20 mentioned, and look forward to that soon.

21 Chairman, members, item 4.A and everything
22 within the executive director's report this morning are
23 briefing items only. 4.A is an overview of the Motor
24 Vehicle Industry Regulation Advisory Committee meeting,
25 and those materials can be found on page 6 of your board

1 books.

2 The Motor Vehicle Industry Regulation Advisory
3 Committee, or MVIRAC, met on March 9 of 2022, and 13
4 members of the committee attended the meeting. MVIRAC
5 covered some significant topics involving enhancements to
6 pre-licensing processes, any proposed enhancements that
7 would be aimed at strengthening fraud prevention while
8 ensuring that legitimate applicants can meet license
9 requirements without unnecessary burden or cost.

10 MVIRAC recommended the department identify the
11 dollar amount for TxDMV staff or a third party entity to
12 complete site visits. The advisory committee also
13 recommended the department assess the amount of time it
14 takes to issue an independent dealer's license, including
15 such site visits.

16 The department also briefed MVIRAC on General
17 Motors' petition for rulemaking to amend 43 TAC
18 215.245(e). The requested amendments would have allowed
19 motor vehicle dealers to advertise used vehicles that may
20 not be in the dealer's physical possession at the time of
21 advertisement, provided the vehicle title could be
22 delivered to the dealer from the vehicle manufacturer or
23 distributor and affiliated financial institution or a
24 licensed vehicle auction within a reasonable time period.

25 A General Motors Company representative provided comments

1 at the meeting regarding the petition and was able to
2 answer questions from the advisory committee members.

3 This was a briefing item, so an MVIRAC
4 recommendation was not requested by the department. And
5 after consideration of MVIRAC's comments/concerns, the
6 department determined to deny the petition for rulemaking
7 based on the potential harm or confusion this may cause
8 for customers throughout the State of Texas.

9 Members, this concludes my remarks on this
10 discussion item. I'm happy to answer any questions before
11 I move on to the next item.

12 MR. BACARISSE: Members, any questions for
13 Daniel on agenda item 4.A?

14 (No response.)

15 MR. BACARISSE: Seeing none, please continue.

16 MR. AVITIA: Thank you, Chairman.

17 Members, item 4.B is an update on temporary
18 tags, fingerprints and pre-licensing rules and responding
19 to law enforcement data requests. Again, item 4.B is an
20 update only and requires no action. Materials can be
21 found on page 7 of your board books.

22 The department is continuing our internal
23 prioritization of activities to prevent temporary tag
24 abuse, and I want to update you on staff's progress to
25 improve operations in this area. Staff is working cross-

1 divisionally daily to address and identify improvements to
2 temporary tag processes, and this work is reducing
3 opportunities for bad actors to misuse temporary tags for
4 financial gain or to conceal criminal activity.

5 As you're aware, tag limits for all dealers
6 were implemented in mid-February and are now automatically
7 tracked within the eTAG system for easy reference and
8 awareness. To date we have only had six dealers request
9 additional temp tags through the Motor Vehicle Division,
10 headed by Director Johnston, and they are working with the
11 Enforcement Division headed by Director Thompson, to
12 enforce and properly advise on those requests. I believe
13 we have approved three of the six and three are currently
14 under review by both Enforcement and the Motor Vehicle
15 Divisions.

16 Regarding system access, we have also
17 revoked -- Chairman, you had mentioned 29, but as of last
18 night, we now have 30 licensees that have been revoked
19 through the system, and removed access to the eTAG system
20 since the end of January following the identification of
21 fraudulent or suspicious activities. Our investigations
22 into these dealers also show where dealers were previously
23 printing thousands upon thousands of tags. Under the new
24 structures these dealers are printing dozens to a couple
25 hundred tags.

1 The efforts are working, and we are constantly
2 removing access to the system, as I mentioned, and this is
3 a daily operation. However, this is not enough. Under
4 your direction, members, staff and the department continue
5 to work on additional improvements to stop bad actors from
6 accessing our system.

7 Members, the implementation of fingerprinting
8 dealers during the initial application process and as part
9 of the license renewal is our best opportunity to ensure
10 that bad actors do not gain access or receive a license
11 from the department. It is the opinion, after meeting
12 with several law enforcement throughout the state, that
13 the implementation of fingerprinting rule that we've been
14 talking about is the single most important solution to
15 curtailing the issue with regard to temp tags and should
16 solve more than 90 percent of the problem that we have
17 beyond what has already been taken care of to date.

18 Staff has worked diligently to draft rules to
19 appropriately implement the process of fingerprinting and
20 we are preparing to start the process of required review
21 and formal posting for public comment. Members, those
22 fingerprinting rules are anticipated to be filed in the
23 *Texas Register* on April 22, this month, obviously. My
24 hope remains that we can bring those fingerprinting rules
25 back to the board for a June adoption.

1 Members, in addition to staff throughout the
2 agency continuing to work on and developing improvements
3 to pre-licensing review processes, identification and
4 enforcement of sales through social media platforms,
5 security enhancements to various systems, and research
6 into future options for redesign of the temporary tag
7 process and the physical tag material are very much
8 underway.

9 Finally, as you have heard from the public
10 comment during previous board meetings and over the last
11 several months, the department has significant work to do
12 in improving our relationship with law enforcement
13 throughout the community at the local, state and federal
14 levels, and also streamlining the way we provide
15 information to these law enforcement entities.

16 During March, members, I'm happy to say that
17 the executive team met with numerous law enforcement
18 organizations and associations throughout the state.
19 Their feedback and input on the TxDMV processes is
20 invaluable and has helped us develop multiple ideas, and
21 we are working on many approaches to streamline these
22 requests.

23 First is a TxDMV law enforcement contact
24 center. We are in the process of implementing a
25 centralized and dedicated law enforcement contact center

1 to use for information requests. Staff positions for this
2 group have already been posted and hiring will be underway
3 very soon. This division will be located within the
4 Enforcement Division of the agency.

5 A second effort is partnerships with our state
6 law enforcement. Our staff has been, as I mentioned, in
7 conversations with the Department of Public Safety to make
8 sure we are fully leveraging statewide law enforcement
9 data sharing structures as is with the DPS Fusion Centers.

10 Local law enforcement regularly contact DPS for
11 intelligence and information to assist with enforcement
12 and investigation activities, and we are hoping to find a
13 way to make our motor vehicle data available through those
14 avenues.

15 And third is a closed data portal. Members, we
16 are working with the Department of Information Resources
17 to participate in the state's closed data portal platform
18 to make certain motor vehicle information is available to
19 pre-vetted law enforcement entities and officers on a
20 self-serve basis. We will work with our law enforcement
21 partners to make sure the data available to them is what
22 they need and is, more importantly, in a useful format.

23 Members, there are many, many details and
24 logistical hurdles in implementing many of these concepts,
25 but we are very committed to solving this problem, I

1 assure you of that. Due to the security considerations of
2 many of the operations that we are currently looking into
3 and undertaking, we'll be providing you with additional
4 detail during our executive session later in the agenda.

5 Members, I appreciate the time on this item. I
6 am happy to answer any questions you may have.

7 MR. BACARISSE: Members, any questions for Mr.
8 Avitia on this item?

9 MR. GRAHAM: Mr. Chairman?

10 MR. BACARISSE: Yes, Member Graham.

11 MR. GRAHAM: First of all, I commend y'all on
12 the incredible work you're doing. You've got this thing
13 turned around in a very short amount of time, and I know
14 everyone is glad to see that.

15 Regarding the tag limits on dealers -- and you
16 said you had six that have requested more tags, three have
17 been approved through a review -- I just kind of want to
18 understand, it's only been in place 60 days and so are
19 these just data issues in the number of tags a dealer had?

20 Clearly, none of us would expect a dealer to use all
21 their tags in 60 days that they have allocated for a year,
22 so just kind of so we can understand that a little better,
23 maybe.

24 MR. AVITIA: Absolutely, Member Graham. I
25 appreciate the question, and I would ask that we be able

1 to call up Director Johnston to provide information with
2 regard to the process. But it is both dealers requesting
3 information, as well as Director Johnston's group taking a
4 proactive approach to monitoring those tag limits to make
5 sure that if we see a dealer getting close to their tag
6 limits, we reach out ahead of time and work with those
7 dealers to make sure they don't stop at their tag limit.

8 MR. GRAHAM: Right.

9 MR. AVITIA: So with that, Chairman, if we
10 could.

11 MR. BACARISSE: Please, Ms. Johnston.

12 MS. JOHNSTON: Good morning. Monique Johnston,
13 director of the Motor Vehicle Division, for the record.

14 Yes, for those six applications, these are kind
15 of outliers. One dealer has been licensed for a few
16 years. It's a wholesale dealer, and they changed their
17 platform.

18 And so they did not start really selling cars
19 to dealers until about the end of last year, and so we've
20 collected their sales data from auctions. And they also
21 started buying cars from consumers and selling them to
22 dealers, so they kind of have a different platform. So it
23 was something that just wasn't captured in the data, but
24 we've adjusted it based on the documentation they gave us.

25 Two others that are currently approved, one was

1 a franchised dealer that just hadn't got caught in our
2 reporting. We're catching all the buy-sells that occurred
3 last year and we're updating the tags automatically. And
4 it was one that was just right there on the list.

5 They sent in an application and we approved it
6 the same day. And they weren't even required to send
7 anything in, we just did it based on what the seller's
8 previous tags were because they were asking for much less.

9 And so we adjusted those based on the seller's tags.

10 So we're looking at this information daily. We
11 get daily reports, and we're making sure we're making
12 adjustments as needed without the dealers having to submit
13 anything to us if they qualify.

14 MR. GRAHAM: I really appreciate that. You
15 know, one of my concerns when we began to talk about this
16 was just dealers, good dealers inadvertently getting
17 caught up and going down and unable to conduct business.
18 So I really appreciate y'all kind of looking at that daily
19 to make sure we don't inadvertently do that.

20 And I would like to ask, regarding the work
21 with law enforcement -- you know, over the last 30 days I
22 have seen that -- not been involved in it directly but
23 have seen it and really been impressed with that. I know
24 that there was an Officer Kohler that strongly voiced
25 concerns to me personally maybe two board meetings ago.

1 I don't know if Officer Kohler is here, but I
2 would love to ask him a couple of questions. Is he here?

3 MR. BACARISSE: Is Officer Kohler here? Yeah,
4 there you are.

5 MR. GRAHAM: Would you mind -- I know you
6 didn't expect to, but if you wouldn't mind, I'd love to
7 ask you a couple of questions.

8 MR. BACARISSE: Good morning, sir. Welcome.

9 MR. KOHLER: Good morning. Thank you.

10 MR. BACARISSE: Please state your name for the
11 record.

12 MR. KOHLER: David Kohler, K-O-H-L-E-R.

13 MR. BACARISSE: Thank you, Officer.

14 Go ahead, Member Graham.

15 MR. GRAHAM: Officer Kohler, when we talked --
16 and we had a lot of meetings there in a short amount of
17 time, maybe it was in January -- I know you were very
18 upset and you were very passionate and you were very
19 concerned.

20 We had a conversation. I looked you in the eye
21 and told you that one way or the other we were going to
22 figure this out. And I would like your input back to
23 myself and the board as to how you've seen the agency
24 interact and work.

25 And are you pleased with our direction, kind of

1 where that's at at this point? I mean, I know it hasn't
2 been long and we've got a lot of work to do.

3 MR. KOHLER: So to answer part of your
4 question, it was a frustration level of not being able to
5 pick up the phone and speak with a DMV investigator just
6 to get some basic investigative inquiries. I know that
7 Director Thompson and Director Luna do not want their
8 phones ringing and my emails coming to them because
9 they're extremely busy, but just the basic investigatory,
10 pick up the phone without having to fill out a VTR-275,
11 then wait 10 to 14 days for information to come back.

12 So I applaud Mr. Avitia and Mr. Bacarisse and
13 all the board. What y'all have done over the last three
14 months is exemplary. With the implementation of 3927, the
15 fingerprinting, the vetting of dealers to make sure they
16 are legit and they say who they are to protect the
17 integrity of the webDEALER system.

18 And we spoke last month with regards to this
19 portal, and I think the direction is getting there. And
20 I'm very appreciative of the opportunity to be part of
21 that and to still speak with you right now.

22 Does that help answer some of your questions?

23 MR. GRAHAM: That's great. I mean, I just
24 wanted to hear from -- I know that you to some degree
25 represent law enforcement and have been very active, and I

1 just kind of wanted to hear that side of it and make sure
2 that y'all were satisfied with the direction of the agency
3 and the pace which we move forward.

4 MR. KOHLER: Leaps and bounds over the last two
5 months compared to the previous three years. It's very
6 noticeable -- if I can have just a few more minutes --
7 because you don't see what your product is on the street.

8 I can tell you what I see on the street now is the
9 proliferation of the mass producing of fraudulent tags has
10 come to almost a screeching halt.

11 Now what we see are the altered tags. And
12 that's fine, crooks are crooks and criminals are
13 criminals, but I'm glad we had stopped this giving of
14 candy away for free. Now the New Mexico tags are coming
15 out, but that's another issue.

16 But the product is working and I wanted to
17 thank you for your efforts and the members of DMV putting
18 up with us and working with us to get your product to be
19 better for the citizens of Texas.

20 MR. GRAHAM: Fantastic. Thank you very much
21 for speaking to us.

22 MR. BACARISSE: Mr. Kohler, we are your
23 partners and so we do need that feedback.

24 MR. KOHLER: And we're all looking forward to
25 that portal that you spoke of.

1 MR. AVITIA: Yes, sir, it's coming.

2 MR. KOHLER: Thank y'all so much.

3 MR. GRAHAM: Thank you.

4 MR. BACARISSE: Thank you. Appreciate your
5 time.

6 MR. GRAHAM: Thank you, Mr. Chairman.

7 MR. BACARISSE: Yes. Any other members,
8 questions?

9 (No response.)

10 MR. BACARISSE: Thank you.

11 Seeing none, I'll move on --

12 MR. RAMIREZ: Mr. Chairman?

13 MR. BACARISSE: Oh, yes, I'm sorry. Member
14 Ramirez.

15 MR. RAMIREZ: I more just had general comments.

16 MR. BACARISSE: Please.

17 MR. RAMIREZ: I know that we've been over the
18 last several months really hyper-focused on this issue, on
19 the tag issue. And I know that our new interim executive
20 director has done a phenomenal job, the board has done a
21 phenomenal job, everybody at the agency has moved
22 mountains, literally.

23 But I also want to applaud the rest of the
24 folks that are working day-in and day-out on the ordinary
25 DMV operations that don't involve paper tags, because

1 y'all are still steering a cruise ship and you're doing it
2 every day effectively with that big monkey on your back.
3 So I want to applaud the rest of the agency and you, Mr.
4 Avitia, for your work.

5 So thank you much.

6 MR. BACARISSE: Well said.

7 Anything else, members?

8 (No response.)

9 MR. BACARISSE: Thank you, members, for your
10 comments.

11 And we'll move on to item C, Mr. Avitia.

12 MR. AVITIA: Thank you, Chairman, members.

13 Item 4.C and 4.D is recognition of new staff
14 members, more specifically item 4.C is the introduction of
15 our new Internal Audit director, Mr. Salem Chuah.
16 Materials on Mr. Chuah are on page 8 of your board books.

17 Salem serves as the Internal Audit director now
18 for the Texas Department of Motor Vehicles. He is
19 responsible for leading the division that provides the
20 TxDMV Board and department management with assurance and
21 advisory services to reduce exposure to risks associated
22 with the operation of the department.

23 Previously, Salem served as acting risk manager
24 for the San Francisco International Airport and enterprise
25 department of the City and County of San Francisco where

1 he oversaw the risk management program. Prior to SFO,
2 Salem held positions with the audit divisions at CCSF's
3 office as the controller, the Texas State Auditor's
4 Office, and with Ernst & Young.

5 Salem earned a bachelor's of business
6 administration in finance and a bachelor's of arts in
7 government from the University of Texas Austin. Hook 'em
8 Horns. He is a certified public accountant, a certified
9 internal auditor and a certified fraud examiner. He also
10 earned an associate of risk management designation.

11 Salem has hit the ground running and we're just
12 so grateful that he has joined the team. Welcome, Salem.

13 MR. BACARISSE: Welcome, welcome. Good to see
14 you.

15 I forgot to ask you, Aline, were there any
16 other people who had signed up to speak on agenda item
17 4.B. My apologies.

18 MS. AUCOIN: Aline Aucoin, for the record.

19 The only person who registered to comment on
20 item 4.B was David Kohler.

21 MR. BACARISSE: All right. Well, Member Graham
22 is clairvoyant. That's good.

23 MR. GRAHAM: Wow, I've been called a lot of
24 things. That's a first on that one, but I'll take it.

25 (General laughter.)

1 MR. BACARISSE: I'm sorry. Go ahead, Mr.
2 Avitia, with your introductions.

3 MR. AVITIA: Thank you, Chairman.

4 Again for the record, Daniel Avitia, acting
5 executive director.

6 This is the introduction of our deputy chief
7 information officer, Mr. Will Hilton. Will Hilton is now
8 serving as the deputy chief information officer for the
9 TxDMV. He previously served as the department's chief
10 information security officer and has more than 25 years of
11 experience in information technology services. He will
12 now help oversee information technology services
13 operations providing IT services and support across the
14 agency and throughout the state.

15 Will has prior state agency experience, serving
16 as the information security risk manager at the Texas
17 Health and Human Services. Before HHSC, though, he was
18 the CSO for the State of Texas accounting for Capgemini, a
19 private vendor that directly supports the Texas Department
20 of Information Resources. His experience also includes 20
21 years of serving in multiple increasingly responsible
22 information technology and leadership roles in the United
23 States Air Force.

24 Will has a bachelor's of science in computer
25 studies, a master's of science in cybersecurity, and a

1 master's of business administration, all from the
2 University of Maryland University College.

3 Members, chairman, please join me in welcoming
4 Mr. Will Hilton to his new role as deputy chief
5 information officer.

6 (Applause.)

7 MR. AVITIA: Thank you, Will.

8 Chairman, may I proceed?

9 MR. BACARISSE: Please.

10 MR. AVITIA: All right.

11 Let's move on to agenda item 4.E. Awards,
12 recognitions and years of service and announcements. At
13 this time we would like to recognize TxDMV employees who
14 have reached a state service milestone. We celebrate
15 these employees and their contributions as a show of our
16 appreciation for their years of service to the citizens of
17 Texas.

18 Director Levitt, with the Human Resources
19 Division, will read the service announcements that you can
20 find on page 10.

21 MR. LEVITT: Thank you, Daniel.

22 Good morning, Chairman Bacarisse, members,
23 Executive Director Avitia. My name is Matthew Levitt. I
24 am the Human Resources director.

25 I am here to share some employee service

1 anniversaries this morning. We have one employee who is
2 here in person; we have several others who I'd like to
3 announce after.

4 So I'm going to start with the first person
5 here to recognize for his 35 years of service to Texas
6 State Government. So we are here to recognize first Jimmy
7 Archer from the Motor Carrier Division. The Texas
8 Department of Motor Vehicles Board and the staff recognize
9 and thank Jimmy Archer, the director of the Motor Carrier
10 Division, for his 35 years of service for the State of
11 Texas and his outstanding contributions to TxDMV.

12 Jimmy served for 26 years at the Texas
13 Comptroller of Public Accounts, the final 15 of those
14 years as chief of its Criminal Investigations Division.
15 After he retired from the Comptroller's Office, Jimmy
16 entered private practice, focusing on tax and legislative
17 consulting. However, missing state service, he left
18 retirement in October 2012 to join TxDMV and lead the
19 Motor Carrier Division.

20 As the director of the Motor Carrier Division,
21 Jimmy leads the division of 114 employees to provide
22 commercial motor carriers, household goods movers and
23 passenger carriers with the information, license plates,
24 operating authority and oversize/overweight permits they
25 need to move people and cargo safely and efficiently.

1 Under his leadership, MCD's customer-facing
2 online applications are continually improved with added
3 features to improve service to the motor carrier industry.

4 He is currently overseeing two major projects which
5 you've heard quite a bit about: to completely rewrite the
6 Motor Carrier Credentialing System, MCCS, and the Texas
7 International Registration Plan, Texas IRP System.

8 Jimmy has a law degree and graduated from South
9 Texas College of Law, and despite his many professional
10 accomplishments, Jimmy considers his most important
11 accomplishment his family. He's been married for 39 years
12 to his wife, Jan, and he has two daughters and three
13 grandchildren.

14 Please join me in recognizing Jimmy Archer for
15 this 35 years of service.

16 (Applause.)

17 MR. AVITIA: Members, if you'll join me for a
18 picture.

19 (Pause for presentation and photos.)

20 MR. LEVITT: Chairman, members, the following
21 employees have reached a state service milestone but were
22 unable to join us here in person, and they include those
23 with 20 years of state service: Travis Herchek in the
24 Motor Carrier Division, Andrew Kang in the Office of
25 Administrative Hearings, Tracy Godfrey in the Vehicle

1 Titles and Registration Division.

2 With 25 years: Luis Perez in the Enforcement
3 Division, Cassandra Flint in the Vehicle Titles and
4 Registration Division, Linda Ledet in the Vehicle Titles
5 and Registration Division.

6 Those with 30 years of service: Yolanda Garcia
7 in the Motor Carrier Division, Tammy Wooten in Vehicle
8 Titles and Registration, and Andrew Gonzales in the Motor
9 Vehicle Division.

10 And lastly, I'd just like to acknowledge the
11 following employees who recently retired from the
12 department: Debbie Wilson from Vehicle Titles and
13 Registration, Joanne Canida in Vehicle Titles and
14 Registration, Tom Shindell of Innovation and Strategic
15 Planning, Dianne Carlson in Motor Carrier Division, Hector
16 Yanez in Information Technology Division, and Pattie Bell
17 from the Motor Vehicle Division.

18 Thank you, Board members, Chairman.

19 MR. BACARISSE: Thank you, Matthew.

20 Mr. Avitia, please continue.

21 MR. AVITIA: Thank you, Chairman.

22 Members, item 4.F is Performance Quality
23 Recognition Program, and those materials can be found on
24 page 4 of your board books.

25 Today we recognize four counties that have

1 earned a Performance Quality Recognition Program award
2 from the Texas Department of Motor Vehicles this year.
3 The awards recognize exemplary customer service and going
4 above and beyond in providing vehicle title and
5 registration services.

6 Texans expect and deserve exceptional and
7 efficient customer services. This well-earned achievement
8 is something counties and their residents should all be
9 proud of.

10 This recognition focuses on a variety of items
11 based on industry best practices, including remitting fees
12 on time, consistently applying statutes, rules and
13 policies, maintaining bonds required by the state or rule,
14 performing efficiently with low error rates, processing
15 transactions in a timely fashion, having a fraud, waste
16 and abuse awareness program, focusing on customer
17 satisfaction, and implementing cost-savings measures.

18 The program recognizes tax assessor-collectors
19 at three levels, which are gold, silver and bronze, for
20 outstanding performance and efficiency in processing title
21 and registration transactions. And I'm pleased to
22 announce that this year's recipients are, for gold
23 recognition, our very own Tammy McRae with Montgomery
24 County.

25 Congratulations.

1 (Applause.)

2 MR. AVITIA: Another gold recipient is Ms.
3 Cheryl Johnson with Galveston County.

4 And for bronze recognition we have Larry
5 Gaddes, Williamson County, and Mr. Albert Uresti with
6 Bexar County.

7 Recognized county tax assessor-collectors will
8 receive a letter and certificate from the Texas Department
9 of Motor Vehicles, as well as an insignia which can be
10 placed on the county's website and shared with public and
11 other stakeholders to acknowledge this amazing
12 achievement.

13 There have been a total of six gold, five
14 silver, and 16 bronze recipients since the inception of
15 the program in 2017, and only one county has received gold
16 recognition twice. I'm very pleased to announce that our
17 very own, again, Montgomery County Tax Assessor-Collector
18 Ms. McRae is the recipient of the gold twice.

19 Congratulations.

20 (Applause.)

21 MR. AVITIA: Members, this concludes my remarks
22 on this information. I'm happy to answer any questions.

23 MR. BACARISSE: Members, any questions of Mr.
24 Avitia?

25 (No response.)

1 MR. BACARISSE: I just want to take a moment of
2 personal privilege to congratulate Tammy on that work.
3 You and your team in Montgomery County deserve the
4 recognition you've received, and we're appreciative of
5 your service.

6 MS. GILLMAN: Mr. Chairman?

7 MR. BACARISSE: Please, Member Gillman.

8 MS. GILLMAN: I also wanted to compliment
9 Member McRae for her efforts and all the recipients,
10 including Galveston, Williamson and Bexar County. I
11 understand that this is a difficult thing to achieve, and
12 just fantastic attitude and a great effort, and I'm happy
13 that you are recognized.

14 So congratulations.

15 MS. McRAE: Thank you.

16 MR. BACARISSE: Thank you, Member Gillman.

17 I think we're ready to move on to agenda item
18 number 5 at this point, Rule Adoption.

19 Before we begin that, I just want to remind
20 everyone that in terms of making the meeting run really
21 smoothly and to help our transcriber, it's important to
22 wait to be recognized by me, and then you obtain the floor
23 to speak and you can raise your hand or say Mr. Chairman,
24 I'll recognize you by name. Of course, we're courteous to
25 one another, that's important, and we'll wait until the

1 prior speaker has finished before asking for the floor.

2 Also, I may alternate giving the floor to
3 members with differing views, opposing and favoring the
4 motion, as appropriate. So I'll give all members wishing
5 to speak a turn before giving the floor to a member for
6 the second time in the discussion. And just remember to
7 always speak to me, the chairman, and not to other board
8 members directly in this discussion. So that would be
9 helpful.

10 And of course, if you need to confer with
11 general counsel, we'll take a recess at any time. Just
12 let us know.

13 At this point we will move to agenda item
14 number 5, and I'll turn it over to Matthew Levitt to lay
15 this out for us.

16 Mr. Levitt.

17 MR. LEVITT: Thank you. Good morning. For the
18 record, my name is Matthew Levitt. I'm the HR director.
19 I'm here to talk briefly about a rule adoption for family
20 leave pool.

21 A statute was passed in the last legislative
22 session requiring state agencies to adopt a program to
23 allow employees to donate their sick and vacation leave to
24 other employees in cases of things related to the Family
25 Medical Leave Act, in cases of serious health condition.

1 This was put forward; there were no public comments.

2 You have the proposed rule in your board books.

3 I'm happy to answer any questions about it, but again,
4 it's a fairly straightforward practice, required by the
5 last legislative session, allowing employees to donate
6 leave and obvious to use in cases of medical emergencies
7 or in cases of pandemic-related issues, as well, is the
8 other area we've added to this opportunity.

9 Happy to answer any questions you might have.

10 MR. BACARISSE: Members, any questions for Mr.
11 Levitt, or comments?

12 (No response.)

13 MR. BACARISSE: Great.

14 Aline, are there any public comments on this
15 agenda item?

16 MS. AUCOIN: Aline Aucoin, for the record.

17 No public comments.

18 MR. BACARISSE: Okay. Thank you.

19 In that case, I will entertain a motion.

20 MS. OMUMU: Mr. Chairman, I'd like to make a
21 motion.

22 MR. BACARISSE: Yes, Member Omumu.

23 MS. OMUMU: I move that the board approve the
24 adoption of the new Section 208.13 concerning the new
25 Family Leave Pool required by statute, as recommended by

1 staff. I also move that the board grant the department
2 the ability to make changes to the adopted section based
3 on nonsubstantive corrections made by the *Texas Register*.

4 MR. BACARISSE: And is there a second?

5 MR. RAMIREZ: I'll second.

6 MR. BACARISSE: Second from Member Ramirez.

7 Any further discussion?

8 (No response.)

9 MR. BACARISSE: Hearing none, I'll call for the
10 vote.

11 Member Alvarado?

12 MR. ALVARADO: Aye.

13 MR. BACARISSE: Member Gillman?

14 MS. GILLMAN: Aye.

15 MR. BACARISSE: Member Graham?

16 MR. GRAHAM: Aye.

17 MR. BACARISSE: Member McRae?

18 MS. McRAE: Aye.

19 MR. BACARISSE: Member Omumu?

20 MS. OMUMU: Aye.

21 MR. BACARISSE: Member Prewitt?

22 MR. PREWITT: Aye.

23 MR. BACARISSE: Member Ramirez?

24 MR. RAMIREZ: Aye.

25 MR. BACARISSE: And I, Chairman Bacarisse, vote

1 aye as well. Let the record reflect that it's a unanimous
2 vote.

3 Thank you very much, Matthew.

4 MR. LEVITT: Thank you.

5 MR. BACARISSE: We'll now move to agenda item
6 number 6, again rule proposals, Chapter 215. And I'll
7 turn it over to Corrie Thompson to lay this out for us.

8 Good morning.

9 MS. THOMPSON: Good morning, Chairman, Board
10 members, Director Avitia. I'm Corrie Thompson, director
11 of the Enforcement Division, for the record. And today
12 I'm presenting to you agenda item 6, which I believe is
13 found in your supplemental materials outside the main
14 portion of the board books.

15 And before you today is a recommendation to
16 approve emergency rulemaking for amendments to Rule
17 215.505, with an effective date of today, April 14, 2022.

18 And then there's going to be an ask for a separate
19 recommendation for approval to publish the same amendments
20 in the *Texas Register* for public comment under the normal
21 rulemaking process.

22 The purpose of these amendments is to clarify
23 the rule text in the rule that allows for the denial of
24 access to dealers once the department has determined that
25 a dealer has been found to be fraudulently issuing tags

1 from the temporary tag database.

2 So we are seeking to do three things basically
3 with these amendments. We're correcting a statutory
4 citation within the rule. We are adding parentheses to
5 the item in 215.505(a)(2) to make it clear that we're
6 providing an example of when a vehicle is found to not be
7 in a dealer's inventory. There could be some confusion
8 now if the parentheses are not included, but that is going
9 to be an example closed in by parentheses.

10 And then finally, we are changing in
11 215.505(a)(2) the word "and" to the word "or" to make it
12 clear that it's any one of the activities that can
13 constitute fraudulent issuance of a temporary tag.

14 So there's no significant fiscal impact
15 associated with this. This is purely to clarify the rule
16 text to provide greater information for anyone who is
17 reading that so there's a better understanding of what
18 we're doing with those items that constitute fraudulent
19 issuance.

20 So with that, I would first ask the board to
21 approve the emergency rulemaking, and the emergency
22 rulemaking is allowed under Government Code 2001.034, and
23 it's allowed for an initial period of 120 days and can be
24 extended for an additional 60 days. We would have to come
25 back to the board to ask for an additional 60 days if we

1 only ask for the 120 days here. So today we're asking for
2 approval for the full 180 days initially, and then again,
3 those amendments to Rule 215.505 would then become
4 effective today.

5 So I will ask for guidance from Office of
6 General Counsel if we need to take a vote on that first
7 before the regular recommendation.

8 MS. AUCOIN: Aline Aucoin, for the record.

9 It's the chair's prerogative on whether you
10 want to take each individual vote separately or whether
11 you want to vote on them together, but essentially, the
12 two asks are: one, approval from the board for the
13 emergency rulemaking which will become effective today;
14 and the second ask is approval to publish the proposal in
15 the *Texas Register* to go through the normal rulemaking
16 process so that those amendments become permanent.

17 The changes are the same in both requests, so I
18 defer to the chair on whether you want to have one motion
19 or two motions. I can tell you that Member Ramirez has a
20 draft motion.

21 MR. BACARISSE: Great. All right.

22 Member Ramirez, what is your motion?

23 MR. RAMIREZ: I'll move that the board approve
24 the emergency amendment to Section 215.505, as recommended
25 by staff, for the full 180 days, with an immediate

1 effective date of April 14, 2022.

2 I will also move that the board approve the
3 proposed amendments to Section 215.505, as recommended by
4 staff, to publish in the *Texas Register* for public comment
5 under the normal rulemaking process so the amendments can
6 become permanent. I further move that the board grant the
7 department the ability to make changes to the proposed
8 section based on nonsubstantive corrections made by the
9 *Texas Register*.

10 MR. BACARISSE: So you're combining everything
11 in one motion.

12 MR. RAMIREZ: I'm packaging it in one because
13 the ability to make the emergency amendments. I'm just
14 asking that they be published in the *Register* for them to
15 become permanent, so all in one.

16 MR. BACARISSE: Right. Is there a second for
17 Member Ramirez's motion?

18 MS. McRAE: I'll second, Chairman.

19 MR. BACARISSE: Okay. There is a motion and a
20 second. Is there discussion on this item?

21 MS. GILLMAN: Yes, Mr. Chairman.

22 MR. BACARISSE: Yes, please.

23 MS. GILLMAN: Just for my clarification -- I
24 think it has been explained to me but I forgot -- tell me
25 again about the parentheses. What is the purpose, and

1 just I want to make sure I understand.

2 MS. THOMPSON: Again, Corrie Thompson, director
3 of the Enforcement Division, for the record.

4 So we're listing out in 215.505 three separate
5 items that can be found to be constituting fraudulent
6 issuance of the temp tags from the database. So item one
7 is an excessive number of temporary tags relative to
8 dealer sales. That's one.

9 Two, temporary tags for a vehicle or vehicles
10 found to not be in the dealer's or converter's inventory.

11 So right now there's no parentheses, and after that
12 explanation it says, "a vehicle is presumed to not be in a
13 dealer's or converter's inventory if the vehicle is not
14 listed in the relevant monthly vehicle inventory tax
15 statement," and so we're giving the example of what we
16 mean by it's not in the dealer's inventory, meaning it's
17 not reflected in the vehicle inventory tax statement.

18 So as part of the investigative process -- I
19 don't want to go too much into it -- there's different
20 ways that we can confirm whether or not there's linkage to
21 buyer tag issuance relative to vehicle dealer sales. And
22 so this is one of the tools that we would use to gather
23 evidence for a case.

24 MS. GILLMAN: Okay. Thank you.

25 MR. BACARISSE: Thank you.

1 Members, any other questions on the motion
2 before us?

3 (No response.)

4 MR. BACARISSE: Hearing none, I'll call the
5 roll.

6 MS. AUCOIN: Chairman?

7 MR. BACARISSE: Oh, I'm sorry. Yes, Aline.

8 MS. AUCOIN: Aline Aucoin, for the record.

9 David Kohler registered to make a public
10 comment on this item.

11 MR. BACARISSE: All right, great. Thank you.

12 Mr. Kohler, would you like to come and make
13 comment on this particular agenda item?

14 MR. KOHLER: For the record, David Kohler
15 again.

16 I signed up for public comment on this because
17 when we attended there was no link to educate of what this
18 was talked about, and after hearing, I have no comments
19 and appreciate staff's clarification on this issue.

20 MR. BACARISSE: Sorry we didn't get that
21 explanation.

22 MR. KOHLER: No, that's okay. Thank you.

23 MR. BACARISSE: Good. Thank you.

24 Were there any other public comments on this
25 agenda item?

1 MS. AUCOIN: Aline Aucoin, for the record.

2 No other public commenters.

3 MR. BACARISSE: Thank you.

4 All right, members, any other questions?

5 (No response.)

6 MR. BACARISSE: I'm ready to call the vote,

7 please.

8 Member Alvarado?

9 MR. ALVARADO: Aye.

10 MR. BACARISSE: Member Gillman?

11 MS. GILLMAN: Aye.

12 MR. BACARISSE: Member Graham?

13 MR. GRAHAM: Aye.

14 MR. BACARISSE: Member McRae?

15 MS. McRAE: Aye.

16 MR. BACARISSE: Member Omumu?

17 MS. OMUMU: Aye.

18 MR. BACARISSE: Member Prewitt?

19 MR. PREWITT: Aye.

20 MR. BACARISSE: Member Ramirez?

21 MR. RAMIREZ: Aye.

22 MR. BACARISSE: And I, Chairman Bacarisse, vote
23 aye as well. This vote is unanimous. Thank you very
24 much, board.

25 At this point we're going to agenda item number

1 7, and we'll ask Mr. Andrew Kang to come up and lay this
2 one out for us, please. This has to do with House Bill
3 3514 and designating a person to decide motions for
4 rehearing, so it's a cleanup item.

5 MR. KANG: Good morning, Chairman, members,
6 Interim Executive Director. My name is Andrew Kang. I'm
7 an administrative law judge at the Office of
8 Administrative Hearings for the department, and for your
9 consideration today I'm presenting a rule implementing
10 House Bill 3514 which the legislature passed in the last
11 regular session.

12 HB 3514 amended Occupations Code 2301.701 to
13 authorize the chief hearing examiner to designate another
14 person to decide a motion for rehearing. Previously the
15 law only allowed the hearing examiner to decide the
16 motions for rehearing, however, changing that to
17 designating another person allows us to create greater
18 efficiency and continuity and also to avoid kind of the
19 perception of bias because the hearing examiner would be
20 deciding basically an appeal of his own decision.

21 And there's also some additional nonsubstantive
22 cleanup in the rule proposal as well to make sure that's
23 consistent with the statute to avoid any kind of conflict
24 as well. And today we're asking for the board to approve
25 the rule proposal for publication in the *Texas Register*

1 for public comment.

2 And that's my presentation, and if you have any
3 questions, I'm happy to take them.

4 MR. BACARISSE: Great. Thank you.

5 Members, any questions on this item for Mr.
6 Kang?

7 (No response.)

8 MR. BACARISSE: Seeing none, thank you very
9 much.

10 MR. KANG: Thank you.

11 MR. BACARISSE: Thank you, appreciate it.

12 The chair would now entertain a motion for
13 agenda item number 7, if there are no questions. Does
14 anyone have a motion on this item?

15 MR. ALVARADO: Mr. Chairman, I'd like to make a
16 motion.

17 MR. BACARISSE: Yes, Member Alvarado.

18 MR. ALVARADO: Mr. Chairman, I move that the
19 board approve the proposed amendments to Section 215.207,
20 as recommended by staff. I also move that the board grant
21 the department the ability to make changes to the proposed
22 section based on nonsubstantive corrections made by the
23 *Texas Register*.

24 MR. BACARISSE: Very good. Is there a second
25 for this motion?

1 MS. GILLMAN: I'll second.

2 MR. GRAHAM: I'll second.

3 MR. BACARISSE: Okay, Member Gillman. I'll
4 give it to the table down here.

5 (General laughter.)

6 MR. BACARISSE: Fantastic. Thank you.

7 Is there any further discussion on this motion,
8 members?

9 (No response.)

10 MR. BACARISSE: Hearing none, I will call for
11 the vote, please.

12 Member Alvarado?

13 MR. ALVARADO: Aye.

14 MR. BACARISSE: Member Gillman?

15 MS. GILLMAN: Aye.

16 MR. BACARISSE: Member Graham?

17 MR. GRAHAM: Aye.

18 MR. BACARISSE: Member McRae?

19 MS. McRAE: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. BACARISSE: Member Ramirez?

25 MR. RAMIREZ: Aye.

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

3 And now we'll move to agenda item number 8,
4 which are briefing and action items. This is specialty
5 plate designs, and we'll hear from Mr. Luna.

6 Good morning.

7 MR. LUNA: Good morning, Mr. Chairman
8 Bacarisse, Board members, Executive Director Avitia. My
9 name is Roland Luna, Sr., Vehicle Titles and Registration
10 Division director.

11 The action item before you is a request from
12 the Vehicle Titles and Registration Division to seek board
13 approval or denial in accordance with the board's
14 statutory authority. The item before you are specialty
15 plate designs submitted for your consideration and can be
16 found on page 25 of your board book.

17 Member Graham, you will see that we have a new
18 display board that I promise is very sturdy and I will not
19 knock it over.

20 MR. GRAHAM: Looks very sturdy. I appreciate
21 it.

22 MR. LUNA: Thank you, sir.

23 The three proposed plates are designs from our
24 specialty plates vendor, My Plates, and were posted for
25 public comment in February of 2022.

1 The first plate is a Dallas Stars Hockey
2 redesign of an existing plate; 341 people liked the
3 design, 128 did not. That is the plate that is on the
4 right that is the new design.

5 The second design is the University of Georgia
6 plate which is a redesign of an existing plate; 200 people
7 liked the design, 309 did not.

8 (General talking and laughter.)

9 MR. LUNA: We're in Texas.

10 The third design is a University of Texas at
11 Dallas crossover design; 210 people liked the design, 218
12 did not.

13 This concludes my presentation on this action
14 item and I'm available to answer any questions that you
15 may have.

16 MR. BACARISSE: Members, any questions for Mr.
17 Luna?

18 MR. GRAHAM: Guess I'll just ask the question
19 because it hasn't been asked.

20 MR. BACARISSE: Member Graham.

21 MR. GRAHAM: Thank you, Mr. Chairman.

22 Why do we let people vote whether they like it
23 or don't like it when I don't know that it's really
24 considered? I mean, should we not let the University of
25 Georgia have their plate because it was disliked more than

1 it was liked?

2 MR. LUNA: Member Graham, it's an unscientific
3 way of eliciting some initial feedback from the public or
4 those that may have an interest in the redesign of the
5 plate.

6 MR. GRAHAM: Okay. So it's to help those that
7 are trying to design it.

8 MR. LUNA: Yes, sir.

9 MR. GRAHAM: If it's 95 percent disliked, then
10 they really, really need to reconsider their design.

11 MR. LUNA: And we may be coming back here for
12 another redesign.

13 MR. GRAHAM: Okay. Well, that makes sense.
14 Thank you.

15 Thank you, Mr. Chairman.

16 MS. GILLMAN: Clarification, Mr. Chairman?

17 MR. BACARISSE: Yes, Member Gillman.

18 MS. GILLMAN: So along the same lines with
19 Brett, so the State of Texas, as I understand, enjoys the
20 revenue from this, it's not really a vote whether or not
21 we -- whether we want to have the tag or not?

22 MR. LUNA: Specialty plates are revenue
23 generating, yes, ma'am.

24 MS. GILLMAN: As long as it gets how many
25 petitions for it, they can --

1 MR. LUNA: Specialty plates must maintain a
2 minimum of 200 plates per year. We evaluate that every
3 December to make sure that they're at their 200 plate
4 threshold. If they fall below that, there's some remedies
5 that our marketing vendor, My Plates, will work with the
6 specialty plate designer to make sure that they can get
7 back over the 200 minimum.

8 MS. GILLMAN: Thank you.

9 MR. BACARISSE: I have a question. Bacarisse,
10 for the record.

11 Just when the survey is done, is it more
12 questions than like/dislike, or is it just an up or down?

13 MR. LUNA: Like or dislike. It's a radio
14 button there, I like the plate, I dislike the plate. We
15 use the eVIEW system that is our website.

16 MR. BACARISSE: Right. Thank you.

17 MR. LUNA: Yes, sir.

18 MR. GRAHAM: There's not a hate button.

19 MR. LUNA: Depends on the plate.

20 (General laughter.)

21 MR. BACARISSE: That's right.

22 Good. Any other questions for Mr. Luna on this
23 item?

24 (No response.)

25 MR. BACARISSE: The chair would now entertain a

1 motion for agenda item 8, please.

2 MS. OMUMU: Chairman, I'd like to make a
3 motion, please.

4 MR. BACARISSE: Yes, Member Omumu, go ahead.

5 MS. OMUMU: I move that the board approve the
6 University of Georgia, Dallas Stars Hockey, and University
7 of Texas at Dallas specialty plates as presented by staff.

8 MR. BACARISSE: Is there a second for this
9 motion?

10 MR. ALVARADO: Second.

11 MR. BACARISSE: Member Alvarado.

12 Very good. Any further discussion?

13 (No response.)

14 MR. BACARISSE: Hearing none, I will entertain
15 the vote, please.

16 Member Alvarado?

17 MR. ALVARADO: Aye.

18 MR. BACARISSE: Member Gillman?

19 MS. GILLMAN: Aye.

20 MR. BACARISSE: Member Graham?

21 MR. GRAHAM: Aye.

22 MR. BACARISSE: Member McRae?

23 MS. McRAE: Aye.

24 MR. BACARISSE: Member Omumu?

25 MS. OMUMU: Aye.

1 MR. BACARISSE: Member Prewitt?

2 MR. PREWITT: Aye.

3 MR. BACARISSE: Member Ramirez?

4 MR. RAMIREZ: Aye.

5 MR. BACARISSE: And I, Charles Bacarisse, vote
6 aye as well. It's unanimous. Thank you. And that is
7 item 8.

8 Now we move on to agenda item 9, and I would
9 like to turn it over to our committee chair, John Prewitt,
10 and Wendy Barron to give a summary of the Projects and
11 Operations Committee meeting that was conducted yesterday
12 afternoon. If members have questions on any of the items
13 from the Projects and Operations Committee update, I'll
14 ask the staff to please come up to the presenter podium to
15 answer any of those questions that may come from the
16 board.

17 Mr. Prewitt, please go right ahead.

18 MR. PREWITT: Well, thank you, Chair Bacarisse,
19 Acting Executive Director Avitia, and members.

20 Yesterday, Members Alvarado, Gillman, McRae and
21 myself of the Projects and Operations Committee met to
22 discuss long range projects and operational improvement
23 items. There are four items that we'll go over today, the
24 first three of which are discussion items and the fourth
25 is an action item.

1 Agenda item 9.A, Glenna Bowman and Eric Horn
2 provided an update on the accounts receivable study.
3 Texas DMV received \$3.5 million in appropriations for the
4 deployment of an accounts receivable system to ensure
5 revenue collections are accurately tracked and
6 consistently done across the department. Texas DMV
7 contracted with Gartner, Inc., on February 5, 2022, to
8 complete a study of the current decentralized process,
9 providing alternatives for future processes and make
10 recommendations for available software and estimated
11 costs.

12 Finance staff are meeting weekly with Gartner
13 to provide information, receive updates, and keep the
14 project on schedule. This study will be completed no
15 later than June 30, 2022. The initial phase includes
16 documentation gathering and interviews with each of the
17 program areas that have an accounts receivable function.

18 Gartner has completed the first draft of all
19 current process diagrams and has begun peer outreach
20 sessions with similar Texas state agencies and DMVs from
21 California and Florida. This information will help
22 determine whether the accounts receivable function will
23 remain decentralized, with the program areas moved to a
24 centralized process within Finance and Administrative
25 Services, or changed to a hybrid process.

1 Ms. Bowman and Mr. Horn are here to answer any
2 questions on this item.

3 The second item is agenda item 9.B regarding
4 the headquarters building project. Glenna Bowman and Ann
5 Pierce provided an update on the headquarters building
6 project. House Bill 2 (87R) appropriated \$6.2 million to
7 Texas DMV for the Phase 1 planning and design of a new
8 headquarters facility at the Camp Hubbard Campus.

9 There are six components to the project as
10 follows: number one, site planning, to include property
11 division and analysis to split the property out properly
12 between the Texas Department of Motor Vehicles and the
13 Texas Department of Banking; number two, a parking study
14 to determine both current and potential future needs;
15 number three, renovation plans for Building 6 to
16 accommodate staff and equipment relocations; number four,
17 Building 5 demolition planning; number six, improvements
18 to Building 7, which is the campus central utility plant.

19 The Texas Facilities Commission, also known as
20 TFC, sent a request for quotes for architectural and
21 engineering services to 1,315 vendors and hosted two
22 vendor conferences. From that we've received 41 vendors
23 participating. And the TFC received 12 viable quotes for
24 consideration, and with input from Texas DMV, narrowed
25 those down to the top three, who were all interviewed in

1 early March and a top candidate was selected.

2 TFC will present the selected candidate at its
3 upcoming April 21 commission meeting. Pending approval,
4 they will move forward with the contract negotiations with
5 the selected vendor. A vendor project kickoff meeting is
6 anticipated to occur sometime in May.

7 TFC has already engaged site service and sub-
8 service utility review services, and Texas DMV is
9 conducting the site visits of other properties to review
10 design elements for consideration. Texas DMV has already
11 also scheduled meetings with various trade and technical
12 experts from Texas DMV and TFC, including mechanical,
13 electrical and plumbing, IT, fire protection and
14 architectural subject matter experts to assist in refining
15 the owner project requirements, or OPR document, which
16 outlines the component systems to be included in the new
17 building. We will also be meeting with division directors
18 and representatives so each division has an opportunity to
19 participate and share their division's specific desires
20 and needs.

21 Once Phase 1 continues, we will have design
22 drawings and fully detailed construction cost estimates
23 that we can present for the year '24-25 legislative
24 appropriations request, or LAR, for the Phase II
25 demolition and construction component of the overall

1 project.

2 Ms. Bowman and Ms. Pierce are here to answer
3 questions on this item.

4 And that brings us to agenda item 9.C, which is
5 why Wendy is here with us today, active agency projects.
6 Wendy is going to provide an update on active agency
7 projects overseen by Information Technology Services
8 Division management office.

9 At this time I'll turn it over to her capable
10 ability to update the board on these active projects.

11 MS. BARRON: Thank you, Member Prewitt.

12 Good morning, Chairman, members of the Board,
13 Director Avitia. For the record, I'm Wendy Barron, chief
14 information officer for the Texas Department of Motor
15 Vehicles.

16 Yesterday I presented a briefing on the active
17 agency technology projects to the Projects and Operations
18 Committee. This is a briefing item only and no
19 recommendations were made.

20 My update included a description and status
21 update on the ten active projects that are overseen by the
22 Information Technology Division Project Management Office,
23 and then also, two operational initiatives that are
24 focused around the Registration and Title System. Seven
25 of the ten active projects are in green status, with two

1 being in yellow and one being in red. They are in yellow
2 and red because of scope and scheduling issues that the
3 project managers are working with the project teams to
4 mitigate those issues and bring those projects back into
5 alignment.

6 The projects that I reviewed yesterday include
7 the following: the statewide webDEALER adoption project
8 Phase II; the webSALVAGE project; the RTS projects that I
9 covered included the tax assessor-collector T1 upgrade and
10 the tax assessor-collector workstation refresh, the RTS
11 batch cycle project; and then the two RTS initiatives
12 including RTS support and RTS performance stabilization.
13 I also covered: the digital license plates project; the
14 call center upgrade Phase II project; the Texas
15 International Registration Plan, or TxIRP, upgrade
16 project; Texas by Texas; and then Motor Carrier
17 Credentialing System, or MCCS, upgrade.

18 This concludes my presentation and I'm
19 available to answer any questions you may have.

20 MR. BACARISSE: Members, any questions on this
21 portion of a very busy Projects and Operations agenda --
22 which is good to see.

23 MS. McRAE: Chairman, I have a comment.

24 MR. BACARISSE: Member McRae.

25 MS. McRAE: Wendy, I would just like to, on

1 behalf of the tax assessor-collectors statewide, thank the
2 agency for all of the efforts that have gone into
3 correcting the slowness issue that we have seen so much
4 over the past several months. It greatly impacted our
5 offices and y'all have worked tirelessly and taken many
6 calls to try to identify and resolve the issues, so I do
7 appreciate that.

8 MS. BARRON: You're welcome.

9 MS. McRAE: And on the webDEALER, I also
10 commend you. This group has a long list of tickets that
11 we as tax assessors call in, and these are fixes or
12 enhancements to make us operate more efficiently, so thank
13 you again for all of the efforts in that area as well. We
14 appreciate it.

15 MS. BARRON: You're welcome.

16 MR. BACARISSE: Good.

17 MR. PREWITT: Thank you, Wendy.

18 I might add that we're currently, I think,
19 dealing with some 80-plus projects in the IT area in the
20 TxDMV. So the board has just seen a very brief listing of
21 all the things going on; there's quite a bit. So kudos to
22 the staff for their hard work, appreciate that.

23 MR. BACARISSE: Absolutely.

24 MR. PREWITT: Mr. Chairman, I'd like to go
25 ahead and move on to agenda item 9.D. This is an action

1 item. This is to replace the balanced scorecard with key
2 performance indicators for the department's performance
3 measurement system.

4 Acting Executive Director provided an update to
5 the Projects and Operations Committee on the balanced
6 scorecard. The department staff has worked on the
7 development of the balanced scorecard and its 26 lead and
8 lag measures since 2018, after the board approved the
9 balanced scorecard to be the department's performance
10 measurement system.

11 Best practice for data reporting of
12 organizational ability has moved away from balanced
13 scorecards, and department staff has been providing
14 monthly and/or quarterly reports on key performance
15 indicators since fiscal year 2013 and the board currently
16 receives quarterly reports of this via the board's
17 SharePoint site.

18 The Projects and Operations Committee did
19 approve Mr. Avitia's recommendation that the committee
20 recommend that the full board adopt the key performance
21 indicators as the department's performance measurement
22 system, which will replace the balanced scorecard.

23 Mr. Avitia is here to answer any questions the
24 board may have regarding this item.

25 MR. BACARISSE: Thank you, Chairman Prewitt.

1 And Wendy, thank you.

2 Are there any questions for Committee Chair
3 Prewitt or staff before we take action on agenda item 9.D?

4 MR. GRAHAM: Mr. Chairman?

5 MR. BACARISSE: Member Graham.

6 MR. GRAHAM: I do not have anything on 9.D,
7 just at the conclusion of 9.D, I just would like to go
8 back and revisit 9.B for a moment, but not regarding this
9 motion.

10 MR. PREWITT: Certainly.

11 Mr. Chairman?

12 MR. BACARISSE: Yes, go ahead.

13 MR. PREWITT: If it please the chairman, I
14 would like to go ahead and make a motion regarding agenda
15 item 9.D.

16 MR. BACARISSE: Please go ahead, Mr. Prewitt.

17 MR. PREWITT: I move that the board adopt the
18 key performance indicators as the department's performance
19 measurement system which will replace the balanced
20 scorecard.

21 MR. BACARISSE: And is there a second to that?

22 MS. GILLMAN: I second, Mr. Chairman.

23 MR. BACARISSE: Member Gillman. Just making my
24 little scribbles here. Thank you.

25 Any other questions on this agenda item before

1 we call a vote from members?

2 (No response.)

3 MR. BACARISSE: Seeing none, I will call the
4 vote at this point.

5 Member Alvarado?

6 MR. ALVARADO: Aye.

7 MR. BACARISSE: Member Gillman?

8 MS. GILLMAN: Aye.

9 MR. BACARISSE: Member Graham?

10 MR. GRAHAM: Aye.

11 MR. BACARISSE: Member McRae?

12 MS. McRAE: Aye.

13 MR. BACARISSE: Member Omumu?

14 MS. OMUMU: Aye.

15 MR. BACARISSE: Member Prewitt?

16 MR. PREWITT: Aye.

17 MR. BACARISSE: Member Ramirez?

18 MR. RAMIREZ: Aye.

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

21 We now can move to Finance and Audit.

22 MR. AVITIA: Member Graham.

23 MR. BACARISSE: I'm sorry. Member Graham, item
24 B. Sorry.

25 MR. GRAHAM: I just had a question for Chairman

1 Prewitt regarding the ongoing facilities project. Two
2 years into COVID, I would be interested to know at this
3 point what -- and this is probably a question for Director
4 Avitia -- what percentage of DMV employees are still
5 working remotely? Do we as an agency have an idea of what
6 that might look like long term, and how are we considering
7 those -- how is that impacting the project that we're
8 currently looking at for headquarters?

9 MR. PREWITT: That issue did come up in
10 yesterday's committee meeting, not specifically as to how
11 many of the staff are currently working remotely, but the
12 issue of what the actual demands and needs for the agency
13 are going forward, given the staffing model may change as
14 far as in-person versus remote working, and just also the
15 growth of the State of Texas and where the agency might be
16 in 20-30 years. It's hard to guess, but I will let
17 Director Avitia address the number of employees, if he
18 wishes.

19 MR. AVITIA: Thank you, Member Prewitt.

20 For the record, Daniel Avitia, acting executive
21 director.

22 Member Graham, I appreciate that question.
23 There was some good discussion about the current model and
24 the amount of staff that are teleworking. At current we
25 have about 75 percent of our staff that have some sort of

1 telework benefit, not to say that they telework 100
2 percent because most of our staff are already in somewhat
3 of a new normal, as we call it, two to three days a week.

4 Plus we've already identified all of the staff that are
5 required to be in the office every day based on their
6 duties and responsibilities that need to be carried out
7 for the agency.

8 Not to say that that will remain the same
9 forever because we are looking at that constantly, and we
10 want to make sure that as an agency we, the TxDMV, are not
11 an outlier as compared to other agencies and other
12 entities making staff or asking staff return to the
13 office. Right? We want to make sure that we're in sync,
14 if not ahead of things.

15 I can tell you that my working knowledge with
16 other state agencies, the TxDMV has brought staff back
17 faster than most agencies, and some agencies are just now
18 getting to bringing staff back at least two days a week.

19 As far as the future model, when we look at
20 building and construction of a new facility, every single
21 one of the architect and engineer firms that we
22 interviewed expressed an extreme need to understand what a
23 future model might look like based on how things are
24 working today, with also keeping in mind what an agency
25 might look like in 50 years as well, as we look at how

1 long buildings are occupied before they need to be
2 renovated, updated or even made larger.

3 One of the things that we did mention in
4 yesterday's P&O Committee meeting was we would bring all
5 of the information back to this board and share that
6 information as it relates to our discussions with
7 architects and engineers and what the current model is and
8 what the future model might look like. I think it's
9 important for this board to have that type of transparency
10 as we move forward in this process.

11 And just for everybody's awareness on the board
12 as well, we are very much in just the beginning stages of
13 working with architects and engineers. An architect and
14 engineer has not been selected by the Texas Facilities
15 Commission, but our understanding is that that will happen
16 on the 21st of this month and then we will know who we'll
17 be contracted with through the Texas Facilities
18 Commission. And again, we will share that information
19 with you, Member Graham, and the rest of the board.

20 Did I answer your question, sir?

21 MR. GRAHAM: Yeah, that's very helpful, yeah,
22 that's good. I'm sure that's going to lead to some very
23 interesting, potentially difficult decisions, but I'm sure
24 you will have your hands around it. So thank you.

25 I do have one last observation. As of, I

1 think, 10:02 a.m. this morning, if I'm not mistaken, all
2 media has left the room.

3 MR. BACARISSE: Oh, they're just outside.

4 MR. GRAHAM: Oh, they are. I was hoping we
5 were headed back to being a boring agency.

6 MR. BACARISSE: No, not yet.

7 (General laughter.)

8 MR. GRAHAM: Well, they're not in here anyway.
9 Thank you, Director.

10 MR. BACARISSE: Yes, thank you.

11 Member Gillman.

12 MS. GILLMAN: Clarification. Daniel, how many
13 people are there on the Austin Camp Hubbard Campus related
14 to DMV? How many employees in Austin?

15 MR. AVITIA: In Austin about 500.

16 MS. GILLMAN: So that's about -- so if it's 25
17 percent are everyday people, that's around 150?

18 MR. AVITIA: That's correct, yes, ma'am.

19 MS. GILLMAN: And then the 350 come in two to
20 three days a week, average.

21 MR. AVITIA: Two to three days a week, correct.

22 We have realized -- just for everybody's
23 information as well, we have realized some pretty
24 significant gains in performance as it relates to some of
25 our divisions, such as the Consumer Relations Division.

1 They are working very well remotely and will probably
2 continue to do so just because their metrics have remained
3 constant, if not have improved, because of the telework
4 opportunity.

5 One of the other things that I'll mention is
6 telework has allowed us to recruit outside of the Austin
7 Metro area. As we all know, the Austin Metro area has
8 become extremely expensive to live in and our Consumer
9 Relations Division staff are some of the lowest paid
10 staff, so this has also allowed the department the ability
11 to recruit far and wide throughout the State of Texas for
12 those types of positions.

13 Member Gillman, did I answer your question,
14 ma'am?

15 MS. GILLMAN: Yes, sir. Thank you very much.

16 MR. AVITIA: Thank you.

17 MR. BACARISSE: Thank you.

18 These are all great questions.

19 MR. RAMIREZ: Mr. Chairman?

20 MR. BACARISSE: Oh, I'm sorry. Yes, Member
21 Ramirez.

22 MR. RAMIREZ: Executive Director Avitia, I know
23 we may not have direct metrics on it -- or maybe you do --
24 productivity and performance. Have we seen any measurable
25 difference in having people in or out of the office?

1 And it sounds like the model we're shifting to
2 with hiring folks from outside of the Austin Metro region
3 is to allow full-time telework, and so those will be
4 considered in the new building, but have you seen a
5 difference in performance or efficiencies in the agency?

6 MR. AVITIA: Member Ramirez, thank you for that
7 question.

8 Yes, sir, we have. As we were just previously
9 discussing, balanced scorecard, as it now relates to
10 adopting the key performance indicators, the department
11 has about 85 key performance indicators scattered
12 throughout each of the divisions in the agency. And we
13 monitor those activities, and those KPIs, or key
14 performance indicators, give us a good account of how good
15 performance is within each division or not.

16 We have not seen a drop in service or support
17 in any one division per se that would indicate that
18 telework is not working for those divisions. In fact, we
19 have seen the numbers either remain steady or increase.

20 One of the good things that I will add with
21 regard to some of the telework functions -- and Director
22 Levitt can probably speak to this, but I think I can cover
23 it just fine -- we've also seen a decrease in department
24 employee issues because we don't have the water cooler
25 talk.

1 MR. BACARISSE: They're not around each other.

2 MR. AVITIA: Not around each other, correct.

3 We don't have people complaining about their cube mate
4 singing or not knowing how to sing. So you know, as an
5 agency, a mid-size agency, we have also seen a decrease in
6 employee relations issues as it relates to telework.

7 MR. RAMIREZ: Excellent. Thank you, sir.

8 MR. AVITIA: Thank you.

9 MR. BACARISSE: I think it is a challenge and
10 will be for any employer in the Austin area to be able to
11 recruit and retain good employees. The economics are such
12 that state government as a whole will be challenged on
13 this.

14 We'll have lots of great conversations, I know,
15 as this project moves forward in particular because we all
16 want to make sure that we make decisions now that will be
17 the right decisions for this project. We're building
18 something that we're going to live with long after we're
19 all gone, and that's challenging.

20 MR. AVITIA: Indeed, sir.

21 MR. BACARISSE: So it will be quite a process.

22 Any other questions, members, on this subject?

23 (No response.)

24 MR. BACARISSE: Chairman Prewitt, thank you
25 very much.

1 MR. PREWITT: Yes, sir.

2 MR. BACARISSE: And I will now move to agenda
3 item, I believe. Right? We voted on D, so we're on 10
4 now. I got so excited about the building, sorry.

5 Agenda item 10 is Finance and Audit, and this
6 is a great opportunity to turn it over to Glenna Bowman
7 and John Ralston to present item 10.A.

8 MS. BOWMAN: Good morning, Chairman Bacarisse,
9 Board members, Director Avitia. For the record, I'm
10 Glenna Bowman, chief financial officer for the Texas
11 Department of Motor Vehicles. I have with me John
12 Ralston, who is our director of Budget and Forecasting,
13 who is available to help answer questions.

14 In the board materials beginning on page 43 you
15 have TxDMV fiscal year FY2022 financial report for
16 September 1, 2021, through February 28, 2022. This report
17 contains information on projected and actual revenues, as
18 well as budgeted and actual expenditures for the first six
19 months of this fiscal year.

20 The report includes a stand-alone report for
21 TxDMV Fund 10 and information on selected statistics that
22 may have an impact on revenue. As you know, TxDMV is
23 self-supporting and funds almost all of its expenditures
24 through revenues deposited to TxDMV Fund 10. The Motor
25 Vehicle Crime Prevention Authority, or MVCPA, is fully

1 funded through fees deposited to the General Revenue Fund.

2 Highlights of the department's revenues,
3 expenditures and fund balances for the first six months of
4 the fiscal year include the following. On page 44 you'll
5 see that TxDMV collected \$930.6 million in revenue in all
6 funds. This is .3 percent more than collections during
7 the first six months of fiscal year 2021. In FY2022 the
8 state has shown a steady growth pattern in almost all
9 sectors, resulting in increases in almost categories of
10 revenue.

11 Title revenue has increased 34.8 percent from
12 FY2021 to FY2022, comparing the first six months of each
13 year, and most of that increase is attributable to
14 restarting collection of the delinquent title transfer
15 penalty which was formerly waived by the governor.
16 Because that waiver ended on April 2021, last year, the
17 year-over-year percentage change for this revenue category
18 is expected to decrease as the year continues, however, we
19 expect that revenues will still be higher this fiscal year
20 than compared to last year.

21 On page 46 you can see TxDMV Fund 10 revenue
22 collections total \$82.7 million. This is a 19.3 percent
23 increase compared to the first six months of FY2021.
24 Again, just like it was for all funds, the majority of
25 that increase is related to the motor vehicle title

1 revenue because of that waiver that's no longer in effect.

2 Expenditures and outstanding obligations in all
3 funds total \$127.8 million. You won't see that total
4 exactly on the report on page 51, but you will see \$68.6
5 million in expenditures and \$59.2 million in encumbrances
6 or obligations, things that were contracted for but we
7 haven't received the services yet.

8 And I'm sorry, back on page 47, you will see
9 the TxDMV Fund 10 expenditures of \$67.6 million and
10 encumbrances of \$44.7-. In addition to those that are
11 shown on the TxDMV statement, MVCPA has posted a million
12 dollars in expenditures and \$14.5 million in encumbrances
13 in General Revenue through the end of February.

14 The department did collect sufficient revenue
15 in the first half of FY2022 to support its year-to-date
16 expenditures, and the adjusted balance for TxDMV Fund 10
17 as of February 28 is \$119.6 million.

18 If you go to page 51, you'll see expenditures
19 by category. That includes salaries and related costs,
20 contract services for license plate production, printing
21 costs for vehicle titles and registration forms, postage
22 and professional fees and services which includes our Data
23 Center services cost.

24 And included in expenditures is \$4.2 million
25 for contract payments to License Plates of Texas, LLC,

1 which is the My Plates specialty plates vendor. Contract
2 payments to My Plates are contingent upon revenues
3 collected, and we're doing well in that category. And
4 then also included within the total obligations amount is
5 \$13.3 million in grants awarded by the MVCPA.

6 On page 52 you can see the FY2022 capital
7 projects budget through February 28, which include
8 expenditures of \$7.6 million and encumbrances of \$12
9 million, for a total of \$19.6 million. This includes \$6.4
10 million for automation system projects, which includes our
11 Texas by Texas project, RTS support and statewide
12 webDEALER.

13 On page 53 we have other information resource
14 projects, which includes our Data Center services at \$10.1
15 million, \$1.3 million for our International Registration
16 Plan project, the upgrade that's going on that Jimmy
17 Archer is working on, and \$851,000 for county technology.

18 The remaining capital obligations are for our regional
19 service centers maintenance, replacement vehicles, and
20 headquarters maintenance.

21 That's a very high level overview of our
22 financial statements, but that concludes my formal remarks
23 and I'm happy to answer questions you may have.

24 MR. BACARISSE: Thank you, Ms. Bowman.

25 Members, any questions on this presentation?

1 MS. GILLMAN: I have a question.

2 MR. BACARISSE: Yes, Member Gillman.

3 MS. GILLMAN: Glenna, thank you for your
4 presentation. You were going fast.

5 MS. BOWMAN: Yes, ma'am, sorry.

6 MS. GILLMAN: Can you direct me where is it --
7 what page in the board book do I look at to see those
8 titling -- I call them titling fees, the fees that were
9 suspended for a little while and now are back? And you
10 said 34 percent increase?

11 MS. BOWMAN: Yes, ma'am.

12 MS. GILLMAN: Show me and help me understand
13 that category.

14 MS. BOWMAN: Yes. Let me get to the right
15 page. If you look on page 44 of your materials, go down
16 to the table on the bottom which has our FY2021 and '22
17 revenue by category, and the first one says Motor Vehicle
18 Certificates of Title. If you go over to the far right,
19 you can see the 34.8 percent difference and you can see
20 the dollar amounts. So we actually have \$11 million more
21 this year than this time last year.

22 MS. GILLMAN: So is this a combination of the
23 regular title fee which is -- what is it for the State of
24 Texas, \$15 or something?

25 MS. McRAE: Thirty-three for emissions

1 counties, and \$28 for non-emissions counties.

2 MS. GILLMAN: Okay. There we go.

3 MS. BOWMAN: I'll bring Brian Kline next time.

4 MS. GILLMAN: It's a combination of that fee
5 plus the late fees, I'm going to call it, so what would
6 you say of the \$44 million? What percentage is the normal
7 title fee, that 30 bucks, and how much are the late fees?

8 MS. BOWMAN: That is great question, and I do
9 not have the answer with me here, but I can get you that
10 and I can certainly share that with the rest of the board.
11 I should have brought Brian Kline, he's our resident
12 expert on fees and we just put together a list of all the
13 fees.

14 MS. GILLMAN: Honestly, I didn't think you'd
15 know it off the top of your head.

16 MS. BOWMAN: I should.

17 MS. GILLMAN: But I think where I'm going is
18 I'm wanting to understand the penalty aspect of webDEALER
19 and to see if -- what was normal in normal times and
20 what -- I guess I would call that pre-COVID. And I
21 understand the suspension, by the way; that was very much
22 appreciated during COVID.

23 But now after -- I'm going to call it after-
24 COVID even though it still is with us a bit. But after-
25 COVID -- and this kind of relates to me what that would

1 indicate is is our office at DMV still behind, are the
2 dealers still behind.

3 Volume of automobiles, because of lack of
4 inventory, has been going down, so I'm just curious as to
5 whether or not the fees and fines are relatively going
6 down because volume is down, or if fees and fines are
7 going up.

8 MS. BOWMAN: How are we doing, are we looking
9 more normal or are we going down.

10 MS. GILLMAN: And it's we as an industry, we as
11 an agency, we as dealers processing titles, are we getting
12 better or worse, and to me, one indicator is the fines and
13 fees separate from just title fees.

14 MS. BOWMAN: Correct.

15 MS. GILLMAN: Is that reasonable to look at?

16 MS. BOWMAN: That is absolutely reasonable to
17 look at, and again, I do not have that information with me
18 today, but we will look at that.

19 When we started this year we did make
20 projections that were based on kind of going back to
21 normal. That was before we really knew what impact the
22 supply chain and the chip shortage and all of that was
23 going to have on the dealerships and the available
24 inventory.

25 And I have not looked at it personally in the

1 last month or so, but we can look. We can separate out
2 some of those revenues and we can see.

3 I don't know if anybody, Roland or anybody, if
4 anybody else has any other information in terms of
5 numbers.

6 MS. GILLMAN: Just as a kind of what I'm seeing
7 out there is with inventory shortages, used cars are a
8 commodity, you know, values are higher than they ever have
9 been, and all dealers, franchised dealers and
10 independents, are reaching out, stretching and often
11 outside of state. And also with the population in Texas,
12 a lot of people coming in from out of state.

13 We've got a lot of out-of-state titles, and it
14 is a challenge to get these titles because often DMV and
15 financial institutions are also not quite back at the
16 capacity, labor capacity to process things. So it's a
17 combination.

18 And titling, the fees associated with
19 webDEALER, while I know that they were put in place to
20 encourage all dealers to go fast and provide titles for
21 our consumers and get these transactions processed, it's
22 really difficult. And I'm speaking in my experience as a
23 dealer. Sometimes it's not our fault.

24 And so I just would like to explore this and
25 see through the data how things are going with fines and

1 fees.

2 MS. BOWMAN: We'll be happy to take a deeper
3 dive into that and provide y'all with some information.

4 MS. GILLMAN: All right. Thank you.

5 MS. BOWMAN: I think I understand what you're
6 asking for.

7 MR. BACARISSE: I appreciate that, Member
8 Gillman. I think we'd all be interested to see that
9 overall look.

10 And then as Member Gillman might have more
11 questions, you can collaborate between Glenna and Daniel,
12 but getting to that of your challenge as a dealer, which
13 I'm sure is shared across the state. The time it takes to
14 get title back from other states from that used vehicle
15 has come from has made hitting the mark, in some
16 instances, a real challenge.

17 MS. GILLMAN: Yes. Thank you.

18 MR. BACARISSE: That makes sense.

19 Members, any other questions for Ms. Bowman?

20 (No response.)

21 MR. BACARISSE: Glenna, thank you for your
22 time, your presentation. Thank you.

23 We can now move to item B, which is again
24 Glenna, Strategic Plan.

25 MS. BOWMAN: All right. We'll see how fast I

1 can go through this and see what questions you can have to
2 stump me on this topic.

3 (General laughter.)

4 MR. BACARISSE: Well, don't go fast, we're
5 okay.

6 MS. BOWMAN: That's okay. Good morning again.

7 For the record, I'm Glenna Bowman, chief financial
8 officer for the Texas Department of Motor Vehicles.

9 This item is a briefing only. It's information
10 on our department's activities related to the strategic
11 plan.

12 In accordance with instructions for preparing
13 and submitting agency strategic plans that are issued by
14 the Legislative Budget Board and the Governor's Office,
15 the department is in the process of developing its
16 strategic plan for 2023 through 2027. This plan includes
17 several required elements, including our mission and
18 vision statement, our budget structure which is our goals,
19 objectives and strategies that are laid out in the General
20 Appropriations Act, our performance measures, redundancies
21 and impediments -- which Keith Yawn has talked to you all
22 about a little bit -- our workforce plan, and customer
23 satisfaction report. The complete strategic plan is due
24 to the LBB and the Governor's Office on June 1 of this
25 year.

1 We did request changes to the budget structure
2 and performance measures on April 1. Having said it that
3 way, we are proposing no changes to the structure itself
4 for our budget that's laid out in the General
5 Appropriations Act, that would look like it does right
6 now.

7 We did request one minor title change to Motor
8 Carrier Permits and Credentials, that's how it's titled
9 now, and we asked for it to be changed to Motor Carrier
10 Services. This change is similar to one that was
11 requested last session and was approved for the Motor
12 Vehicle Division strategy.

13 We also are updating our goal and strategy
14 descriptions. They're just minor wording changes that
15 clarify the meaning and update the nomenclature. One of
16 the things we typically do is refer to TxDMV as the
17 department rather than agency, and our materials have
18 agency. So they're very nonsubstantive cleanup kind of
19 items that we're requesting, and expect those to be
20 approved.

21 Our performance measures, we have 12
22 performance measures that are published and approved by
23 the LBB and Governor's Office. So we have been
24 coordinating with Bryan Wilson and the MVCPA on their
25 performance measures, and we are proposing changes to

1 delete two of their performance measures which are the
2 number of stolen vehicles per 100,000 registered and
3 stolen vehicle recovery rate.

4 The reason that we're requesting those
5 solutions is that we are relying on outside data that
6 we're not able to get in time to prepare our annual
7 performance measures, and that's been going on for several
8 years, and so we basically have not been reporting. We
9 give them the line item and say: Respectfully, we don't
10 have the information to provide this measure. So asking
11 to get rid of those.

12 But in its place -- the place of those two,
13 we're requesting a new measure which is the number of
14 grants awarded, and data for this measure is readily
15 available. It's an indicator of MVCPA's compliance with
16 the statutory responsibilities to issue grants.

17 And then we would also be retaining the current
18 output measure, number of stolen vehicles recovered, so
19 there's still information on that important metric. But
20 we are requesting a change to the methodology for
21 compiling that information because we also have a timing
22 issue on when we have data available.

23 We are on the other measures making some minor
24 grammatical, conformity and syntax updates, but none of
25 those changes are substantive.

1 And that concludes my formal remarks. Do you
2 have questions?

3 MR. BACARISSE: Members, any questions for Ms.
4 Bowman on this item?

5 MR. RAMIREZ: Mr. Chairman?

6 MR. BACARISSE: Yes, Member Ramirez.

7 MR. RAMIREZ: A general comment, also just to
8 touch back on your last one, I know it's a bear to unwind
9 that slinky from having the fees stalled and then receive
10 them all at once, so you're doing a great job. I just
11 want to make that comment.

12 But also in the strategic plan, I know that
13 coming up with some of the new security measures that
14 we're implementing and the checks that compliance is going
15 to be required to do on dealers, just the additional
16 things we're asking, I'd hope that that's laid out in the
17 FTE structure that we're asking. I know we already run a
18 pretty lean machine.

19 I mean, you look at our expenditures as an
20 agency, we're pretty light when it comes to salaries,
21 we're pretty light when it comes to personnel, so we run
22 pretty lean. But I would hope that it's reflected, and I
23 know that it will be. For the additional requirements
24 that we're going to put on staff, we will need some
25 additional resources.

1 MS. BOWMAN: Yes, and we're already having
2 conversations internally about the legislative
3 appropriations request.

4 MR. RAMIREZ: Thank you.

5 MR. BACARISSE: Mr. Avitia.

6 MR. AVITIA: Chairman, thank you.

7 Member Ramirez, that point is very well taken
8 and we will be talking about FTEs during our closed
9 session as well and what that might look like coming up
10 for a legislative ask, potentially.

11 MR. BACARISSE: All right. Good. Thank you,
12 Ms. Bowman, appreciate it.

13 MS. BOWMAN: Thank you.

14 MR. BACARISSE: Members, anything else on this
15 point?

16 (No response.)

17 MR. BACARISSE: Okay. Thank you.

18 We'll now move to agenda item 10.C, and I'd
19 like to ask Ms. Ann Pierce to come up and brief us on the
20 regional service center in Midland/Odessa contract.

21 Good morning.

22 MS. PIERCE: Good morning. For the record, Ann
23 Pierce, director of Administrative Services. Good
24 morning, Chairman; good morning, Board; and good morning,
25 Executive Director Avitia.

1 Agenda item 10.C is in conjunction with a
2 previously board-approved project regarding the
3 Midland/Odessa Regional Service Center remodeling project
4 that we're doing in partnership with TxDOT, since we're on
5 TxDOT's property there in the Odessa District. It finally
6 has started moving forward. We had some hurdles to
7 overcome after that approval since we're on TxDOT's
8 timeline.

9 TxDOT is already in the process of Phase I,
10 which includes needed associated swing space. So we're
11 looking at putting a portable building in the parking lot
12 so that our customers can still be well served and they're
13 still in the same general location. That building is
14 being suited with utilities and cable and security needs.

15
16 So now that that part is moving forward and the
17 portable has been delivered and we're starting to get it
18 geared up and we have somewhere to move the staff, it's
19 DMV's turn. We're responsible for the Phase II component
20 which is the heavy lift of the project. It's a turnkey
21 demolition and construction service contract.

22 So in talking to our TxDOT contacts, since they
23 are local there and they do kind of have a feel for what
24 the construction costs are going to be, they're indicating
25 that they believe this turnkey need is going to be between

1 \$250- and \$300,000. That is obviously over our \$200,000
2 internal limit, so I'm here today to respectfully request
3 permission for y'all to grant authority to the executive
4 director to approve that amount up to \$300,000 by our
5 executive director, should it actually come in over that
6 cost.

7 We're just now putting the contract out for
8 bid. We're just trying to be proactive and get ahead of
9 things so that we keep things on schedule.

10 MR. BACARISSE: And you might also keep the
11 cost down the faster we can move.

12 MS. PIERCE: We're going to cross our fingers,
13 we're definitely going to cross our fingers. But just in
14 case, we wanted to come get this permission so that we can
15 move things forward.

16 MR. BACARISSE: Good.

17 Members, any questions for Ms. Pierce on this
18 item? This is an action item.

19 (No response.)

20 MR. BACARISSE: No? Okay, very good.

21 Thank you, Ms. Pierce, I appreciate it.

22 Do we have a motion on this request to give the
23 executive director authority to commit us to this
24 contract?

25 MS. GILLMAN: I have a motion, Mr. Chairman.

1 MR. BACARISSE: Yes, Member Gillman.

2 MS. GILLMAN: I move that the board authorize
3 the department's acting executive director, or his
4 designee, to negotiate and execute the contract for Phase
5 II of the Midland/Odessa Regional Service Center remodel
6 project in an amount not to exceed \$300,000.

7 MR. BACARISSE: Is there a second for this
8 motion?

9 MS. OMUMU: I second, Mr. Chairman.

10 MR. BACARISSE: Member Omumu, thank you.

11 Any further discussion on this item, any
12 questions?

13 (No response.)

14 MR. BACARISSE: Hearing none, I'll call the
15 vote.

16 Member Alvarado?

17 MR. ALVARADO: Aye.

18 MR. BACARISSE: Member Gillman?

19 MS. GILLMAN: Aye.

20 MR. BACARISSE: Member Graham?

21 MR. GRAHAM: Aye.

22 MR. BACARISSE: Member McRae?

23 MS. McRAE: Aye.

24 MR. BACARISSE: Member Omumu?

25 MS. OMUMU: Aye.

1 MR. BACARISSE: Member Prewitt?

2 MR. PREWITT: Aye.

3 MR. BACARISSE: Member Ramirez?

4 MR. RAMIREZ: Aye.

5 MR. BACARISSE: And I, Charles Bacarisse, vote
6 aye as well and it's unanimous. Thank you, members.

7 So we move to agenda item 10.D, and so we'll
8 hear from Jason Gonzalez, and he'll lay out the FY2022
9 second six-month internal audit plan.

10 The floor is yours.

11 MR. GONZALEZ: Thank you. Good morning, Board
12 Chairman and Board members. For the record, my name is
13 Jason Gonzalez, senior internal auditor. We're here to
14 ask the board to approve the department's fiscal year 2022
15 second six-month internal audit plan.

16 The audit plan was developed based on the
17 results of the second six-month risk assessment, and our
18 team evaluated our risk library and met with senior and
19 executive staff to identify the department's risks.

20 We scored those risks one to five, five being
21 the highest, and it's based on likelihood and impacts are
22 some of the measures we reviewed. We reviewed 425 risks
23 during the risk assessment and identified 31 high and very
24 high risks.

25 Just for your information, once we identified

1 high risks, we met with management again and obtained
2 mitigation plans for those 31 risks. We shared that with
3 executive management as well.

4 MS. GILLMAN: Is there a list of those 31
5 anywhere?

6 MR. GONZALEZ: We've shared that with
7 management; we do not have them outlined in this.

8 MS. GILLMAN: Okay.

9 MR. GONZALEZ: We've identified two operational
10 areas for the second six months. They're information
11 technology and operational. The information technology
12 project is business continuity, and then the operational
13 side is contract development and then a continuation of
14 the dealer licensing process. It's a carryover from the
15 first risk assessment and audit plan.

16 We'll also be performing value-added services.
17 We have some required engagements that we have to do.
18 Those are audit recommendations and implementation status.
19 It's development of the fiscal year 2023 risk assessment
20 and audit plan.

21 And then we're going to start our quality
22 assurance and improvement program. That's looking at our
23 department or our division against best practices in other
24 internal audit departments as well as our capabilities.

25 The detail for the two projects we have

1 selected, business continuity and disaster recovery, those
2 can be found on page 60 of your board books, and then
3 contract development. With business continuity and
4 disaster recovery, just with the current environment, it
5 became a high risk for the department, and so that's why
6 we selected that. Increased cybersecurity awareness is
7 something we felt we needed to look at.

8 Contract development, that's something that's
9 going on within the state as well, and it was something
10 that was on our risk assessment, and that's why we
11 selected it.

12 Any questions?

13 MR. BACARISSE: Members, any questions for Mr.
14 Gonzalez?

15 MS. GILLMAN: I have a question.

16 MR. BACARISSE: Yes, Member Gillman.

17 MS. GILLMAN: Does business continuity and
18 disaster recovery -- and this is for my education. Does
19 that mean that you all have heightened awareness because
20 of so many people not working in the office and working
21 remotely that there might be more potential for cyber
22 attack or diseases?

23 MR. GONZALEZ: I do think that's a factor, but
24 it's more looking at like from an enterprise perspective
25 and just the industry in and of itself. Technology is

1 moving so rapidly and changing so quickly, I think that's
2 the component we want to focus on, and if something were
3 to occur, how do we address it, are we prepared to address
4 it.

5 We'll be looking at the controls we already
6 have in place and then looking at the controls that are
7 currently designed and moving forward. I think the
8 department is doing a good job of identifying that, but we
9 want to provide assurance that the measures being taken
10 are going to address the potential risks we have.

11 MS. GILLMAN: I think that's excellent. Thank
12 you.

13 MR. BACARISSE: Any other questions for Mr.
14 Gonzalez?

15 (No response.)

16 MR. BACARISSE: Let me say, as a point of
17 personal privilege for a moment, Jason, thanks for your
18 service in the interim in Internal Audit. I've
19 appreciated the work, and it's been a pleasure speaking
20 with you on a regular basis as you've kept us updated.

21 MR. GONZALEZ: Thank you. I've enjoyed it. It
22 was a great experience. I appreciate it, thank you.
23 Thank you for your support through the entire six months.

24 MR. BACARISSE: Absolutely.

25 MS. McRAE: Great job.

1 MR. BACARISSE: At this point the chair would
2 entertain a motion for agenda item 10.D if there's no
3 further discussion.

4 MR. GRAHAM: Mr. Chairman, I'll make a motion.

5 MR. BACARISSE: Yes, Member Graham.

6 MR. GRAHAM: I move that the board approve the
7 fiscal year 2022 second six months internal audit plan, as
8 presented by staff.

9 MR. BACARISSE: Is there a second?

10 MS. McRAE: I'll second, Mr. Chairman.

11 MR. BACARISSE: Thank you, Member McRae.

12 Is there any further discussion on this item?

13 (No response.)

14 MR. BACARISSE: Hearing none, I will call the
15 vote.

16 Member Alvarado?

17 MR. ALVARADO: Aye.

18 MR. BACARISSE: Member Gillman?

19 MS. GILLMAN: Aye.

20 MR. BACARISSE: Member Graham?

21 MR. GRAHAM: Aye.

22 MR. BACARISSE: Member McRae?

23 MS. McRAE: Aye.

24 MR. BACARISSE: Member Omumu?

25 MS. OMUMU: Aye.

1 MR. BACARISSE: Member Prewitt?

2 MR. PREWITT: Aye.

3 MR. BACARISSE: Member Ramirez?

4 MR. RAMIREZ: Aye.

5 MR. BACARISSE: And I, Charles Bacarisse, vote
6 aye as well.

7 Thank you, Mr. Gonzalez, appreciate it very
8 much.

9 MR. GONZALEZ: Thank you.

10 MR. BACARISSE: We'll now move to agenda item
11 number 11, which is an action item. It's the renewal of
12 the contract for the Texas Permitting and Routing
13 Optimization System, TxPROS, and delegation of authority
14 to the executive director to execute any renewal contract.

15 So Mr. Archer is here to lay that out for us.
16 You have the floor, sir. Thank you.

17 MR. ARCHER: Good morning, Chair Bacarisse,
18 members of the Board, Acting Executive Director Avitia.
19 For the record, my name is Jimmy Archer, and I'm director
20 of the Motor Carrier Division.

21 This is item number 11 on today's agenda, and
22 it's found beginning on page 69 of your board books.

23 For the board's consideration, I'm recommending
24 that the board approve the renewal of the software
25 maintenance support hosting contract for ProMiles Software

1 development Corporation, otherwise known as ProMiles, for
2 TxPROS, as Chair Bacarisse said, the Texas Permitting and
3 Routing Optimization System, and its components.

4 The department also recommends that the board
5 delegate authority to the executive director or acting
6 executive director, as appropriate, to execute any renewal
7 of the contract.

8 The renewal should be exercised so that the
9 vendor, ProMiles, can continue to offer software
10 maintenance and support and hosting for TxPROS. This
11 renewal will be the third and last of three two-year
12 renewals. There was an initial two-year term and then
13 three; this is the last of the renewals.

14 The current contract supports the online TxPROS
15 system and related components. The rental cost is the
16 same as it has been since the contract was entered in
17 2016: \$333,780 for hosting per year, and \$269,400 per year
18 for software maintenance and support, for a total of
19 \$603,180. Over the two-year term, that would be
20 approximately \$1.2 million.

21 TxPROS went live in August of 2011,
22 streamlining oversize/overweight permitting and routing in
23 Texas. Since then motor carriers have self-issued more
24 than half of all permits using TxPROS. For example, at
25 the end of fiscal year '21, customers had self-issued

1 82.45 percent of the permits, and by the end of March that
2 had increased to 84.79 percent, so that gives you an idea
3 of how actively the system is used.

4 TxPROS is the first of its kind, won several
5 state and national awards after it was launched. It has
6 been used as a model for other states running a permitting
7 system as well.

8 TxPROS is a web-based system that allows motor
9 carriers to apply for size and weight permits online 24
10 hours a day, seven days a week. It maps a GIS-based route
11 customized for each permitted load with road restrictions,
12 all in real time. TxPROS provides beginning-to-end
13 processing, tracking, financial and workload performance
14 and management capabilities for both customers and the
15 state.

16 Since its launch, ProMiles has hosted TxPROS on
17 its servers and provided annual maintenance and support on
18 an ongoing basis per the direction of TxDMV. This
19 includes software and technical support, bug fixes,
20 documentation, GIS data updates and enhancements.

21 Your Motor Carrier Permit Section works very
22 closely with ProMiles on a daily basis to be sure that the
23 system is kept entirely up to date and it's completely
24 safe for our carriers and the traveling public.

25 The level of service provided by the vendor

1 ProMiles has been outstanding. They have met all
2 requirements of the contract and gone beyond to assist in
3 making TxPROS the premier system that it is. As long as
4 we contract with ProMiles, we receive any updates and
5 features that they develop for any other states.

6 We were the first state that rolled out this
7 type of system. We were actually the R&D, research and
8 development, for an online permitting and routing system,
9 and because of that, we get all the goodies that they
10 develop for other states. Whatever they develop, we get
11 those absolutely free of charge.

12 Since 2016 the average return on investment for
13 this system has been \$281.54 for every one dollar
14 invested, so it's been a pretty good deal for the state.

15 If the contract is not renewed, Texas DMV could
16 not internally support the online TxPROS system, and we
17 would not be able to issue size and weight permits to the
18 motor carrier industry as we do now.

19 In closing, I'm recommending that the board
20 approve the renewal of the software management, support,
21 and hosting contract with ProMiles for TxPROS and its
22 components. I also recommend that the board delegate
23 authority to the executive director or acting executive
24 director, as the case may be, to execute any renewal of
25 this contract, and I'd be happy to answer any questions

1 you might have.

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

3 Are there any questions for Mr. Archer?

4 Member Graham.

5 MR. GRAHAM: Director Archer, you said this is
6 the third two-year renewal, and then so that would mean
7 have we've had some price protection throughout that
8 process, or what are we going to lose when we go back to
9 the table next year?

10 MR. ARCHER: I'm not sure going forward. I
11 mean, initially the system cost when it was built by TxDOT
12 back in the first contract, I believe in 2007, and it
13 rolled out in 2011, the cost to develop it was \$1.4
14 million, and the five-year maintenance and operations was
15 \$650,000 for five years.

16 And since that time it's been pretty constant,
17 since 2016 going forward. There probably will be some
18 increase to the contract; that's why we tried to enter
19 into a long-term contract with ProMiles in 2016. I'm not
20 sure that DIR will allow us to do that again.

21 We're probably going to be looking at shorter
22 intervals, which means we'll be constantly trying to renew
23 the contract. You know, be going out for requests for
24 offers, requests for proposals. So that's the beauty of
25 this contract, is it's lasted a long time and the price

1 has been constant.

2 MR. GRAHAM: Sure.

3 MR. ARCHER: Does that answer your question?

4 MR. GRAHAM: Yeah. Thank you.

5 MR. BACARISSE: Members, any other questions?

6 MR. RAMIREZ: Chairman?

7 MR. BACARISSE: Yes, Member Ramirez.

8 MR. RAMIREZ: It sounds like ProMiles is doing
9 an incredible job for us. I think we need to do
10 everything we can to convince them to get in the RTS
11 business.

12 (General talking and laughter.)

13 MR. ARCHER: I don't think they're in that
14 space.

15 MR. BACARISSE: Any other questions or comments
16 for Mr. Archer?

17 (No response.)

18 MR. BACARISSE: Hearing none, the chair would
19 entertain a motion.

20 MR. GRAHAM: Chairman, I'll make a motion.

21 MR. BACARISSE: Member Graham.

22 MR. GRAHAM: I move that the board approve the
23 renewal of the contract for the Texas Permitting and
24 Routing Optimization System and that the board delegate
25 authority to the department's acting executive director to

1 execute any renewal contract for the Texas Permitting and
2 Routing Optimization System.

3 MR. BACARISSE: And is there a second for this
4 motion?

5 MR. RAMIREZ: Second.

6 MR. BACARISSE: Member Ramirez.

7 Okay. Is there any further discussion of this
8 motion?

9 (No response.)

10 MR. BACARISSE: Hearing none, I'll call for the
11 vote, please.

12 Member Alvarado?

13 MR. ALVARADO: Aye.

14 MR. BACARISSE: Member Gillman?

15 MS. GILLMAN: Aye.

16 MR. BACARISSE: Member Graham?

17 MR. GRAHAM: Aye.

18 MR. BACARISSE: Member McRae?

19 MS. McRAE: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. BACARISSE: Member Ramirez?

25 MR. RAMIREZ: Aye.

1 MR. BACARISSE: And I, Charles Bacarisse, vote
2 aye as well, and it's unanimous.

3 Thank you, Mr. Archer, appreciate that very
4 much.

5 MR. ARCHER: Thank you, members.

6 MR. BACARISSE: At this time before we go to
7 executive session, I wanted to take agenda item 14, which
8 is public comment, take that up now, if I may. We'll be
9 going into closed session after this.

10 Aline, are there any comments from the public
11 today?

12 MS. AUCOIN: Aline Aucoin, for the record.
13 No one has registered to provide public
14 comment.

15 MR. BACARISSE: Okay. Thank you very much.

16 In that case, I will now move to agenda item
17 number 12. We're going to go into closed session. It is
18 now 10:56 a.m. on April 14, 2022. We'll go into closed
19 session under Texas Government Code Sections 551.071,
20 551.074, 551.076, and 551.089.

21 For those of you in the audience, I anticipate
22 being in executive session for approximately two hours.
23 We'll reconvene in open session after that. And with
24 that, we are now recessed from this public portion of the
25 meeting and going into closed session.

1 (Whereupon, at 10:56 a.m., the meeting was
2 recessed, to reconvene this same day, Thursday, April 14,
3 2022, following conclusion of the executive session.)

4 MR. BACARISSE: It is now 1:42 in the
5 afternoon, p.m., and the Board of the Texas DMV is now
6 back in open session.

7 The board will now take up agenda item 13,
8 action items from the closed session.

9 I think there may be a motion regarding agenda
10 item 13. Members, does anyone have a motion?

11 MS. McRAE: Chairman, I would like to make a
12 motion.

13 MR. BACARISSE: Member McRae.

14 MS. McRAE: I move that the board increase the
15 salary for acting executive director, Mr. Daniel Avitia,
16 to \$200,952 per year, effective February 11, 2022. I also
17 move that the board authorize department staff to take the
18 necessary actions to implement the actions authorized by
19 this motion.

20 MR. BACARISSE: Is there a second to that
21 motion?

22 MR. PREWITT: I second that motion, Mr.
23 Chairman.

24 MR. BACARISSE: Member Prewitt, thank you.

25 Is there any further discussion of this motion?

1 MR. RAMIREZ: I'd like to make a comment.

2 MR. BACARISSE: Yes, Member Ramirez.

3 MR. RAMIREZ: Taking charge of an agency this
4 size with the situations and the issues of the magnitude
5 that we were dealing with is a difficult task, and I think
6 that this motion and the second should show you that we
7 value what you've done, and we look forward to what you
8 will do, and we appreciate your efforts. So I'll be
9 voting for, obviously, but you've done a great job.

10 MR. AVITIA: Thank you, Member Ramirez,
11 appreciate that.

12 MR. BACARISSE: I think that that sentiment is
13 shared by the board across the spectrum here.

14 Any other comments?

15 (No response.)

16 MR. BACARISSE: Hearing none, I'll call for the
17 vote.

18 Member Alvarado?

19 MR. ALVARADO: Aye.

20 MR. BACARISSE: Member Gillman?

21 MS. GILLMAN: Aye.

22 MR. BACARISSE: Member Graham?

23 MR. GRAHAM: Aye.

24 MR. BACARISSE: Member McRae?

25 MS. McRAE: Aye.

1 MR. BACARISSE: Member Omumu?

2 MS. OMUMU: Aye.

3 MR. BACARISSE: Member Ramirez?

4 MR. RAMIREZ: Aye.

5 MR. BACARISSE: Member Prewitt?

6 MR. PREWITT: Aye.

7 MR. BACARISSE: And I, Chairman Bacarisse,
8 vote aye as well, and it is unanimous.

9 So we will now move on to item 15, which is
10 adjournment. Unless there's any further business or any p
11 public comments -- which there are none -- I would like to
12 entertain a motion to adjourn.

13 MR. GRAHAM: So moved.

14 MR. BACARISSE: That's Member Graham.

15 MS. OMUMU: Second.

16 MR. BACARISSE: And seconded by Omumu. We need
17 to vote on this apparently.

18 Alvarado?

19 MR. ALVARADO: Aye.

20 MR. BACARISSE: Graham?

21 MR. GRAHAM: Aye.

22 MR. BACARISSE: Gillman?

23 MS. GILLMAN: Aye.

24 MR. BACARISSE: McRae?

25 MS. McRAE: Aye.

1 MR. BACARISSE: Omumu?

2 MS. OMUMU: Aye.

3 MR. BACARISSE: Prewitt?

4 MR. PREWITT: Aye.

5 MR. BACARISSE: Ramirez?

6 MR. RAMIREZ: Aye.

7 MR. BACARISSE: And I vote aye as well,
8 Chairman Bacarisse, and that's unanimous and we are
9 adjourned. Thank you.

10 (Whereupon, at 1:45 p.m., the meeting was
11 adjourned.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

C E R T I F I C A T E

MEETING OF: TxDMV Board
LOCATION: Austin, Texas
DATE: April 14, 2022

I do hereby certify that the foregoing pages,
numbers 1 through 104, 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.

DATE: April 22, 2022

/s/ Nancy H. King
(Transcriber)

On the Record Reporting
7703 N. Lamar Blvd., #515
Austin, Texas 78752