TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

1:00 p.m.
Wednesday,
October 12, 2011

200 East Riverside
Building 150
Room 1.B1
Austin, Texas 78704

BOARD MEMBERS:

Victor Vandergriff, Chair
Cheryl E. Johnson, Vice Chair
Cliff Butler
Blake Ingram
Raymond Palacios
Victor Rodriguez
Marvin Rush
Laura Ryan
Johnny Walker

STAFF MEMBERS:

Linda M. Flores, Interim Executive Director
Brett Bray, General Counsel

I N D E X

1 P R O C E E D I N G S

2 MR. VANDERGRIFF: Good afternoon. My name is
3 Victor Vandergriff, and I'm pleased to welcome you here
4 today to the meeting of the Board of the Department of
5 Motor Vehicles. I'm now calling the meeting for October
6 12, 2011 of the Board of the Texas Department of Motor
7 Vehicles to order, and I want to note for the record that
8 public notice of this meeting, containing all items on the
9 agenda, was filed with the Office of the Secretary of
10 State on October 3, 2011.
11 And before we begin today's meeting, please
12 place all cell phones and other communication devices in
13 the silent mode.
14 If you wish to address the board during today's
15 meeting, please complete a speaker's card at the
16 registration table in the back of the room. To comment on
17 an agenda item, please complete a yellow card and identify
18 the agenda item. If it is not an agenda item, we will
19 take your comments up during the public comment portion of
20 the meeting.
21 I'd now like to have a roll call, please, of
22 the board members present.
23 Board Member Palacios? I'll let you go first,
24 first one.
25 MR. PALACIOS: Present.

1 MR. VANDERGRIFF: Board Member Walker?
2 MR. WALKER: Present.
3 MR. VANDERGRIFF: Board Member Ryan?
4 MS. RYAN: Present.
5 MR. VANDERGRIFF: And Vice Chair Johnson?
6 MS. JOHNSON: Present.
7 MR. VANDERGRIFF: And I, Victor Vandergriff,
8 the Chair, am here, we do have a quorum. The record will
9 reflect please that Board Members Marvin Rush, Blake
10 Ingram, Victor Rodriguez, and Cliff Butler are out today.
11 So we will move forward, and I'm pleased to
12 introduce to you our new board member, Raymond Palacios.
13 He is a dealer from El Paso, Texas and he has been
14 appointed to fill the vacancy of Ramsay Gillman. He went
15 through a considerable vetting process. I think there was
16 a lot of interest in this position, and the Governor's
17 Office has appointed how they believe was the most
18 qualified candidate. I certainly have been impressed with
19 his background and resume, we've known each other for a
20 few years. He's worked at the state association for the
21 automobile dealers and actively out in the El Paso market
22 as well. I'm setting him for being a fair, reasoned and
23 impartial member of the board because that's exactly his
24 reputation and his actions in the past.
25 So we're delighted to have you be with us and

1 would ask you if you have anything you'd like to say in
2 opening comments or anything.
3 MR. PALACIOS: Well, I want to thank you,
4 Chairman Vandergriff. It's my pleasure to serve on this
5 board. As the chairman stated, I do have experience in
6 the automotive business. I'm originally from Houston,
7 have been in El Paso now for eleven years. We moved out
8 there eleven years ago to pursue an opportunity in the car
9 business. So I have some understanding of what DMV does
10 from firsthand interaction with the agency, and I will
11 pledge to do my best to serve the people of Texas and make
12 this one of the best agencies in the country.
13 MR. VANDERGRIFF: Thank you very much. Again,
14 welcome. We appreciate you being here.
15 The next item on our agenda is public comment,
16 and I do have three cards of people wishing to speak for
17 today. So I will call up Yannis Banks, if you'd like to
18 address the board. And please do state your name for the
19 record and your organization.
20 MR. BANKS: My name is Yannis Banks. I'm here
21 representing the Texas NAACP. I was kind of shocked to go
22 first.
23 So I guess what I'm here to talk about today,
24 and I think you have it set for your November agenda, is
25 the license plate issue. I know it's been making a lot of

1 news lately over the past few months and we've been
2 discussing it within our group, and I have my state
3 president here as well to bring comments.
4 But I know we do have concern about putting the
5 flag on an official state issue item, if you will, because
6 we do know when you see the flag what the flag stands for.
7 Especially in the African-American community, whenever we
8 see it there is concerns of how it did represent slavery
9 and hate and the injustice that happened to African-
10 Americans and how various hate groups have picked up the
11 flag as their banner. I know wherever I've gone in
12 different little towns and see it, an eyebrow raises about
13 what could be going on, what's happening here, is this a
14 place I need to be careful whatever is going on.
15 So we do have concern when you have a state
16 issue item that will have it on there. Even though you
17 may not say you do, it looks like the state was supporting
18 what's been behind that flag, and we wouldn't want to have
19 that discouraging people who come to the state maybe
20 visiting that and seeing that and saying do I really want
21 to come back to Texas, do I want to live in Texas, do I
22 want to stay in Texas when I see that this is something
23 that you could be supporting because I see it on a
24 government issue item like a license plate, not just
25 painted on somebody's car or something hanging at their

1 property, it's a state issue.
2 And that's the concern is that when it comes
3 out and it's something that the government is issuing, we
4 would worry how it could affect African-Americans and
5 other minorities and just good genuine people who are
6 seeing this and saying why is this on there.
7 At our past 75th state convention, we passed a
8 resolution disagreeing with and hoping that you will come
9 out and say that this flag does not need to be on a state
10 license plate. And I can get you a copy of the
11 resolution, if need be, that's not a problem. We
12 definitely can have it by November for you to have and see
13 and look at.
14 We're just hoping that you will do what fair,
15 good-minded people would do and say this is not something
16 we need on a Texas license plate because instead of
17 bringing people together that we should be working to do,
18 it could be trying to separate people by doing this. So
19 we're hoping that you, when the time comes, will vote down
20 to have the license plate approved with the Confederate
21 battle flag.
22 Thank you.
23 MR. VANDERGRIFF: Thank you very much.
24 Gary Bledsoe.
25 MR. BLEDSOE: Thank you, Mr. Chairman, members

1 of the commission. My name is Gary Bledsoe. I'm
2 president of the state conference of the NAACP. I want to
3 thank you all for providing me the opportunity to be able
4 to appear here and visit with you about a matter that we
5 think is extremely important.
6 To begin with, I will say that we mean no
7 disrespect to any individual in terms of our positions
8 that we take. We understand that individuals have a right
9 to celebrate their ancestry or what people within their
10 families have done, but the issue here before us is what
11 is appropriate for the government to do. And so I think
12 here we need to have a laser focus to understand what is
13 occurring.
14 To begin with, I want to specifically address
15 the issue that some might suggest that this proposal to
16 have a specialty plate that incorporates the battle flag
17 would be just simply an indication of people who want to
18 celebrate their ancestry. When we look at the history of
19 the Confederacy, if we go to Six Flags Over Texas, if we
20 go to the University of Texas and look at a football game,
21 you go to the state library, you will see the official
22 flag of the Confederacy. When you look at the
23 publications put out by our state archives department, you
24 will see what flags actually flew over Texas.
25 This particular flag never flew over Texas.

1 Let me say that again: this particular flag never flew
2 over Texas. Besides that, it has been adopted by hate
3 groups and it's been adopted to be a symbol of the desire
4 to intimidate or to do wrong to people who have done
5 nothing other than to be born of a certain race within
6 this country.
7 And so we think that clearly we would reach out
8 to you as people of good will and ask that you not even
9 bring this matter back up for consideration because we
10 don't think that you're obligated to do that under
11 Robert's Rules of Order and other requirements that might
12 be made applicable in this particular situation.
13 The flag that is at issue, the fact of the
14 matter is it's every bit as offensive as the swastika or
15 other things that we wouldn't consider. I think many of
16 us might recall in years past when a candidate for
17 governor made some extremely inappropriate comments in
18 reference to women and how they should endure a certain
19 circumstance. I don't think any of us would believe that
20 that should be put on a license plate.
21 I don't want to go into the specifics, but I
22 think that we have a large group of people and there are
23 two points I want to make about the flag. It creates
24 psychological harm, it creates fear and intimidation among
25 many, and the other thing is it's likely to lead to

1 breaches of peace. Indeed, it is basically a fighting
2 word, and it's something that when you start looking at
3 hate crimes around the country, especially heinous hate
4 crimes, one thing that you will find is that many people
5 who commit those crimes actually possess that particular
6 flag.
7 Now, for information purposes, I have a written
8 statement that covers the items that I have gone over with
9 you, but also, I have a copy of the Texas Declaration of
10 Causes that I want to provide you where it's made
11 unmistakably clear what the purpose was in Texas seceding
12 from the Union in 1861. It had nothing to do with state's
13 rights or what-have-you, that was very much an
14 undercurrent. You look at the verbiage that was adopted
15 that was the official reason for our secession from the
16 Union, you will see it was clearly intended to extend
17 white supremacy and subjugate blacks to slavery, that's
18 unquestioned. And secondly, we have information from the
19 archives department that will show you what they say in
20 terms of what flags actually flew over Texas.
21 So we implore upon you, as people of good will,
22 to not take our state where some of the other states have
23 gone, because I think it makes us seem like a second class
24 state. I think people understand that the Confederate
25 War, the Civil War is over, and that indeed, we want

1 people to think of Texas as a leader in this nation and
2 not a state that is to be scorned, but one that is to be
3 followed. And I think if we take actions like this, it
4 puts us in the category with other states that are not
5 leaders.
6 And so I beg upon you as Texans to please look
7 upon this as an opportunity to do the right thing because
8 there are many people who would be harmed by what you do,
9 and we respectfully ask, number one, that you not consider
10 this, or number two, that if you do that you vote against
11 it so that we will not have that as a special license
12 plate.
13 I also have a statement here that I brought
14 from Congresswoman Sheila Jackson Lee to go along with the
15 statement that I have, and we have copies of these for
16 each of you. So I would like to provide these to you so
17 that each one of you will have the items that I've
18 mentioned.
19 Thank you very much.
20 MR. VANDERGRIFF: Thank you, sir.
21 Our final speaker in the public comment is Mark
22 Corcoran.
23 MR. CORCORAN: Hello. My name is Mark Corcoran
24 and I'm with Progress Texas. I just have a really brief
25 statement to read regarding while we're here.

1 This summer over 22,000 Texans from across our
2 state have signed a petition calling on this board to
3 reject a proposal by the Sons of Confederate Veterans to
4 create a vanity license plate featuring the Confederate
5 flag. The message is clear: Texans do not support the
6 Confederate flag and do not want it representing our state
7 on Texas license plates.
8 Over the last few months Democrats like
9 Congresswoman Sheila Jackson Lee, State Senator Royce
10 West, and State Representatives Sylvester Turner and
11 Garnet Coleman have voiced their opposition. This week
12 Republican John Carona also joined in with a call to
13 oppose this vanity plate.
14 We know you will not be voting on this
15 particular issue during your meetings today or tomorrow,
16 but when this issue is scheduled for a vote we hope you do
17 not ignore the voices of over 22,000 Texans who have
18 directly called on each of you to reject this proposal.
19 We hope you will listen to the Republicans and Democrats
20 who oppose this plate.
21 I deliver these petitions to the chair of the
22 board on behalf of Progress Texas and 22,000 Texans. Each
23 of you should have received a copy of these documents via
24 email as well today. Thank you.
25 Do you want these in the back?

1 MR. VANDERGRIFF: Yes. Would you give them to
2 Gail Anderson in the back. Thank you very much.
3 I do not see any other cards of anybody wishing
4 to speak during the public portion of the agenda.
5 With that we're moving into the Roman Numeral
6 II items that are briefing, discussion and possible action
7 items, and the first is the organizational assessment, and
8 I will, I guess, make a couple of brief remarks and turn
9 it over to Laura Ryan.
10 As everyone knows, a couple of months ago we
11 had an organizational assessment that came through from
12 the Azimuth Group, was well received and adopted in
13 principle from this board, and we have gone forward and we
14 charged a couple of board members with the task of moving
15 forward with strategic planning, board governance and
16 performance measurements. We do have some work to do
17 there, particularly working with the staff on the
18 performance measures, but that draft has been making it
19 through in combination of board members and senior staff,
20 and we'd like to assimilate all those comments and turn
21 that over to Laura to bring forward.
22 MS. RYAN: We've placed copies in front of you,
23 you should have three documents, just to ensure that we're
24 all looking at the same ones. The first one would say
25 Texas Department of Motor Vehicles Board Governance

1 Policy, the second one would say Texas Department of Motor
2 Vehicles Strategic Planning, and the third would be Texas
3 Department of Motor Vehicles Goals and Objectives. Does
4 everyone have a copy?
5 I'm going to take the first two. We'll cover
6 the goals and objectives kind of separate, if that's okay.
7 What we'd like to do is get input, discussion, fine-
8 tuning as needed, and if that can be done today, then I
9 would ask for a motion to be able for us to adopt these.
10 As a quick aside, one of the suggestions out of
11 organizational assessment was that the board create these
12 three documents. The strategic plan is truly a plan to
13 plan, for lack of a better description, and what it states
14 is it outlines our five-year plan on what our more
15 detailed strategic planning process would be and what the
16 outcome of our plan would be.
17 The first one is a governance policy that the
18 Azimuth Group, through their assessment, basically stated
19 that the board had not created in written format a
20 governance policy. I believe we probably all felt we had
21 one and lived by the intentions of it, but we wanted to
22 capture it in paper. So we've had a lot of input, a lot
23 of fine-tuning, we have taken all the comments from both
24 the agency and the board. Julie has been a tremendous
25 help in working with us on this.

1 And what I'd like to basically read is the
2 scope. I won't read this document in full but the scope
3 of the governance policy, basically meaning the purpose of
4 it, is: The directives presented in this policy apply to
5 the Texas DMV Board and the Texas DMV agency personnel who
6 deal with the board. The Texas DMV Board of Governance
7 Policy will be one that is comprehensive and pioneering in
8 its scope, and basically is a suggestion on how we would
9 interact as a group.
10 So any discussion? I'll start with kind of the
11 policies and we can maybe break it down by 3.1 and then
12 we'll go through that discussion, and that way we can kind
13 of keep it captive.
14 MR. WALKER: Can I ask you a question? And
15 I've read these documents multiple times now. And Cheryl
16 and I got here early today and looked over these and why
17 do we need three documents, could not this be incorporated
18 into one document, because we're trying to extend out 20
19 pages of paper that six of those pages, at least, say
20 exactly the same thing. Why wouldn't we just incorporate
21 it all into one policy instead of multiple times saying
22 that we have a vision and that we have a strategic plan
23 and that we're going to do this? Why wouldn't we just
24 incorporate it into one overall policy that encompasses
25 and gets rid of all the duplications? There's multiple

1 duplications within each one of these policies themselves,
2 we're saying the same thing.
3 MS. RYAN: I would suggest that we can do
4 whatever we want with them as a group, but I would also
5 say they're duplication because you're looking at them all
6 three at one time. Once these are adopted and put in
7 files to be used, one document might be pulled out for a
8 specific content or situation to where the other two might
9 not be present, so the duplication -- we happen to be
10 working on them at the same time, however, they are not
11 solely for the same purpose. So I think you're right,
12 there probably is some duplication, but if we worked on
13 them one at a time or there was a question when we start
14 to go through strategic planning, it's a roadmap.
15 So I don't know that combining them, though it
16 might say four pieces of paper right now, would benefit us
17 in the long run. That would be my response, but it's my
18 opinion.
19 MS. JOHNSON: I have to ask first what the
20 purpose of this is because a year ago when I brought to
21 the chairman that the board needed an operating procedure
22 document, it was September a year ago, it was for the
23 purpose of how we conduct business. For example, if we
24 need a report, if anyone of us needs information, we
25 should go to the executive director, let the executive

1 director make the determination who in the organization
2 has the time and resources to fulfill the request, or if
3 it's even necessary, to be a central depository for that,
4 and then once that information is collected to disperse it
5 among all board members so that I'm not calling a
6 department head and saying I need this information. And
7 it was a protocol document rather than a document that's
8 really written more for, I'm sorry, a five-year-old to
9 tell them how to behave.
10 And what I see here is I think because I am
11 strategic, because I am visionary, because I am
12 thoughtful, because I do listen to my industry that I was
13 appointed by the governor because I have those talents and
14 skills, and what this does, this doesn't tell us how to
15 work together as a team, which was what my initial purpose
16 was, it instead says we're going to be visionary in our
17 thinking, and by the way, we're going to give a report
18 card on ourselves every month to see whether we're being
19 visionary.
20 And I did give input and I see none of my
21 comments here, so I don't know what happened to those.
22 And the two that I first picked up, if people feel in this
23 audience that they have to deal with us, then we're doing
24 something wrong. People don't deal with the board, they
25 interact with the board, they work with the board, they

1 support the board, but to deal with us says we're a
2 problem, get out of our way.
3 Like I said, I submitted input on this, I don't
4 see any of my input here, and so I'll get back to I
5 believe we need operating procedures but not this.
6 MS. RYAN: We can change any words. That's
7 what the purpose of this is.
8 MS. JOHNSON: I don't know what happened to my
9 words.
10 MR. VANDERGRIFF: Julie, do you want to come up
11 and introduce yourself?
12 MS. BEISERT: For the record, my name is Julie
13 Beisert, and I'm the Development and Planning coordinator
14 and I work with you all.
15 Cheryl, your comments were reviewed and they
16 were incorporated into the document. We had about
17 probably 15 different people looking at it, so as the
18 document evolved, some of the comments that you made may
19 not be the actual sentence or word.
20 MS. RYAN: We can change that to interact. I
21 think that's what this is for. I guess what I would like
22 to say is the purpose of this discussion is to have a
23 productive input and discussion. I don't think you'll get
24 a lot of pushback on changing deal to interact.
25 Personally, I would be okay with that, I don't think

1 anyone else, so we change that word.
2 The content, though, and I think we need to
3 remember that we are all on this board at varying terms
4 and I think it's fair to say that we have been tasked with
5 starting and creating a foundation for this board that
6 hopefully will evolve but also be a solid foundation ten
7 years from now. And I think that it's probably not fair
8 for us to assume that future board members may or may not
9 interact the way we do, may or may not interact with the
10 agency the way we believe.
11 I think the things that come out, the learning
12 that comes out of a startup you become much more
13 intimately involved with each other because you're
14 creating. There's a lot more communication and discussion
15 and focus on questioning that may not happen at a board
16 level ten years from now when we are set in place. So I
17 think we have to challenge ourselves to not put our only
18 selves in these documents but what will somebody ten years
19 from now use as a foundation. They may change them, they
20 may not need them.
21 But I guess I'm really encouraging us to show
22 that we can work together and show that we are focused on
23 the long-term vision and that we need something in place.
24 Will we laminate them and put them under our pillow? I
25 don't think so. But the point is that they're there, that

1 if we ever have a question or we ever need to be reminded
2 of boundaries or we have a new member, they're not getting
3 independent input. Our new member today could read these
4 documents and pretty clearly in a one voice say, Okay, I
5 get a feel for the direction. And then he can ask
6 questions. That's all we're looking to do today, and
7 again, I do want input today.
8 MS. JOHNSON: I understand the feel, but the
9 thing is we've operated two years now and we still do not
10 have any agreement on this board on how we conduct
11 business with regard to obtaining information. For
12 example, we get our agenda in advance, we should be
13 submitting questions about the agenda to the executive
14 director so staff can be prepared to answer rather than
15 staff being embarrassed by somebody surprising them with a
16 question. That's the type of procedures that I was trying
17 to get this board to adopt.
18 For example, the Confederate plate is very
19 controversial, let's say the decision had been made.
20 Whether we as a board as individuals agree with a decision
21 that the board makes, we should stand unified that once
22 the decision is made that we're going to support the
23 decision of the board. We're not individuals with
24 authority, we're a group with authority.
25 So what was proposed over a year ago was to

1 provide guidelines on how we conduct business so that
2 we're more productive with staff, with the agency, rather
3 than having all of these arms and all of these issues and
4 everybody calling different people for different
5 information. Now, if all we're trying to do is get on the
6 same page and say we're all visionary, okay, but I don't
7 see governance here, I see behavior here, and that's
8 different, in my opinion.
9 MR. WALKER: Well, Laura, let me ask you this
10 question. When I read this and went over this, where does
11 this document go? It's obviously a public document, it's
12 been presented at this meeting today, and so that brings
13 about my question to, okay, this is saying this is how
14 everybody on this board and this board is going to conduct
15 itself going forward, and so it says here it's not that we
16 shall do things, it's that we will do things.
17 For example, it says here that in developing
18 the strategic direction the board will seek input from
19 stakeholders served by the public.
20 MS. RYAN: Which document are on?
21 MR. VANDERGRIFF: He's on the strategic plan.
22 MR. WALKER: The strategic plan.
23 MS. RYAN: Okay. Can we stay focused on the
24 governance? My desire would be to try to stay focused on
25 one.

1 MR. VANDERGRIFF: Since we started on the board
2 governance and the vice chair asked a number of questions
3 about that, it might be helpful if we stayed on that
4 document for right now.
5 MR. WALKER: Okay. Well, let's go to 3.1.1.4:
6 Have the courage to lead and make difficult decisions.
7 Well, I would assume that that's just common sense that
8 the governor wouldn't have put me on this board if he
9 didn't think I had the ability to lead with courage.
10 MS. RYAN: And I guess I would ask if you feel
11 that you have it, why would we be concerned about it being
12 as kind of a background.
13 MR. WALKER: My question would be why do state
14 that.
15 MS. RYAN: Because somebody may be appointed to
16 the board for a level of expertise but not be comfortable
17 with conflict which would have the courage to make
18 difficult decisions. So again, we may all have it today
19 but I don't know that it's fair to say the next board
20 member will have it.
21 And again, if we as a board want to vote that
22 we don't need this, we can vote that we don't need this.
23 And personally there's a lot of input in this, so I will
24 answer the questions and I will give information, but I
25 guess what I'm trying to say is this is not my document.

1 MR. WALKER: It's Julie's document.
2 MS. RYAN: No. This is probably 16 different
3 people's input and feedback on comments. So this really
4 is an evolving document with a lot of input. The start
5 was in the organizational assessment it was recommended
6 that we create a board governance document that we
7 accepted and used, and when we adopted the organizational
8 assessment, the work started to try to create that
9 document, and that's what this is. And we've got board
10 feedback, we've got agency leadership feedback, we've used
11 outside suggestions from the governance. We really have
12 tried to make it well-rounded. If we've failed at that,
13 then what we're asking is somebody not to just throw
14 arrows at it, let's roll up our sleeves and fix it.
15 MR. WALKER: But here's my question too is at
16 the last meeting we had we asked two things. We asked,
17 number one, that everybody please go back home, make
18 comments as to what changes they'd like to see made in
19 this, and then the second thing was we decided that we
20 were going to have a board workshop to sit down
21 collectively as a group and to rewrite this document.
22 MS. RYAN: That's what today is.
23 MS. JOHNSON: But we're not all here.
24 MS. RYAN: Well, I can't control that.
25 MS. JOHNSON: A board governance policy should

1 include the entire board and it should incur that we will
2 all buy into this.
3 MR. VANDERGRIFF: A couple of things real
4 quickly. I think that's a separate issue. If we want to
5 postpone action on this until we can get the full board
6 here, it might be a long time. We have a hard time, we
7 haven't had nine members at a board meeting since last
8 spring. In fairness, we obviously had a death in the
9 family, so to speak. But having said that, it's difficult
10 for us to get a lot of people here.
11 At the last meeting, if I recall correctly, the
12 concern on the board governance policy was not with what
13 was the circulating draft at this point but was with what
14 was in the document that you had which, of course, you
15 were not here to talk about. So I think there is some
16 disconnect here.
17 However, I would like to ask the board is there
18 something in this document besides the deal versus
19 interact that is just very troubling to you. It may not
20 be all you want it to be but what is in this document
21 that's troubling to anyone here?
22 MS. JOHNSON: It's trying to legislate policy,
23 dictate behavior for thinking rather than building a
24 document on which the board -- I thought that the purpose
25 of a board governance policy, and maybe we should go back

1 to David and ask him what he intended, because every board
2 that I've served on, a board governance policy determines
3 how we interact, how we operate, how we agree to conduct
4 business, and how we will behave not just in the meeting
5 but when we walk out that door as individuals, that we
6 only have authority as a board, as a body. Those are the
7 types of words that need to be in here.
8 The document that I had proposed a year ago was
9 a starting point document of another board. And this was
10 elected people, and if you can get politicians in the same
11 room and get all seven people on the boards that I've
12 served on to agree this is how we will conduct business,
13 then we've accomplished something. And so truly, I don't
14 think that there's any problem in our strategic planning,
15 in our goals and in our high level board discussions when
16 we do the strategic planning to say this is what we
17 believe, this is how we feel, we will be visionary, we
18 will look towards the future in everything we do.
19 I believe that a board governance policy should
20 be more how we agree to conduct business, whether it's one
21 member should submit a request fo an agenda item to the
22 chairman or does it take two board members to do that, how
23 do we obtain information from the agency, is it as a board
24 that agrees that no director explaining during board
25 meetings. But that's more of the document that I was

1 looking for.
2 The starting point document that I had
3 delivered a year ago was a starting point document only.
4 And I've taken some phone calls that why can't I just call
5 somebody if I'm on a committee and help me conduct my
6 business, and you should because the chairman had
7 appointed liaisons for each committee that was to be our
8 conduit to get information for those committees. This is
9 more of a behavioral pattern rather than how we're going
10 to operate as a board.
11 MR. VANDERGRIFF: But I think the board is a
12 behavioral pattern, and not all, I guess, but a majority
13 of the publications and things that I read or stuff I've
14 been to talk about the first step is to create some sort
15 of a general consensus and a behavioral pattern. So I'm
16 not sure how this is that objectionable.
17 MS. RYAN: Can I also reference that the last
18 page is policy references relative to board governance.
19 There are two, four, six, eight, ten separate policies
20 that we suggest tie into the governance, and the number
21 one is roles and responsibilities of the board. This
22 still all have to be cleaned up. These are references to
23 other pieces that would, maybe depending on the situation,
24 tie into other things. Again, governance is broad and
25 then you have lots of other things.

1 And what we tried to do here -- and again, I'd
2 welcome any assistance that somebody would like to give to
3 sit down and spend half a day really working through this,
4 but these are all things that we tried to go out and pull
5 in and say these might be other documents that would be
6 references, support, clarification, more detail. So I
7 wouldn't assume that we have created an all-encompassing,
8 and these documents, to your point, roles and
9 responsibilities of the board, these are all to your
10 point.
11 MS. JOHNSON: But I believe that all of these
12 can be put into one document, and if you want me to try
13 and do that, I'll do that. Again, the board should be
14 creating this document, not anybody else in this agency.
15 MS. RYAN: The board is creating it.
16 MR. VANDERGRIFF: The board has been creating
17 these documents.
18 MS. JOHNSON: There's been 15 people involved,
19 I submitted input a year ago plus other documents, but I
20 don't know who the other 14 are other than you and Julie.
21 MS. RYAN: Victor Rodriguez, Victor
22 Vandergriff.
23 MR. PALACIOS: Can I interject?
24 MR. VANDERGRIFF: Please.
25 MR. PALACIOS: Again, this is my first meeting

1 and it appears to me there is a disconnect in terms of
2 what I guess some of the board members' idea of what this
3 document should be as to what the final draft is.
4 As I see it, yes, it is primarily
5 characteristic in nature -- that is, these are the
6 characteristics a board member should have, these are the
7 principles they should follow and so forth. In terms of
8 actual board governance, as I understand we are governed
9 by the Robert's Rules of Order and so forth.
10 This is, what I would say, is a moving
11 document, it's something that can be enhanced, and I would
12 ask that can we go back and perhaps just add some of these
13 specifics that we're talking about. I don't want to
14 conflict too much now with the governing, it's Robert's
15 Rules of Order, correct, that we're following here.
16 MR. BRAY: No, you're not required to follow
17 Robert's Rules of Order. You are required to follow state
18 law and your own rules of practice and procedure.
19 MR. PALACIOS: But in terms of actual
20 governance and board meetings and so forth, those are the
21 rules that I understand most organizations that I've been
22 associated with follow.
23 But I would add, if we could go back. I don't
24 see anything wrong with the first part. Again, we're
25 talking about characteristic behavior, principles that a

1 board member should bring to the board, and these are all
2 fine, great characteristics. But can we go back then and
3 incorporate some of these other specific issues that a
4 board member has. What would prevent us from doing that?
5 MS. RYAN: That's the purpose of today. So if
6 this is something that additional input is needed, then I
7 guess I would ask that we put this one aside. Prior to
8 the next board meeting I guess what I would also suggest
9 is that I will say that we have asked for feedback several
10 times and we don't always get it, so I will put that out
11 there.
12 MR. VANDERGRIFF: Politely, feedback has been
13 minimal.
14 MS. RYAN: Please provide it. Again,
15 productive is what we wanted out of this. And then I
16 would also suggest that feedback is feedback. The
17 wordsmithing may occur to try to clean it up. If
18 something is a deal-breaker from a specific usage, then
19 provide that in the feedback so that we know how important
20 it is. The feedback is actually going to Julie.
21 MS. JOHNSON: So then again, what is the
22 purpose of this document: to establish how we're going to
23 behave in meetings, to establish how we're going to behave
24 generally speaking. And do you believe, Julie, and I do
25 believe that we can put together a seven-page document

1 that is going to incorporate all of this, with this being
2 a more high-level statement. I think that these several
3 pages -- and I do appreciate what you're doing, don't take
4 it that way, I'm thrilled that it took a year of me asking
5 for this to finally get something.
6 MR. VANDERGRIFF: Cheryl, you keep mentioning
7 that. There was not board support a year ago to
8 aggressively pursue this.
9 MS. JOHNSON: You're right. We had to wait
10 until we had a consultant that told us this was necessary.
11 MR. VANDERGRIFF: That's correct.
12 MS. JOHNSON: And that's a shame.
13 But with that said, I think that this is
14 predominantly a philosophy statement, I don't' have a
15 problem having a paragraph that says philosophically what
16 we will do. But all the rest of this, we don't need Julie
17 to spend, or any of us to spend six or seven months to
18 then author all of this and go through this again. I
19 believe it could all be incorporated into one document.
20 Some of these specific items are specific, and
21 I think that those are good. That the board create a
22 linkage between the board and the operations of the agency
23 via the executive director. That's a nice way of saying
24 if we have questions, we direct them to the executive
25 director. That's what I take that to mean, I could be

1 wrong, but that's what I take that to mean.
2 The board will be the initiator of policy in
3 3.1.3, I think that that's probably good, that we should
4 be initiating policy, not directing staff to do it.
5 3.1.4, governing the agency through careful establishment
6 of policies. I think that it should be said that we
7 should be -- well, of course, the law already says that we
8 should be policymaker. Respecting confidentiality I think
9 is critical.
10 Some of this is good, but a lot of it could be
11 lumped into, as Mr. Walker said, a simple paragraph to
12 say -- and all you have to do is look at the first two
13 pages of our strategic plan and it's already in there,
14 that this is our vision, this is our mission, this is our
15 philosophy. That philosophy statement should be the
16 philosophy of this board.
17 MR. VANDERGRIFF: That is in a different
18 document. I'm afraid we're trying to micro-manage this or
19 balloon it up into something more than it is.
20 MS. JOHNSON: And my problem is that this
21 ballooned up into something more than it was intended to
22 be, but it left on strategic items that maybe we're not
23 ready for yet but we need to get to. But I'd had to think
24 that anybody is having to spend a lot of time to write
25 however many more different documents that we have.

1 MR. WALKER: Laura, you have a copy of the
2 director linkage policy. Does that exist?
3 MS. RYAN: I don't have copies of any of those
4 policies with me today.
5 MR. VANDERGRIFF: Those are items, as I
6 understand it, Johnny, that are based on comments that in
7 large measure this board has made on things that are
8 important to us that would end up being developed to
9 support this broad statement.
10 MR. WALKER: So we'd have to develop that
11 policy.
12 MR. VANDERGRIFF: And a lot of that is in
13 direct response to some of the issues that the vice chair
14 has raised in the past. So those would be there.
15 Honestly, we're trying to get through something
16 that gave us kind of a broad overview brush here. I did
17 not think, personally, that this would be incredibly
18 controversial. There's not a whole lot here to be
19 disappointed in or upset about, in my personal opinion.
20 MR. WALKER: I just have a few items in there.
21 If you go down to like the environmental scanning, I
22 don't even know what that is when I read that. That's
23 under 3.2.1.1, outreach, environmental scanning. What
24 does that mean?
25 MR. VANDERGRIFF: Well, I'll take a stab. It's

1 going out to the landscape in which we operate, all of the
2 industries we oversee, the businesses that they are in,
3 and taking trends from that and information from that.
4 MR. WALKER: I mean, I think it's great that we
5 say monitoring emerging trends, needs, expectations,
6 problems within the motoring public, but when you put in
7 environmental scanning, you lost me because I don't even
8 know what it says.
9 MS. RYAN: I guess I would add that if part of
10 the policy is diverse opinions, I would challenge this
11 group right now that we're struggling with that, because
12 in my opinion, we are not looking for ways to come up with
13 something that works for all, we are stating that my words
14 are not in there or this is not what I want, and there is
15 on I in this group. So when we say things like, well,
16 this is pretty elementary, I would say that we're modeling
17 right now the need for some of these things because we're
18 struggling with the diverse opinion input, and we're all
19 coming at it from different views which is what will be
20 our strength, but again, we're not doing it really well
21 right now.
22 MR. WALKER: The only concern I have if you
23 look through here, as long as it's a broad, generalized
24 overstatement of this is how we need to conduct business,
25 instead of saying this is how we will do something. When

1 you start getting down to wills and putting them into
2 public documents, then I think you open the board up to
3 some subjection from the public that says did you do this.
4 And because we're human and there's going to be some
5 times where it says that the chairman is going to do
6 something and when he doesn't that, now it subjects him
7 to: Well, why didn't you do this, Victor? Well, maybe he
8 didn't feel it was important to be done this year. In
9 running my business that happens every day.
10 It needs to be a little more broad in some
11 areas and not more directive that says we will do this.
12 MS. RYAN: Some constructive suggestions of
13 please change all wills to shalls, and I can live with it.
14 MR. WALKER: There you go.
15 MS. RYAN: That's what I need to hear. Okay, I
16 can understand that: Please change all wills to shalls,
17 and I'm good. What are the deal-breakers of this? Please
18 change deal to interact. Those are the things we need
19 that allow to make this document solid, because we have
20 good, solid input from all of us, without kind of just
21 throwing the baby out with the bath water.
22 MS. JOHNSON: Okay. But right now we're
23 violating this in ourselves. It says in 3.1.1.2,
24 encourage thoughtful deliberation, and I really thought
25 that that's what we were doing is having thoughtful

1 deliberation. I appreciate the great work that went into
2 this, and everybody that's involved. This is a document
3 that, in my personal opinion, should be something that the
4 board works on as a team, comes up with, agrees to, we all
5 shake hands and walk away.
6 And any time we get a new board member we need
7 to bring this back and we all need to say: This is how
8 we've been operating, Mr. New Board Member, we want you to
9 be comfortable, do you have any issues with this? So that
10 we can then make sure we have a new governing policy any
11 time we have a new board member. Every new member should
12 have to buy into what this policy is.
13 MR. VANDERGRIFF: I would offer evidence that
14 this very discussion we're having is we're not
15 discouraging thoughtful deliberation. The disconnect that
16 I think I have with this at this point is that -- and I'm
17 happy to schedule a separate meeting for us to do that
18 which is what this was supposed to be about, and obviously
19 we're missing a significant number of our board. But when
20 this goes out multiple times between the last board
21 meeting and this meeting, we get minimal comment back, so
22 that's an indication, with minimal comment or
23 conversation, that okay, people are generally okay with
24 the direction it is.
25 MR. WALKER: I've been real busy doing

1 something else.
2 MR. VANDERGRIFF: Yes. But it makes it hard to
3 then come back.
4 MR. WALKER: But there's another place in here
5 where it says that we're going to do something monthly, a
6 directive that says it will be done monthly. Well, we may
7 not have a board meeting on a monthly basis and we're only
8 required by law to meet quarterly, so we'd be in violation
9 of our policy if we left that in there as a monthly basis.
10 MR. PALACIOS: I would caution against making
11 this document too restrictive. It could come back to bite
12 us. We need to leave it open and flexible.
13 MR. WALKER: There you go. I don't have a
14 problem with any of this.
15 MS. RYAN: So give us specifics.
16 MR. WALKER: I don't want you to say that we
17 will do this or we will do that or we shall, because will
18 and shall mean the exact same thing, so let's rephrase
19 those where there in general that this is how we will
20 generally conduct business, not that we will, though, or
21 that we're going to meet in certain periods of time, but
22 at least maybe quarterly, maybe the word least. And then
23 if you need more than that, you didn't violate anything.
24 But when you say we will meet monthly, I think you subject
25 yourself to violation of your own policies.

1 MS. RYAN: And I don't disagree. And one of
2 the questions was what is the purpose of this, and if I go
3 back to the organizational assessment, the recommendations
4 is 21-17.
5 MR. WALKER: I agree with you on that and I
6 know that.
7 MS. RYAN: It says: State law describes the
8 minimum ethical standards for members of state boards and
9 commissions. Texas DMV should consider going beyond these
10 minimum standards to develop and document a policy on
11 board governance that is comprehensive in its scope.
12 So the suggestion was that we go beyond state
13 policy which we tried. It also then suggests that the
14 John Carver Model of Governance was one that the Azimuth
15 Group suggested that we use as a model. We started there
16 as a foundation, lots of feedback, opened that up. That's
17 much more restrictive than even what we have. Those
18 changes were there.
19 But according to Carver, if you just go with
20 the governance structure: A governance model is based on
21 the following ten principles -- which is what we've tried
22 to include in this document, so we didn't just throw darts
23 at a dartboard. These are the ten principles that we
24 tried to include: A board governs on behalf of those not
25 seated at the table. You can read all of them.

1 MS. JOHNSON: But that's what I thought needs
2 to be in here, that is exactly what I think needs to be in
3 here, these words.
4 MS. RYAN: But these words are a model, these
5 words are the architecture, and the actual policy is the
6 interior decorations.
7 The board speaks with one voice or not at all.
8 MS. JOHNSON: But is that in here?
9 MS. RYAN: Yes. Well, let me rephrase that.
10 We started here and all the feedback we got softened it or
11 changed it. So again, this is where we started. The
12 third point is: Board decisions are predominantly policy
13 decisions in four main categories: the ends, what needs
14 does the organization exist to meet; executive
15 limitations, the boundaries of the staff's authority for
16 the means of achieving the desired ends; board-staff
17 linkage, the manner and delegation of authority and how a
18 board will evaluate executive and organizational
19 performance; governance processes, the board's philosophy,
20 accountability and specific definitions of its own job.
21 The board formulates policy by determining the
22 broadest values before the progress to more narrow ones.
23 The board defines and delegates rather than reacting and
24 ratifying, ends determination as the pivotal duty of
25 governance. The board controls staff means by limiting

1 rather than prescribing. The board explicitly defines its
2 own products and processes. The board forms a linkage
3 with management that is empowering and safe and
4 performance is monitored rigorously but not against policy
5 criteria.
6 Those were the ten foundational points that we
7 tried to start with -- this is in your organizational
8 assessment book -- which was the starting point of what we
9 tried to work with. So there was a foundation, there was
10 a starting point. We brought those out, feedback came
11 back, too rigid, or change this, let's do this. We then
12 got additional feedback, we then opened it up more, we got
13 additional feedback. If you take those ten pillars and
14 you get everybody's input, which makes it a diverse
15 document for the Texas DMV, you kind of have what we've
16 got.
17 Now, if we need to expand it more, all I'm
18 trying to say is kind of bring you through the evolution
19 of how we got what we got. The intentions are not
20 anything other than to fulfill what we adopted as a basis
21 to try to give us a better springboard.
22 MS. JOHNSON: But to item number two, the
23 second bullet on page 17, 7-17 in your book says: Conduct
24 a facilitative session between the board and the executive
25 director to develop a governance policy. And if I missed

1 last month's meeting and that occurred, then I'm sorry I
2 missed that.
3 MS. RYAN: Well, with all due respect, we have
4 tried to find dates and we have been told for six weeks
5 pockets at a time people are unavailable, or other board
6 members -- again, diverse opinions -- have said they don't
7 want a separate a date, to try to facilitate it around a
8 board meeting which is why we tried to do today. So
9 again, intentions have been tried to meet those goals but
10 it's hard to get nine of us to agree.
11 MS. JOHNSON: And if we adopted item A on page
12 7-17 and the remaining items on the remaining items on 7-
13 18, I could support that. Because it's more specific, it
14 talks about the board speaking as one voice -- I don't see
15 that in here -- it talks about the board governing on
16 behalf of those not seated at the table. This is more, in
17 my mind, and this is pretty specific, that I agree 100
18 percent when I got to this section of the organizational
19 assessment I said, Thank goodness we're finally there,
20 finally we paid somebody enough money that they're
21 listening, and the board will listen and we're finally
22 going to get to the point that we can do these things.
23 And I was really hopeful that we were going to
24 see something that was going to tell us more how to
25 operate, function as a unit in conjunction with the

1 executive director rather than something that tells me how
2 to behave or how to think. I don't need to adopt a
3 document that says be proactive and visionary. I'm not
4 sure how we would ever determine whether we're being
5 proactive or visionary because we all come from different
6 backgrounds, and what's proactive and visionary in your
7 world might be different from what's proactive and
8 visionary in mine.
9 So I think something as touchy-feely as this
10 is, is going to be very difficult for us to measure, is
11 going to be very difficult for us to see if we're even
12 following it at all.
13 MS. RYAN: But again, respectfully, we started
14 where you want and all the input took it to where it is.
15 So you might be okay if we go back to those ten things but
16 the rest of the input may not be okay.
17 MS. JOHNSON: I think this should be tabled
18 until the full board can get together and we facilitate a
19 meeting, and with a new executive director, that might be
20 exactly the time for us to sit down and try and do this.
21 MR. VANDERGRIFF: But a new executive director
22 could be months away. This board needs to move forward
23 now on this kind of action. I mean, that's months away.
24 MR. WALKER: Can I make a suggestion to you,
25 Laura?

1 MS. RYAN: Yes. I'd love it. Bring it on.
2 MR. VANDERGRIFF: By the way, one voice is
3 replete throughout this document.
4 MR. WALKER: What we have done, me included, is
5 we've kind of generalized now and expressed ourselves on
6 this thing. We all know that we need something to this
7 effect, we've been called to do this by this assessment
8 here, and so generally speaking, most of this stuff is
9 fairly decent, I've read it multiple times. I have some
10 stupid questions and maybe some legitimate questions that
11 I'd like to have some answers to, and maybe if we took and
12 just take these one page at a time, and it may not take as
13 long as you might think, and then let's present or make
14 some changes to it and see if we can't get this past us
15 and move on.
16 MS. RYAN: I think that's an awesome idea.
17 MR. WALKER: Are you okay with that?
18 MR. PALACIOS: You're proposing we fix this
19 now.
20 MR. WALKER: Yes. I'm the kind of person that
21 says let's move on, let's get past this hurdle and let's
22 move on. I don't have a whole lot of questions, and I ask
23 more questions than anybody. So what if we just start at
24 page one on your governance policy and let's just go
25 through it and give everybody maybe two minutes to reread

1 it and say: Questions?
2 MS. RYAN: Works for me. Is everyone
3 comfortable?
4 MR. WALKER: I'm okay.
5 MR. PALACIOS: Sure.
6 MS. JOHNSON: But I'd like to suggest in the
7 first part that really the first paragraph, 3.1, the first
8 paragraph, rather than having the accordingly in all of
9 this, it pretty much states it, that the board will govern
10 according to the following general principles: vision,
11 diversity, strategic leadership, clear distinction,
12 collective decision-making, and proactive rather than
13 reactive strategy approach. I think that says it all.
14 And then I don't see that the rest of this necessary adds
15 anything to that. Does that make sense? The rest of this
16 really doesn't add anything to that.
17 MR. PALACIOS: Well, it doesn't detract either.
18 MS. RYAN: It doesn't take away.
19 MS. JOHNSON: But then look at it, how are we
20 going to measure these things?
21 MS. RYAN: We don't have to measure.
22 MS. JOHNSON: Well, you say in here we're going
23 to assess how we're doing. I just don't see the benefit
24 of having this. If you have some better idea, but I think
25 that that first paragraph is sufficient.

1 MR. PALACIOS: Why don't we look into what you
2 would add.
3 MS. JOHNSON: It would be what I would delete.
4 MS. RYAN: So would you delete all of it, that
5 there's no value in any of it?
6 MS. JOHNSON: No. I'm saying a vision for the
7 agency so we don't need 3.1.1.
8 MS. RYAN: Well, let me stop there. My opinion
9 is that, again, ten years from now we may not, and again,
10 I'm giving an opinion and then we can go for a vote
11 because I'm not going to lose sleep over this. But my
12 opinion would be that right now I think we need that.
13 We're asking the agency to change that culture, we're
14 asking the agency to think that way, we have gone on
15 record that this agency will be proactive and visionary in
16 its thinking. I would say that that's something we should
17 hold ourselves accountable, and we are kind of, with this
18 document, going on record and saying this is what's
19 important. Now, three, four, five years from now I might
20 agree that this can strike, we're there, but right I do
21 think that one probably is important. Now, that's two
22 opinions, and anyone else.
23 MR. PALACIOS: I see them as very nice guiding
24 principles. I understand you can't measure them, but
25 nonetheless, it's nice that it's articulated in this

1 document and I see no harm in leaving it in. I think we
2 should keep it in there.
3 MR. VANDERGRIFF: As far as things, I know it's
4 difficult to measure but I think it's important for us to
5 constantly emphasize, for example, listening to our
6 customers' and stakeholders' needs and objectives. That's
7 what we say we're about.
8 MS. JOHNSON: Let's go to 3.1.1.8, because I'm
9 not necessarily certain how we're going to monitor touchy-
10 feely.
11 MR. VANDERGRIFF: Well, some of it is not
12 touchy-feely is what I was just saying. And I think that
13 just a casual observer today can give us some scorecard on
14 how we're doing.
15 MS. RYAN: You all get to vote when we're done
16 on how we did.
17 (General laughter.)
18 MR. VANDERGRIFF: I think that to commit to
19 encourage monitoring and periodic performance assessment
20 is very important. I agree that you don't want to tie it
21 to a specific month or a date, but to do that I think is
22 important.
23 MS. RYAN: And in my place of employment we
24 have a value statement. A value statement is something
25 that every person goes through. We live our values, we

1 train to our values, we measure our values through
2 observations. As a manager, as a leader I'm expected to
3 model the values. You may not be able to measure it if
4 it's working but you know when it's broken and you k now
5 when it's broken because of kind of the fac that it is
6 captured.
7 And I think of this as kind of a value
8 statement for us as a board in the touch-feely pieces.
9 Some of it's intangible, but like I said, it may not be
10 something you think about but when you step over it or
11 step on it, you know it. So that might be a thought or at
12 least another perspective.
13 MS. JOHNSON: Can we remove the reference to
14 the things that don't exist yet.
15 MS. RYAN: Like what?
16 MS. JOHNSON: Like the linkage policy.
17 MS. RYAN: Well, I don't know that it doesn't
18 exist, I just don't have it here today.
19 MR. VANDERGRIFF: Can I ask the question,
20 though, Cheryl? The board will create the linkage between
21 the board and the operations of the agency via the
22 executive director. So all we're committing to in this
23 particular policy is that we're going to create it.
24 MS. JOHNSON: So is there a problem with
25 removing, in parentheses, reference board and executive

1 director linkage policy, since it doesn't exist? You're
2 asking us to vote on something that doesn't exist.
3 MR. WALKER: Okay. Let's take it out. I
4 agree. Take it out. I have a problem with how it's
5 worded there, to start with: The board will create the
6 linkage between the board and the operations of the agency
7 via the executive director. I'm assuming what that
8 says -- I'm not real sure what that says. Is it saying
9 that we will create a policy that says this is how the
10 board conducts business between the agency employees and
11 we have to go through the director? Tell me what that
12 says, somebody. Victor, you're an attorney.
13 MR. VANDERGRIFF: Well, I think what the intent
14 of this is that the board rather than just kind of being
15 all over the map with respect to agency operations -- I'm
16 not suggesting we are or are not at this point -- that we
17 will develop a cohesive policy as to how to do that.
18 MR. WALKER: Okay. Well, let's change the
19 wording and say what we're trying to say instead of coming
20 up with something that nobody understands, including
21 myself. Put it in Aggie language.
22 MS. RYAN: Give us an Aggie sentence.
23 MR. WALKER: The board will create --
24 MS. JOHNSON: As an Aggie mom, I've got one.
25 The board will work through the oversight of the agency

1 through the executive director.
2 MR. WALKER: That's wordier than what we have.
3 MS. RYAN: That's definitely more restrictive.
4 MS. JOHNSON: Are we trying to accomplish that
5 if we have an issue we go to the executive director?
6 MR. VANDERGRIFF: Not necessarily. There are
7 some things that I think the executive director should
8 always be aware of, but you might have something you're
9 calling, particularly if it's a VTR issue, you might be
10 calling directly to be able to answer.
11 MS. JOHNSON: But that's the difference as an
12 individual dealer, as an individual tax assessor-collector
13 I have a business to operate and I'm going to call whoever
14 I need to call at the agency, but as a board member I
15 don't do anything to individual directors, I always go to
16 the executive director.
17 MS. RYAN: I think what it says, the intention
18 of it is the executive director will be the conduit
19 between the board and the rest of the agency.
20 MS. JOHNSON: Then let's just say that.
21 MR. PALACIOS: Is that what we want to say? So
22 we're saying that we'll have no contact with the other
23 directors?
24 MS. RYAN: We're not saying that.
25 MR. WALKER: And that's the problem I had all

1 along with this original draft.
2 MR. VANDERGRIFF: With Cheryl's draft.
3 MS. RYAN: But that's not in this.
4 MR. WALKER: I know. I just left a meeting
5 with one of our people in this agency and had lunch with
6 him to talk about how we're doing in the Motor Carrier
7 Division. I didn't have to go through Linda to go to do
8 that, she may not even know I had the meeting today.
9 MS. RYAN: There's times when I think, because
10 we're aligned with our industries, that we will have
11 questions of the directors, that we will have input, that
12 we will need information. But there's a difference
13 between a conversation and an update and those types of
14 things and providing a directive around the executive
15 director. And I think the message or the definition of
16 linkage or conduit, or we can use whatever word everyone
17 is comfortable with, the purpose of that is to say that
18 the board is not intending -- now, will there ever be a
19 situation where we have to do something around the
20 executive director? I don't know, but if it's the right
21 thing to do, we'll do that if needed.
22 But it's here to say that communication with is
23 different than giving a directive around the executive
24 director that may cause a conflict or mixed message. I
25 think all we're trying to say is that we're not intending

1 to give any conflicts or mixed messages, and in order to
2 support that, we want to work with the executive director
3 as much as humanly possible to ensure we're aligned.
4 MR. WALKER: Absolutely. So what we need to do
5 is establish that the board will use the appropriate
6 channels when appropriate to go through the executive
7 director to deal with the staff agency unless it's not
8 necessary. I don't know what the word is I'm looking for.
9 Victor, help me out.
10 MR. VANDERGRIFF: I'm telling you, linkage is
11 about as broad and general right now, allows you a lot of
12 coverage.
13 MS. RYAN: I was going to say now that we've
14 talked it through, do we really want to change it. We
15 kind of keep circling back. Again, we can wordsmith this
16 thing to death.
17 MR. WALKER: Yes, I agree.
18 MS. RYAN: If the new words change the
19 intention or the content, I think it's productive and
20 valuable. If we're just changing the words we use, I
21 think we're probably not using our time efficiently.
22 MS. JOHNSON: He didn't understand what it
23 meant and I'm not sure I did either until it was
24 explained, so it does need to be clarified.
25 MS. RYAN: So where do we want to be now? But

now that it's clarified, would you still look at it the same way?

MS. JOHNSON: I'm okay now that this discussion has occurred.

MS. RYAN: Okay. So do we want to look at changing the sentence or are we okay with this item now?

MR. PALACIOS: I'm okay with it. It's broad. What I don't want to do is pigeonhole us to where we can't have communications or contact with department heads as needed, where somebody says, Well, this says you've got to go to the executive director.

MR. VANDERGRIFF: And this hasn't done it, we've said we're creating linkage. From my personal perspective, I think it's important for the staff to kind of understand the clear lines of communication, and I don't think it's been bad by any means, but it's a good idea to have something, but I'm not sure this document is the right place to do that. This is just committing us to doing that at some point.

MS. RYAN: Johnny, are you okay, or are you still thinking?

MR. WALKER: I don't like the wording of it. I'm okay with what it says, I'm just trying to figure out if there's not a better way.

I think the board does need to conduct its

1 business through the executive director, but by the same
2 token, if I have a question that somebody has asked me
3 specifically that I need to go to Randy Elliston about
4 with a title or a license plate, I don't need to call
5 Linda to go and call Randy. And I don't think that Randy
6 has a problem with accepting my call, or Brett accepting
7 my call, or whatever, and it saves everybody time,
8 including Linda's time. But now, if Randy has got
9 somebody in his division over here that's not conducting
10 business appropriately, then I ought to take that to Linda
11 and say, Linda, you know, you need to talk to Randy about
12 issues that he's got over here.
13 MS. RYAN: So you just clarified it. The point
14 which you're going directly to is an industry question
15 based on the fact that you represent your industry. The
16 point in which you go to give directive which is a policy
17 directive or an issue that's overarching, then you go
18 through the executive director. And by saying we are a
19 policy board, anytime you are creating policy or giving
20 directive, based on what this is saying, but in a
21 different context when you have a question on the
22 licensing or a permit, that's not a governing or a policy,
23 you're not necessarily speaking in your board capacity.
24 Does that make sense?
25 MR. WALKER: I know what you're trying to say

1 because it's the same thing I said, and we'll all agree to
2 that, but how we put into text here, we're having a hard
3 time getting that done.
4 MS. RYAN: I think it's the context of the
5 document.
6 MR. WALKER: I'm always the kind of person, in
7 the first place, that says go to the top and you gt
8 results quicker than starting at the bottom. My dad
9 always told me it's a whole lot easier to push the ball
10 down the hill than it is to push it up the hill, and I've
11 always believed that. I mean, I would always go to Linda
12 to get to Randy maybe if I thought it was a good way to
13 get results, but there's time when I need to just to Randy
14 or to John Poole or to Bill Harbeson over here without
15 hassling the director with petty stuff.
16 MR. VANDERGRIFF: Well, I think the whole idea
17 with the executive director and a lot of the context, and
18 some of that is on the staff as well, is that the ED
19 should always be aware of. I think certainly Linda has
20 this policy, and I encourage it, is that if anyone on her
21 staff gets a contact from a board member they answer that
22 contact but they make sure she's aware of it and knows
23 that it's occurred, and not because they're trying to
24 tattle on us or anything like that, it's just so she can
25 make sure she's fully responsive and be apprised of

1 questions that may be out there of the agency. And I
2 think that by and large the staff follows that, and I
3 think from our perspective, to the extent that it's doable
4 and appropriate, we make sure of that.
5 Also, I'm very grateful for the fact that I
6 think in almost instances, I can't think of an instance
7 off the top of my head that a board member -- sometimes
8 it's after the fact and that's fine -- I get a call to say
9 hey, I talked to this director about this and I just want
10 to make you aware. And so between the chairman and the
11 executive director, I think we do get good contact about
12 the conversations between board members and people in the
13 operations.
14 This particular sentence is really just trying
15 to say at some point we will better define that linkage
16 with a more detailed process.
17 MS. RYAN: Can I try this? Johnny, are you
18 ready?
19 MR. WALKER: Ready.
20 MS. RYAN: Okay. The board will create the
21 linkage between the board and the operations of the agency
22 via the executive director when policy or a directive is
23 in order.
24 MR. WALKER: That sounds great, and that leaves
25 the rest of it open-ended.

1 MS. RYAN: Is that okay?
2 MR. WALKER: Yes.
3 MS. RYAN: Cheryl?
4 MS. JOHNSON: I'm good. I was good as it was.
5 MS. RYAN: All right. Next?
6 MR. WALKER: Number 3.1.6, the board will
7 fulfill group obligations, encouraging member involvement.
8 I didn't know what that meant.
9 MS. RYAN: It means be at meetings when they're
10 scheduled -- I'm joking.
11 MR. WALKER: I'm always here.
12 MS. RYAN: I'm playing with you.
13 Group obligations would be the suggestion
14 probably of having the whole group together for this,
15 maybe additional meetings. Okay, a strategic plan is
16 going to be a good example. That will be one that's
17 probably going to take some time up and above our normal
18 meetings, up and above normal things that would fall under
19 an agenda, and it basically says that when we decide as a
20 group that we need to get together as a group to do
21 something specific, we're all going to support that and
22 encourage each other to be there, understanding we all are
23 busy and there's always conflicts.
24 MR. WALKER: But I think that's in here already
25 someplace else that we will attend stuff.

1 MS. JOHNSON: It's in the law that we have to
2 attend so many meetings.
3 MS. RYAN: Well, this would not be necessarily
4 specifically to just board meetings. I don't think it's
5 in the law that says we have to meet to do a strategic
6 plan, but we may decide that we want that and as a group
7 we would basically, by being in here, support it. I mean,
8 honestly, if you want to take that out.
9 MR. WALKER: How about saying board members.
10 MS. RYAN: Will what?
11 MS. JOHNSON: Will fulfill group obligations.
12 MR. WALKER: Will fulfill their obligation to
13 attend all practical functions of the board. That kind of
14 cleans that up a little bit and tells you what you're
15 supposed to be doing.
16 MS. RYAN: I'm perfectly fine with that unless
17 there are any objections.
18 MR. PALACIOS: Well, wasn't your intent to be
19 more encompassing. You're talking about fulfilling our
20 responsibilities, whether it's attending meetings.
21 MS. RYAN: Well, to me, you've got the state
22 responsibilities of the board and we are required to be at
23 so many board meetings.
24 MR. WALKER: You have to attend 51 percent or
25 you get kicked off.

1 MS. RYAN: This one is that, it wouldn't take
2 away that, but it's also in addition to if we have
3 something. And again, right now we are in creation mode
4 so there are some additional things and responsibilities
5 and activities that we are in the middle of that five
6 years from now you might be able to strike that completely
7 because the requirements of being a board member, we may
8 not have to have those other things.
9 MS. JOHNSON: What about: Board members will
10 fulfill their obligations to attend meetings and
11 workshops.
12 MR. WALKER: There you go.
13 MR. PALACIOS: Okay.
14 MS. RYAN: Well, where we leave it with group
15 obligations, again, the desire is to keep it as broad if
16 we don't happen to call it a workshop or a meeting. So
17 again, we said all group obligations, we were thinking it
18 didn't matter what it could be. It could be a dinner
19 event if we're all required to be there for some odd
20 reason. I don't know what the situations might be.
21 MS. JOHNSON: Well, then you could leave it
22 board members will fulfill group obligations.
23 MR. VANDERGRIFF: It's not even necessarily
24 group obligations for a meeting, it's just in general.
25 Again, it kind of goes to, Cheryl, as I said earlier, and

1 I don't think it was too artfully expressed, throughout
2 this document it's replete with one voice type references
3 in it.
4 MS. JOHNSON: I haven't seen that yet, so I'm
5 still looking for the one voice.
6 MR. VANDERGRIFF: Working as a group,
7 cultivating sense of group responsibility, those are
8 buzzwords for me as operating as a one voice approach.
9 MS. JOHNSON: I would love to see in here
10 somewhere, and maybe this isn't the place for it, but
11 exactly what was put in this report, that the board speaks
12 with one voice or not at all.
13 MS. RYAN: Well, I think there's a difference;
14 that's a conflict to the diverse opinions. There may be
15 lots of diverse thought and opinion. I think at the point
16 a decision is made that we speak as one.
17 MS. JOHNSON: That's what needs to be added to
18 this.
19 MR. WALKER: Laura is right on that.
20 MS. JOHNSON: But on decisions we need to speak
21 as one voice. Once a decision has been made, the board
22 supports it, whether they like it personally or not. I
23 think that needs to be in here, if possible, the board
24 speaking with one voice. But we should go another put it.
25 MS. RYAN: Once we're done, if it's not, I

1 don't think that's a hard add.
2 MR. WALKER: So are we changing something
3 specific or just adding to?
4 MS. RYAN: Well, let's get through it, and when
5 we're done if we still feel it's not captured somehow,
6 then we'll add it.
7 MR. WALKER: Can I go to 3.2 and your general
8 statement there?
9 MS. RYAN: Unless there's anything else in 3.1.
10 Everyone good?
11 MS. JOHNSON: Could we identify 3.1.8. Should
12 we put i.e., personnel matters or something? Because I'm
13 not sure what sensitive nature issue is. We have a couple
14 of sensitive nature issues that even the public addressed
15 for us today, but I don't consider that confidential, so
16 do we need to more clearly identify
17 MS. RYAN: It says as is appropriate to issues.
18 MR. WALKER: It would be all sensitive issues.
19 MR. VANDERGRIFF: Legal, lawsuits, litigation.
20 MS. RYAN: Sensitive issues might just be
21 offending somebody or putting somebody in a negative light
22 that you would want to keep something confidential. I
23 don't know that you want to make that just personnel.
24 MS. JOHNSON: Well, for example, personnel,
25 because I really don't know what we're hitting here. I

1 don't know what issues are of sensitive nature that we're
2 addressing. Confidentiality truly only covers personnel
3 matters, to my knowledge, or legal issues.
4 MS. RYAN: Well, I think a sensitive issue is,
5 again, you know it when you see it. And what it's stating
6 is that it's clear personnel is confidential, it's clear
7 there's certain legal, but there's some more gray
8 situations that would be sensitive, and I think what it's
9 saying is that is where confidentiality would be put in
10 place just out of the nature of the sensitivity, not
11 because it's illegal.
12 MR. WALKER: If Laura told Cheryl: Hey, did
13 you hear that Victor got run off of the North Texas
14 Tollway Authority because he was smoking at a meeting, I
15 mean, that might be a sensitive issue.
16 MR. VANDERGRIFF: Why did you decide to pick
17 that?
18 MS. JOHNSON: Do you still want this in here?
19 (General laughter.)
20 MR. WALKER: Those are the kind of things that
21 it's directed to, something that might be sensitive, that
22 might be offensive or might be hurtful.
23 MS. RYAN: And once we adopt this, you can't
24 say something like that.
25 MR. WALKER: I understand. For the record,

1 that didn't happen, I'm just trying to make an
2 illustration.
3 I'm okay with that sentence. Cheryl, do you
4 think you understand now?
5 MS. JOHNSON: I'm just not sure, I'm a little
6 confused. I mean, I absolutely understand legal matters
7 and personnel matters, I'm just struggling with what
8 another appropriate issue is. I'd just like to understand
9 what it is I'm signing on to.
10 MS. RYAN: I'll give you the way I filter it is
11 if I'm in question that it might be sensitive or offend
12 somebody or be inappropriate for me to repeat or state, I
13 consider it confidential.
14 MS. JOHNSON: So rumors would be confidential.
15 MS. RYAN: And what confidential means is you
16 keep your mouth shut, we just don't talk about it. Right?
17 That's what confidential is, you don't share it. So I
18 think that way it could be legal, it could be just
19 sensitive. That's kind of the scope of what we were trying
20 to get to. I'm okay with whatever words you want to add,
21 all I would ask is that we not define it to one or two
22 things.
23 MR. WALKER: I like it the way it is, I think
24 it's appropriate.
25 MS. JOHNSON: I think we're going to run into

1 problems down the road on this, but okay.
2 MS. RYAN: Raymond, what do you think?
3 MR. PALACIOS: I'm fine with it.
4 MS. RYAN: Victor?
5 MR. VANDERGRIFF: I'm good.
6 MS. RYAN: Okay. All right, Johnny, 3.2.
7 MR. WALKER: Get that word immature out of that
8 sentence.
9 MR. PALACIOS: I didn't like that either:
10 still immature in many regards.
11 MR. WALKER: That needs to come out of there.
12 MS. JOHNSON: Newly formed, period.
13 MR. WALKER: It's an evolving agency, it's not
14 immature. That sounds like I'm talking about my kids. So
15 you've got to get that out of there.
16 MS. RYAN: We are kids. Based on the sensitive
17 nature, I'll keep my thoughts confidential.
18 (General laughter.)
19 MR. VANDERGRIFF: Basically, board governance
20 will always be evolving.
21 MS. RYAN: So our agency is still evolving,
22 newly formed.
23 MS. JOHNSON: So do we just end it at agency?
24 MR. PALACIOS: Yes, period. Agency, period.
25 MS. JOHNSON: Okay. And then the rest of it is

1 okay then. Right?
2 MR. WALKER: Yes. And then get rid of
3 environmental scanning.
4 MS. RYAN: Well, I think you take out in many
5 regards.
6 MR. VANDERGRIFF: I think you take the newly
7 formed out because board governance should always evolve.
8 MS. RYAN: Evolving over time, period.
9 MS. JOHNSON: Since environmental scanning
10 involves monitoring emerging trends and listening, can we
11 take out that environmental scanning since we don't know
12 exactly what it is?
13 MR. WALKER: Absolutely take it out.
14 MS. RYAN: How about we come up with another.
15 What that means is that we're constantly assessing our
16 industries, staying up to date with things that might be
17 coming over the horizon.
18 MR. WALKER: Monitoring emerging trends.
19 That's what that says, that's what it is.
20 MS. JOHNSON: Monitoring emerging trends is
21 there to meet expectations and problems.
22 MR. VANDERGRIFF: I think that word can come
23 out and we're okay.
24 MS. RYAN: All right.
25 MR. WALKER: There you go. Turn the page.

1 MS. JOHNSON: And ten 3.2.1.2 says the same
2 thing and I don't know whether it needs to be in there.
3 MR. VANDERGRIFF: Well, one is monitoring and
4 the other one is soliciting. They're kind of the same
5 thing, but one is actively watching and looking and the
6 other one is actively seeking input.
7 MR. WALKER: All right, 3.2.2.3, remains
8 organic. Now, listen, I went to A&M and have a degree in
9 agriculture, I know what organic means, to grow, but
10 you're saying the same thing before that in evolving. So
11 remains organic needs to come out of there.
12 MS. RYAN: Evolving means change, organic means
13 growth. I'm playing with you, but I'm okay. Do you want
14 to take out organic?
15 MR. WALKER: Because it's repetitious, and if
16 somebody is trying to use big words to impress somebody.
17 MR. VANDERGRIFF: So why don't you just take
18 out from: so it remains organic and does not become
19 solidified.
20 MR. WALKER: Yes, there you go.
21 MR. VANDERGRIFF: Ensure the evolution,
22 capacity and robustness of the agency so it continues its
23 flexibility and nimbleness.
24 MS. RYAN: Does that work?
25 MR. WALKER: Yes.

1 MS. RYAN: All right. 3.2.3.3.
2 MR. WALKER: I don't have any question on the
3 rest of that page.
4 MS. JOHNSON: I'm just trying to understand the
5 integrity of the system is the integrity of the DMV. Is
6 that what that means, under 3.2.3.4?
7 MS. RYAN: Well, it's oversight of operational
8 structure and operations, so the system would be the
9 agency in and of itself, as I would understand that.
10 MS. JOHNSON: I understand accountability and I
11 understand fiduciary responsibility, I understand checks
12 and balances protection. I'm not sure holding the
13 tensions between the results orientation and the process
14 orientation, what that means.
15 MR. WALKER: Where are you?
16 MS. JOHNSON: 3.2.3.5.
17 MS. RYAN: That goes to kind of the point of
18 the change, the evolution that the agency is going
19 through, retail-oriented. The tension between getting
20 something done and the process of once we get it, it's
21 kind of the difference between the what and the how.
22 MS. JOHNSON: Focusing on results orientation.
23 MS. RYAN: Well, it's a balance. I look at it
24 as a scale. And again, I'm open to whatever change, I'm
25 just giving the input. To me it's a scale versus a

1 checklist.
2 MS. JOHNSON: Then balancing, is that what
3 you're trying to say?
4 MS. RYAN: As a group if we don't think it adds
5 value, then take it out. I'm not defending it, I'm just
6 clarifying what the intent was, kind of the thought point,
7 but again, if it doesn't add value to the group.
8 MR. WALKER: What do you want to do with it,
9 Cheryl?
10 MS. JOHNSON: I don't know what it means so I
11 would say we change it or take it out.
12 MR. WALKER: Let's take it out, let's just take
13 that whole sentence out.
14 MS. RYAN: Are we missing anything if we take
15 it out?
16 MR. PALACIOS: I don't think so. Let's take it
17 out.
18 MR. WALKER: Let's take it out.
19 MS. RYAN: All right. 3.2.4
20 MR. WALKER: I'm okay.
21 MS. JOHNSON: I'm down to 3.2.5, assessing the
22 local trust within the board of the quality of the group
23 processes. Explain that one.
24 MS. RYAN: Assessing the level of trust within
25 the board, it goes under self-reflection and assessment,

1 so this one really is for us, if you look at the structure
2 that it's under. Assessing the level of trust within the
3 board, well, that would be how well we function and
4 interact together. And then the quality of the group
5 processes are kind of how well do we respect the
6 diversity, can we define middle grounds, can we determine
7 that sometimes a middle ground may not be what we need,
8 and then can we be okay if we disagree but it's the right
9 thing for the group. Those kinds of situations would be
10 how I would explain that.
11 Any discussion on it, anyone else?
12 MR. PALACIOS: Assessing the level of trust
13 within the board, again, how do we assess the level of
14 trust within the board?
15 MS. RYAN: I honestly think the chairman would
16 be the one that would probably determine some of that
17 based on individual feedback and situations that he would
18 be privy to. I mean, he sees all of us in action at
19 different phases and levels, so again, I think that's
20 where that would fall, but I could be wrong.
21 MR. VANDERGRIFF: I think that there's some of
22 that, but I think that's one of these things that's almost
23 self-evident. Like right now we have a disagreement of
24 opinion on something but there's not a lack of trust among
25 the board members. If there is, we could cut it like it

1 was thick as a knife, it would be very apparent. So I'm
2 not sure that it's going to be that hard for us to look
3 ourselves in the mirror.
4 MR. PALACIOS: I would just add that I would
5 substitute quality with effectiveness. You're looking to
6 see if the processes are effective.
7 MS. RYAN: I like that.
8 MR. WALKER: I like how you join right in with
9 this group.
10 MR. VANDERGRIFF: There's not shy people on
11 this board.
12 MR. PALACIOS: I didn't know what to expect.
13 (General laughter.)
14 MS. JOHNSON: On 3.3.1.1, is that used
15 liberally, is that to encourage it happens a lot? We
16 definitely need everybody to go through orientation and we
17 constantly need refreshing. I keep certain documents like
18 Mr. Bray has given us and tells us what we're allowed to
19 do, and I carry them with me so I don't forget what we're
20 allowed to do versus what we can't do. But is that saying
21 that training and retraining will be used often? Is that
22 essentially what you're saying there?
23 MS. RYAN: That's the way it would read.
24 MS. JOHNSON: Okay. I just wanted to make sure
25 that I got that.

1 MS. RYAN: So if you want to change that,
2 that's fine.
3 MR. WALKER: What are we changing?
4 MS. JOHNSON: We're not changing anything. I
5 just wanted to make sure I understood what liberally was
6 going to be meaning there.
7 MS. RYAN: And Julie, you need to jump in if
8 we're changing something that you think we're
9 misunderstanding.
10 MS. BEISERT: No. I think we're good for now.
11 I haven't come across anything that's changing the
12 intent.
13 MS. JOHNSON: 3.3.1.4, I'm a little bit
14 concerned about 3.3.1.4. I'm not sure what are our moral
15 obligations to the board other than to behave ourselves.
16 Again, I have a real struggle with legislating people's
17 behavior, and that's essentially what we're doing here,
18 and so I can tell you I would be a moral person but I'm
19 struggling with some of this stuff being put in writing
20 and just sitting here. There's so many important things we
21 need to do, I'm really starting to lose it. Other
22 activities as needed to ensure the board's ability to
23 fulfill its moral and legal obligations, and to represent
24 the link, and when we state again and again that we're
25 going to be a link to the motoring public and our

1 stakeholders and so forth.
2 MR. PALACIOS: I think it speaks to conducting
3 ourselves in an honest and ethical manner. Is that what
4 we're saying here?
5 MR. WALKER: I think moral and ethical. Do you
6 want to change it to ethical?
7 MR. PALACIOS: I'm fine either way.
8 MR. WALKER: I don't have a problem either way.
9 MS. RYAN: I'm okay with ethical and moral.
10 MS. JOHNSON: Ethical and legal obligations.
11 MR. WALKER: Do yo want to change moral to
12 ethical?
13 MS. JOHNSON: Yes.
14 Do we really need 3.3.2 if we have 3.3.3?
15 MR. WALKER: I have a problem with the 3.3.2
16 also. Costs will be prudently incurred, though not at the
17 expense of endangering the development and maintenance of
18 superior capability and effort. What do you need that in
19 there for?
20 MR. WALKER: Mr. Walker, there's a lot we don't
21 need in here.
22 MS. RYAN: Well, I think you need that in there
23 for the same reason that we challenge the leadership of
24 the agency when we go through a budget, at the same time
25 we challenge expenses, at the same time we question why we

1 do some of the things at the agency level. I think it's
2 very fair that we would put in our governance that we
3 would expect the same of ourselves.
4 MR. WALKER: But doesn't 3.3.3 say that?
5 MS. RYAN: No. Because 3.3.2, to me, costs
6 will be prudently incurred, it may be ours or it may be a
7 policy that we decide that the costs are incurred at the
8 agency level based on a decision that we make. The board
9 will establish the cost of governance, governance is what
10 we would do. That's the way I would read that.
11 MR. WALKER: I don't understand it, to be real
12 honest with you. What costs?
13 MS. RYAN: Any costs. I mean, let's say we
14 decided to go do a public meeting at the Ritz-Carlton.
15 MR. WALKER: That the board will fiscally
16 manage the agency.
17 MR. PALACIOS: Assets of the agency.
18 MS. JOHNSON: This has to do with the board
19 governance investment.
20 MR. WALKER: It is saying that the board is not
21 going to go meet at the Taj Mahal for the next board
22 meeting, is that what we're saying?
23 MS. JOHNSON: If we were going to have a
24 workshop somewhere really fancy.
25 MS. RYAN: We pay for our own spa treatments.

1 MR. PALACIOS: This doesn't make any sense to
2 me at all.
3 MS. RYAN: Julie, any thoughts on that?
4 MS. BEISERT: I think the intent was truly just
5 to identify that costs will be managed in a way that we're
6 ensuring that the agency is able to function on the budget
7 that we have.
8 MS. JOHNSON: But doesn't 3.3.3 say that? It
9 says we're going to establish what the cost is acceptable.
10 So if we decide there's $30,000 a year that we're going to
11 be willing to spend on governance-related issues,
12 workshops, facilitation, whatever, that we decide that at
13 the time of budgeting, and during the budget process we're
14 going to know whether we really have the money to do that
15 or we should be spending that somewhere else.
16 MS. BEISERT: Yes. I agree that 3.3.3 says
17 that. What 3.3.2, I believe, says is that it's all other
18 costs outside of that, meaning the whole financial.
19 MS. JOHNSON: But we're only talking board
20 governance investment, not the financial situation of the
21 agency.
22 MR. WALKER: If you wrote this and you don't
23 know what it says and we are reading it as to how it
24 affects us and we don't understand it, we need to take it
25 out.

1 MS. RYAN: Okay.
2 MS. BEISERT: Johnny, just to clarify, I was
3 not the only person that wrote this.
4 MR. WALKER: I know it's not your exclusive
5 document, but I'm just telling you I know that you were
6 heading that thing up.
7 MR. VANDERGRIFF: Okay, 3.3.3?
8 MS. RYAN: No. 3.3.3 was okay.
9 We're on 3.3.4, practice, discipline, assess
10 performance.
11 MS. JOHNSON: I could probably behave but I
12 can't figure out anything else to do.
13 MS. RYAN: Where are you? I could put it in
14 context.
15 MS. JOHNSON: Under 3.4.1, again I'm having
16 issues with behavioral governance, but I understand what
17 you're saying, I just don't know if there's a better way
18 to put it. I can't think of anything, so let's just go
19 on.
20 MR. PALACIOS: So you're okay with 3.4.1?
21 MS. JOHNSON: I just can't think of another
22 word other than the fact that we abide by our --
23 MR. PALACIOS: Conducts itself, operates.
24 MS. RYAN: Operates is what we came up with?
25 Okay. Is that it?

1 MR. WALKER: I'm good all the way through the
2 rest to the end of it now.
3 MS. RYAN: So can I ask then and make a motion
4 that we, assuming the changes that were just discussed,
5 make those changes?
6 MS. JOHNSON: And we get it back and then
7 review it again.
8 MR. WALKER: Make the motion. Just make a
9 motion and I'll second it.
10 MS. RYAN: Make the changes as just discussed
11 and adopt it.
12 MR. WALKER: I second.
13 MS. JOHNSON: Are we going to get these changes
14 back so we can see that the changes are made and then
15 adopt at another meeting? Hopefully the rest of the board
16 will also be able to see what we've done, if they don't
17 voice a concern, we're done.
18 MR. WALKER: Governance policy says we have to
19 trust our fellow members.
20 MR. PALACIOS: We have a quorum now.
21 MS. JOHNSON: I just don't want to adopt any
22 items that are so chopped up and if it comes back and it's
23 not what we discussed, we're going to have to go through
24 this all over again.
25 MR. VANDERGRIFF: Well, you certainly can bring

1 it back up again if it's not what you thought it was or
2 discussed. The motion before us is to make the
3 corrections as discussed but adopt it now and it's been
4 seconded.
5 MS. JOHNSON: And I'm giving my input.
6 MR. VANDERGRIFF: I know. I said do you want
7 any further discussion on that.
8 MS. JOHNSON: I'm just concerned about there
9 being so many changes on this.
10 MS. RYAN: Do you want to go through them real
11 quick before we vote?
12 MS. JOHNSON: Yes, let's.
13 MS. RYAN: All right. On 3.1.2 the change is
14 to remove reference board and executive director linkage
15 policy and add in place of that when policy or a directive
16 is in order.
17 3.1.6 reads: Board members will fulfill group
18 obligations. Really, we just added to attend all group
19 obligations and encourage member involvement. All we did
20 was add members, and encourage member involvement to
21 attend all obligations. It's not really attend but what
22 we did was clarify that it was feedback too, so really
23 members would be the only change there.
24 On 3.2 we ended it at: Texas DMV Board
25 governance can be seen as evolving over time, period. We

1 removed: given it is a newly informed agency, still
2 immature. I crossed it out so I can't read it in any
3 regards.
4 3.2.1.1 we removed environmental scanning.
5 3.2.2.3 we removed remains organic and does not
6 become solidified, so it reads: Ensuring the evolution,
7 capacity and robustness of the agency so it continues its
8 flexibility and nimbleness.
9 3.2.3.5 we deleted the entire sentence.
10 3.2.5.2 we changed quality to effective.
11 3.3.1.4 we changed moral to ethical.
12 MS. JOHNSON: What about liberally? No, wait.
13 I removed liberally. Sorry.
14 MS. RYAN: 3.3.2 we removed completely.
15 3.4.1 we changed behaves to operates.
16 And that's the extent of anything I captured.
17 MR. WALKER: That's what I got. I'm good with
18 it.
19 MR. VANDERGRIFF: So we have a motion and a
20 second. Any further discussion?
21 (No response.)
22 MR. VANDERGRIFF: Please raise your right hand
23 in a motion to adopt, as corrected, the board governance
24 policy. All those in favor please raise your right hand.
25 (A show of hands.)

1 MR. VANDERGRIFF: Of all those here, it passes
2 five-zero with, again, four members absent today.
3 MR. WALKER: I bet you didn't think we were
4 going to ger there today.
5 MR. VANDERGRIFF: I was very optimistic.
6 There's been some highs and lows over the last hour and a
7 half.
8 We do now have the strategic plan which was a
9 plan to plan, it's one page front and back, two page
10 total. Laura, I'll turn it back over to you on this one.
11 MS. RYAN: Okay. I'm going to read the purpose
12 and the scope to kind of give us an understanding. This
13 one, basically, as I said, is a plan to plan.
14 The directives presented in this policy address
15 the annual strategic planning process of the Texas
16 Department of Motor Vehicles. The scope of the directives
17 presented in this policy apply in the Texas DMV board and
18 the Texas DMV agency personnel who deal -- and we'll
19 change that to interact, as per our last document -- with
20 the board. The Texas DMV strategic planning policy
21 attempts to develop and document policy that is
22 comprehensive in its scope in regards to the strategic
23 planning process of the board and the department.
24 Starting at 3.1, really the thought process
25 there, was to give us a framework so that when we meet to

1 develop a strategic plan we have a starting point and that
2 we would basically hang information off each of these
3 areas as a way to start to develop a plan so that we can
4 create a solid plan for the agency.
5 MS. JOHNSON: The first change is interact.
6 MS. RYAN: Got it.
7 MS. JOHNSON: The second one that I would add
8 is at 3.1.2, DMV will use a five-year strategic planning
9 cycle to review --
10 MR. WALKER: You lost me.
11 MS. JOHNSON: I'm just reading 3.1.2.
12 MR. WALKER: I don't have 3.1.2.
13 MS. RYAN: She's moved down.
14 MS. JOHNSON: And maybe that's where it needs
15 to be but what I wanted to add is, we get a big document
16 from the Governor's Office, and what I was trying to add
17 is somewhere in here we should say that we're using a
18 five-year strategic planning cycle which will be reviewed
19 and edited annually and in compliance with the directives
20 of the Office of the Governor. Don't we want to adopt our
21 strategic plan in conformance with the directives of the
22 Office of the Governor? We get a big book on how to do
23 this, and so isn't this our starting point document?
24 MS. RYAN: The thought process, and this is
25 probably good discussion, was that the agency's strategic

1 plan is different than the strategic plan that we are
2 required to submit, because the one that we come up with
3 for the agency from a five-year would also have things
4 that might not be mandated and you have to do it this way.
5 So the plan could be much more encompassing, much
6 broader.
7 MS. JOHNSON: So do we need to begin this that
8 the purpose this is to address strategic planning within
9 the agency that is separate from what we receive from the
10 Governor's Office? Because I was just tying the two of
11 them together, and until you said that, I thought that
12 that's what you were talking about. And I agree that the
13 Governor's Office, we do not have flexibility to change
14 these goals that they're even appropriate, so I like that
15 we're going to have a separate strategic plan that's more
16 appropriate, but then we should say it's separate.
17 MR. BEISERT: In 3.1.6.9 it talks about the
18 difference in the LBB/Governor's Office plan versus what
19 the intent of this is. So it talks about tying the two
20 together as much as possible. They won't be linked real
21 easily and it's going to be a job for the board and for
22 the agency, the people who are working on the strategic
23 plan at the agency level to tie those two together, but we
24 do address that saying that we will.
25 MS. JOHNSON: It's not clear that this is

1 separate from this, to me it's not clear. And I'd much
2 prefer us to have much more defined than we have in the
3 Governor's document, so yes, we're supporting that but I'd
4 still like us somehow if we can figure out where to put it
5 in here that this is our internal strategic plan.
6 MR. WALKER: This document here, I have lots of
7 questions on this strategic plan, Laura, and my concerns
8 are is it's they will do this, will do this, will do this,
9 will do that, and my questions would be who is going to
10 track that we do this stuff and what's the penalty if we
11 don't do this stuff. Because you're subjecting this board
12 to: Well, you said you were going to do this and you
13 don't do any of the things that you said you will do.
14 It's not like that we're going to do these things, it's
15 says that you will do these kind of things.
16 MS. RYAN: Well, I think that we will do a
17 strategic plan, we have to in order to create a framework
18 for the agency to function. That's pretty fundamental.
19 MR. WALKER: It says we will seek input from
20 the stakeholders and the public annually. So who's going
21 to monitor that, when are we going to do that?
22 MS. RYAN: We do it.
23 MR. WALKER: I know.
24 MS. RYAN: So why do we have a concern with
25 saying we're going to do what we do as a part of our

1 culture and a everyday process? That's what I'm
2 struggling with. If it's something we've stated we
3 believe in and we live by that, that we get input from our
4 stakholders, that we are partners with our stakeholders,
5 why are we concerned with being held accountable for that?
6 I mean that. I don't struggle with that at all, in my
7 opinion.
8 MR. VANDERGRIFF: This agency, in my opinion,
9 needs something more meaty and beefy from an operations
10 perspective than what the state requires of us. We
11 certainly have to do that, but we need something more
12 operational.
13 MS. JOHNSON: How about this under scope -- and
14 I don't disagree, Mr. Walker, with your wills and mays:
15 The directives presented in this policy apply to the DMV
16 Board, agency personnel who interact with the board.
17 Texas DMV's strategic planning policy attempts to develop,
18 document and expand policy that is comprehensive in its
19 scope in regards to the strategic planning process of the
20 board and the department beyond that of the state
21 strategic planning process. Does that make sense?
22 Because we're taking it one step further is what we're
23 doing, and I think that we need to be definitive that we
24 are taking it one step further.
25 MS. RYAN: Let me repeat what I captured.

1 We've changed deal to interact. Texas DMV's strategic
2 planning policy attempts to develop and document and
3 expand its policy that is comprehensive in its scope in
4 regards to the strategic planning process of the board and
5 the department beyond that of the scope of the state
6 strategic planning process.
7 Any concerns or thoughts? Everyone okay with
8 that?
9 MR. VANDERGRIFF: Did the two of you hear that?
10 MR. PALACIOS: Can you repeat that?
11 MS. RYAN: Yes, I can. We've changed deal to
12 interact. And the sentence that starts with Texas DMV's
13 strategic planning policy attempts to develop, document
14 and expand policy that is comprehensive in its scope in
15 regard to the strategic planning process of the board and
16 the department beyond that of the scope of the state
17 strategic planning process.
18 MR. WALKER: Beyond that of the state?
19 MS. JOHNSON: May I ask th executive director a
20 question? Ms. Flores, in here we're talking about
21 reviewing annually this strategic planning cycle. In
22 3.1.2 it says we use a five-year strategic planning cycle
23 and then it will be reviewed and edited annually. Isn't
24 that something that we do as a matter of fact with regard
25 to this, and then we'll just have this additional item

1 that we'll be doing? Because I don't want to create a
2 burden for the agency since it has so much to do.
3 MS. FLORES: The state's is not an annual
4 process, it's a two-year process, it's every other year,
5 so it's a biannual review but not annual.
6 MS. JOHNSON: But will we be creating a burden
7 if we review annually our DMV strategic plan?
8 MS. FLORES: I guess it would depend on who's
9 actually implementing the board's strategic planning
10 process.
11 MS. JOHNSON: That would be the executive
12 director. I mean, a report on it is one thing, but to
13 edit the whole thing, I just don't want to create a burden
14 because there are so many directives from the state.
15 MR. VANDERGRIFF: Yes. At recess we talked
16 about having a strategic planning meeting, so I think
17 we'll have staff associated with the board on that.
18 MS. JOHNSON: I just wanted to make sure we
19 weren't creating a burden by adding another thing because
20 the state is already burdensome with its requirements.
21 MS. RYAN: Some of that burden will fall on us.
22 MS. JOHNSON: And then if I could ask one other
23 thing, on 3.1.6.3 on the back, the SWAT analysis.
24 MR. WALKER: Wait, we haven't gotten past the
25 first page yet.

1 MS. JOHNSON: Oh, I'm sorry. I'm beyond the
2 first page.
3 MR. WALKER: How about on 3.1.4, develop the
4 strategic directions, is it directions or directives,
5 which is the correct word? Is directives right?
6 MS. RYAN: I think we're developing directions.
7 MR. WALKER: So direction is right?
8 MS. RYAN: I believe.
9 MR. PALACIOS: You could use either one,
10 they're both right.
11 MS. JOHNSON: Are we to the back yet? Because
12 I wanted to ask, a SWAT analysis, I do know there was a
13 lot of discussion of that with the organizational
14 assessment, but is that something we do internally or is
15 that something we do externally?
16 MS. RYAN: In most strategic plans it starts
17 with a SWAT, it is part of the plan because your strategic
18 plan, you want to build on your strengths which is partly
19 why it's a five-year plan. The threats might be something
20 that are three or four years out and they become
21 opportunities as we get closer or something changes, so it
22 would be internal and something that the board, with the
23 assistance of leadership, would probably get input on as
24 to the SWAT of our plan.
25 MS. JOHNSON: So this is something that's done

1 internally.
2 MS. RYAN: Yes.
3 MS. JOHNSON: Okay. I mean, we've got that
4 environmental scan in there again. I didn't know if Mr.
5 Walker had a problem with that.
6 MS. RYAN: Well, we took it out completely
7 because there was additional description in the last
8 document. There isn't additional.
9 MR. WALKER: There you go: an assessment of
10 external factors or trends.
11 MS. JOHNSON: Excellent.
12 MR. PALACIOS: That's nice and simple.
13 MR. WALKER: What was a customer value
14 proposition? Did we define that?
15 MS. JOHNSON: We have to establish it first.
16 MS. RYAN: It's part of what we would develop
17 with a strategic plan.
18 MR. WALKER: And under 3.1.5.3, the very first
19 line up there, I kind of understand but I want to make
20 sure this is clear, you would look for monthly reporting
21 in order to assess the progress of the agency. I would
22 assume that's what that's saying there. It's not saying
23 that the board is to meet monthly, is it, because we don't
24 necessarily always meet monthly.
25 MS. RYAN: I don't think it references a

1 meeting, I don't think it requires a meeting to get input.
2 MS. JOHNSON: Would it be more appropriate to
3 evaluate this quarterly, though?
4 MR. WALKER: Well, no. You want to monitor a
5 business as often as you possibly can on a monthly basis
6 to see how you're performing.
7 MR. VANDERGRIFF: Where does it say that?
8 MS. RYAN: Up at the top.
9 MR. WALKER: Monthly is appropriate if you're
10 talking about that somebody is getting a financial
11 statement done every month.
12 MR. VANDERGRIFF: How about periodic?
13 MS. RYAN: Periodic review.
14 MS. JOHNSON: I move to approve as changed.
15 MS. RYAN: I second it.
16 MR. VANDERGRIFF: We have a motion to approve
17 from the vice chair and a second from Board Member Ryan.
18 MR. WALKER: We're finished?
19 (General talking and laughter.)
20 MS. JOHNSON: The only other two items are 6.7
21 and 6.8 down here at the bottom.
22 MS. RYAN: What's the question?
23 MR. WALKER: Well, I have that 6.7 is actually
24 a function of the executive director, it's not really a
25 function of the board.

1 MR. VANDERGRIFF: Gave staff through the
2 executive director at all levels of the organization.
3 MR. WALKER: I mean, I'm looking at that as
4 saying that it's our responsibility to engage everybody in
5 this agency.
6 MS. RYAN: With regard to the strategic plan,
7 though, it says we need to have that input. Again, look
8 at what it's under: The board is responsible for a five-
9 year strategic plan that will identify the key priorities
10 and objectives of the organization, including but not
11 limited to. All this is saying that as we build our
12 strategic plan we will identify the key priorities and
13 objectives of the organization. In order to do that and
14 get the support of the organization, we may, it says
15 include but not limited to, everything that's listed. So
16 it would be reference points that we may use or include in
17 building our strategic plan. You've got to make sure you,
18 in my opinion, keep it in the context under what it's
19 under.
20 MR. WALKER: I see what you're saying, but do
21 you see what I'm saying also, that that also is saying
22 that we are going to engage the staff.
23 MR. VANDERGRIFF: You could put in there engage
24 the staff through the executive director.
25 MR. WALKER: I don't think it's my job to go to

1 everybody that works here at this agency and say are you
2 doing this, it's Linda's job as the director to implement
3 that.
4 MR. VANDERGRIFF: But what we want to have,
5 when you're doing a strategic plan like this, things need
6 to bubble up from the bottom and the workforce needs to
7 feel a part of it so that they understand and appreciate
8 and agree with, to the extent possible, the direction that
9 the agency is going and provide input. But I agree with
10 you, the board shouldn't be out there asking them
11 questions as much as we work through the executive
12 director to do that.
13 MS. JOHNSON: Then I have to ask is 3.1.5.3 at
14 the top that we changed to periodic, the assessment as we
15 go through, we expect this to take a long time? Because
16 at 3.1.6.8 we've got once it's developed we're going to
17 review wit annually, so is this redundant or is this
18 something that will fall off once it's in place? And I
19 had to go back to the beginning to see what is this
20 talking about.
21 MR. WALKER: Well, you're right, 3.1.6.8 is a
22 redundancy which I already just said back at 3.1.2 because
23 it says right here that you will review and edit it
24 annually, and you're saying the exact same thing again.
25 MS. RYAN: The way I view it is that updates

1 once it's in because the board will get updates regularly
2 for the full five years. What we're committing to by
3 3.1.6.8 is that every year we will review it annually to
4 update as needed, so one year will drop off and we'll have
5 to add another year, and then year three from last year
6 might change based on the economic environment or
7 something. So we annually will have to get together and
8 review our five-year plan and make it relevant.
9 MR. WALKER: But it says that in 3.1.2, though.
10 It says will be reviewed annually and edited.
11 MS. RYAN: We'll update it annually.
12 Periodically throughout the year we're going to want to
13 know are we following -- okay, let me ask this: how will
14 you know once a strategic plan is in place that the agency
15 has implemented it?
16 MR. WALKER: Okay, I'm agreeing with you. Then
17 let's just do this, kill it and let's go up to this one
18 here and let's put updated along with your other words,
19 and that way now you have one sentence instead of two.
20 MS. RYAN: Well, okay, but they're under -- I'm
21 okay with that. One is under specifically our five-year
22 plan and the other is kind over --
23 MR. WALKER: It's under the policy.
24 MS. JOHNSON: It's all 3.1.
25 MS. RYAN: So what do you want it to say? Give

1 me the words
2 MR. WALKER: I want to take 3.1.6.8 and just
3 kill it.
4 MR. PALACIOS: Because it's already in 3.1.2.
5 MR. WALKER: And if you want to put up there
6 which will be reviewed and updated annually.
7 MS. RYAN: Just kill it, that's good.
8 MS. JOHNSON: But where are we putting that at
9 the top?
10 MR. WALKER: In 3.1.2.
11 MS. RYAN: The review annually is also in 3.1.
12 MR. VANDERGRIFF: But update the plan as
13 needed, you want that language, do you not, versus the
14 edited annually?
15 MS. RYAN: And edited annually or as needed.
16 MR. WALKER: I'd just put the word updated up
17 there, updated and edited annually.
18 MS. RYAN: You're on 3.1.5.3?
19 MR. WALKER: Under 3.1.2, add the word updated
20 into that and that gets rid of all the duplication you
21 have.
22 MR. VANDERGRIFF: Instead of updated as needed?
23 MS. JOHNSON: But we need to review cycle then,
24 because this talks about reviewing the planning cycle
25 rather than the plan.

1 MS. RYAN: We'll use a five-year plan and then
2 we will review and edit our five-year plan annually or as
3 needed.
4 MR. PALACIOS: Right, as needed.
5 MR. WALKER: There you go.
6 MS. JOHNSON: Okay. So then do we need the
7 thing at the top of the next page?
8 MS. RYAN: Well, I think that that's input once
9 it's done.
10 MS. JOHNSON: Okay. I'm good. I'll make my
11 motion again.
12 MR. PALACIOS: Second.
13 MR. VANDERGRIFF: We have a motion from the
14 vice chair and a second, I guess. Are you still the
15 second or Raymond is the second?
16 MS. RYAN: I seconded and he seconded the
17 second one.
18 MR. PALACIOS: That would be a third.
19 MS. RYAN: Yes, I'll second it.
20 MR. VANDERGRIFF: All right. Any further
21 discussion?
22 (No response.)
23 MR. VANDERGRIFF: Seeing none, please raise
24 your right hand in support of the motion.
25 (A show of hands.)

1 MR. VANDERGRIFF: The motion carries
2 unanimously of the board members present.
3 Last but not least, certainly, is the goals and
4 objectives.
5 MS. RYAN: Just taking a deep breath here
6 getting ready. This one on the goals and objectives, the
7 purpose of this one was to address the goals and the key
8 objectives of the Board of the Texas Department of Motor
9 Vehicles as they relate to the mission, vision and the
10 values to the Texas DMV. The purpose of this document was
11 to start to tie together the mission, vision and values
12 that are created in our strategic plan, so we used that as
13 kind of a foundation and input. We also used the vision
14 that we adopted as a board last September based on the
15 testimony that the chairman gave, and I don't remember
16 exactly in what venue.
17 MR. VANDERGRIFF: Before House and Senate
18 Transportation in separate meetings.
19 MS. RYAN: Okay. In a separate meeting, and
20 then it was shared with us and we adopted it as a vision
21 and a direction of the agency. And what we tried to do
22 was pull all that together to what we've done before. I'm
23 not necessarily going to read the mission, the vision and
24 the values because these are already in place, they're
25 already in our strategic plan

1 MR. WALKER: Yes.
2 MS. RYAN: But I want to then, if I may, go to
3 the goals which is what we're trying to tie to and start
4 to read through those and discuss those.
5 MR. WALKER: But see, all of this has already
6 been developed under our mission statement.
7 MS. RYAN: Up to the goals, and all we've done
8 is captured what's already in the strategic plan to put it
9 in context so that it's in one place for clarity. Because
10 that was some of the feedback we got. We've had just the
11 goals but it was out of context, but then if we go to the
12 goals, the goals we don't have anywhere. So that's why
13 I'm thinking we need to start at 6.
14 MR. WALKER: So this response here came out of
15 the Azimuth report?
16 MS. RYAN: It doesn't replace anything.
17 MR. WALKER: No. Is this a recommendation from
18 the assessment report to do this?
19 MS. RYAN: Yes.
20 MR. WALKER: Okay.
21 MR. VANDERGRIFF: And me personally, I consider
22 the other two are extremely important, we obviously have
23 to have a plan, we should have board governance, but I
24 think this is important. These kind of set the table for
25 goals that we can measure in the performance of the

1 agency.
2 MS. RYAN: And it allows for a filer from a
3 decision-making process that if there's ever a question on
4 what are priorities or what's important or our projects or
5 initiatives, they should all tie back to the goals and
6 kind of what they look like. So if everybody is
7 comfortable to that point, then I'll start with 6.1.
8 MS. JOHNSON: I just have two minor changes.
9 At 5.5 on page 2 it involves taking responsibility for our
10 actions rather than your actions. And then 5.8 that just
11 makes it personal and it needs to be personal, the goals
12 need to be, and to benefit the public rather than most
13 people.
14 MS. RYAN: Julie, did we lift those directly
15 out of?
16 MS. BEISERT: The definitions weren't. The
17 statement itself was lifted directly out of the strategic
18 plan, but the definitions of each of the values were not.
19 MS. RYAN: I just wanted to make sure we didn't
20 want to go back and correct another document.
21 MS. JOHNSON: Do you feel like these
22 definitions of what these mean are going to help the
23 employees of the agency better understand what we mean
24 when we talk about accountability, cost-effectiveness?
25 MS. BEISERT: Absolutely.

1 MS. JOHNSON: Okay.
2 MS. RYAN: And that was feedback we actually
3 got.
4 So under Texas DMV goals at 6.1, goal number 1:
5 Performance Driven. The Texas DMV will be a performance
6 driven agency in its operations, whether it is in customer
7 service, licensing, permitting, enforcement or rulemaking.
8 At all times the Texas DMV will mirror in its performance
9 and expectations of its customers and stakeholders
10 effective, efficient, customer-focused, on-time, fair,
11 predictable and thorough service or decisions.
12 Key objective 1: Texas DMV shall be an agency
13 that is retail-oriented in its approach. To accomplish
14 this orientation, Texas DMV shall concentrate the focus of
15 the agency on:
16 6.1.1.1, Delivering its products and services
17 to all of its customers and stakeholders in a manner that
18 recognizes that their needs come first. These needs must
19 be positively and proactively met. The Texas DMV works
20 for and with its customers and stakeholders, not the other
21 way around.
22 6.1.1.2, Operating the agency's licensing and
23 registration functions in a manner akin to how a private
24 for-profit business. As a private for-profit business,
25 the Texas DMV would have to listen to its customers and

1 stakeholders and implement best practices to meet their
2 needs or its services would no longer be profitable and
3 necessary. Act and react in a manner that understands how
4 to perform without a government safety net and going out
5 of business.
6 MS. JOHNSON: Can you stop there? I don't like
7 that at all and I'm not sure ow to fix that. I understand
8 that we don't want the government safety net, but the
9 going out of business, there's something odd about that.
10 MS. RYAN: Again, we're back to the retail-
11 oriented. I think the going out of business means you
12 spend more money than you have, and in a private business,
13 if we're retail-oriented, let's just say a household, if
14 you spend more money than you bring in, you go bankrupt,
15 the point of kind of being responsible and thinking in a
16 retail-oriented mindset. So again, these are trying to
17 create very tangible, visible examples of what retail-
18 oriented means, to that point. Does that make sense?
19 MR. PALACIOS: I agree with Cheryl. I think
20 it's pretty self-evident what you're trying to get at is
21 we operate in a fiscal manner, and going out of business,
22 that doesn't really need to be in the statement.
23 MS. JOHNSON: Yes, the going out of business
24 thing I'm having trouble with.
25 MS. RYAN: Well, how about perform with a

1 government safety net and fiscally responsible.
2 MR. PALACIOS: Either that, or just put a
3 period after net.
4 MS. JOHNSON: I'd say after net was good
5 because you're talking about it operating as a business in
6 the whole rest of the paragraph, so that might be
7 sufficient.
8 MS. RYAN: Any other thoughts or questions
9 before I start again?
10 MR. WALKER: So we're taking out and going out
11 of business.
12 MS. JOHNSON: Yes. Go ahead. I'm sorry.
13 MS. RYAN: That's okay. That's a good stop.
14 So I'll read the next two and then we'll stop.
15 6.1.1.3, Simplify the production and
16 distribution process and ease of doing business with the
17 Texas DMV. Adopting and maintaining a business value of
18 continuous improvement is central to Texas DMV operations
19 and processes.
20 6.1.1.4, All operations of the Texas DMV will
21 stand on its own merits operationally and financially. If
22 a current process does not make sense, then Texas DMV will
23 redesign or discard it. If a current process does not
24 make or save money for the state or its customers or
25 stakeholders, then Texas DMV will redesign or discard it.

1 MS. JOHNSON: Okay, stop. Do we need to add if
2 legally permissible? Because there are some things we do
3 which don't make any sense but we have to do them because
4 the law says so. Right?
5 MS. RYAN: Our governance policy says we will
6 act ethically and morally, so we wouldn't then approve
7 something that was illegal.
8 MS. JOHNSON: That's a separate document.
9 Let's put it here. It's a separate document and you're
10 saying that these would all stand alone, then it need to
11 stand alone.
12 MR. VANDERGRIFF: Will work within legislative
13 and legal restraints.
14 MS. JOHNSON: Or legally permissible.
15 MR. WALKER: What do you want to put there,
16 Victor?
17 MR. VANDERGRIFF: If the current process does
18 not make sense, then Texas DMV will work within
19 legislative and legal restraints to redesign or discard
20 it.
21 MS. RYAN: Can we tie that to the first
22 sentence, because I think it gets lost in the middle. The
23 first sentence is all operations will stand on its own
24 merits, so maybe after the first one.
25 MR. VANDERGRIFF: Sure.

1 MS. RYAN: Otherwise, I'm just trying to put it
2 in as early as possible.
3 MS. JOHNSON: Can you say that one more time,
4 please?
5 MR. VANDERGRIFF: If it's on the first sentence
6 it would be: All operations of the Texas DMV will stand
7 on their own merits operationally and financially.
8 MS. RYAN: We'd have to do the second sentence,
9 actually, and discard it.
10 MR. VANDERGRIFF: In the second sentence: If
11 the current process does not make sense, then Texas DMV
12 will, working within legislative and legal constraints,
13 redesign or discard it.
14 MS. JOHNSON: That works. Now is there
15 duplication? No, it's different. Making sense versus
16 saving money.
17 MS. RYAN: So I read that right: Texas DMV
18 will operate as efficiently and effectively as possible in
19 terms of financial and personnel needs.
20 MR. PALACIOS: Just a minor, it says effective,
21 so just put the L-Y.
22 MR. WALKER: And it says operation instead of
23 operate.
24 MS. RYAN: As efficiently and effectively as
25 possible in terms of financial or personnel needs.

1 Divisions should focus on cost savings without sacrificing
2 performance. Division directors are accountable for
3 meeting these needs and applicable measures. All division
4 directors are responsible for the performance of the Texas
5 DMV as a whole.
6 MS. JOHNSON: I have a problem with that
7 statement because I understand everybody needs to work as
8 a team, we all need to be on the same page and we need to
9 operate as an agency, but I'm not sure that it's fair for
10 us to make Ginny Bouton or Bill Harbeson responsible for
11 something that happens in Mr. Elliston's department.
12 MR. PALACIOS: What if you said something like
13 take into consideration the well-being of the agency?
14 MR. VANDERGRIFF: Can I give you a thought
15 behind the process that may help you with this sentence?
16 As somebody that operates a car dealership, your trucking
17 business saying the same thing, people are paid, they are
18 responsible for specific areas of an operation, but you
19 want them to be able to think about the operation as a
20 whole, not a silo approach to business. Historically, and
21 certainly the DMV is breaking down those barriers, but
22 historically this agency, because they were individual
23 units within a TxDOT division, operated within a siloed
24 approach, and that's really the intent of that is that
25 they need to think about the agency as a whole, as an

1 enterprise.
2 MR. PALACIOS: I understand, but there's being
3 responsible and being mindful and considerate of the other
4 divisions. I'd reword it, because responsible means
5 you're directly responsible for.
6 MR. WALKER: That's a good word, mindful.
7 MS. RYAN: Well, I guess as a director level in
8 the agency from a leadership standpoint, they are
9 responsible for the whole agency because they cannot turn
10 their heads, they cannot ignore something going on in
11 another division, they can't do something that would be
12 positive for their division that would negatively impact.
13 Now, at an employee level within a division, I would
14 agree with you, but I think at that level of leadership.
15 MS. JOHNSON: How about this: Division
16 directors are accountable for meeting these needs and
17 applicable measures and working together for the
18 betterment of the agency as a whole.
19 MS. RYAN: I'll change it. I personally think
20 you're letting them off the hook. I do. I think as
21 directors that's a level of leadership that you should
22 take responsibility for working together as a team, but
23 I'm okay with the wording.
24 MR. VANDERGRIFF: I'd echo Laura's sentiments.
25 MS. RYAN: Again, at below a director level I

1 would absolutely 100 percent agree, but the executive
2 director cannot run this agency alone, and if the division
3 directors do not function in a full scope view of the
4 agency, then we cannot be effective as a unit.
5 MS. JOHNSON: But you're saying division
6 directors are accountable for meeting these needs and
7 applicable measures, and what I'm adding is working
8 together for the betterment of the agency.
9 MS. RYAN: You're taking the word responsible
10 out and I'm thinking that's letting them off the hook.
11 And I take the same accountability and responsibility. I
12 represent one portion of this as a stakeholder piece but I
13 don't look just at that.
14 MS. JOHNSON: I still don't believe if you have
15 one person failing that you can hold everybody else
16 responsible, and I think that's where we're leading and
17 it's not the appropriate message. We want them to work
18 together to take this agency where it needs to go. We're
19 not going to beat any one person over the head because
20 somebody else messed up.
21 MS. RYAN: I don't think taking responsibility
22 in any way, shape or form says you're going to beat
23 somebody over the head.
24 MS. JOHNSON: But you're saying all division
25 directors are responsible for the performance of the DMV

1 as a whole.
2 MR. PALACIOS: What if you say all the division
3 directors are responsible for enhancing or assisting. I
4 understand you want participation is what we're talking
5 about.
6 MS. RYAN: Division directors are responsible
7 for the betterment of the Texas DMV, accomplishing the
8 vision of the Texas DMV.
9 MR. PALACIOS: That's good.
10 MS. JOHNSON: That would work, accomplish.
11 MS. RYAN: And I was brainstorming so I don't
12 remember what I said.
13 MR. WALKER: Through a unified effort.
14 MS. RYAN: And you guys are pushing back on
15 touch-feely?
16 (General talking and laughter.)
17 MS. JOHNSON: I just don't think that legally
18 this would not pass the smell test in a court of law and
19 we shouldn't adopt a goal that isn't.
20 MR. VANDERGRIFF: It's a question of whether
21 you want to do it or not, but I think it certainly passes
22 the smell test.
23 MS. RYAN: I think we were close. All division
24 directors are responsible for the --
25 MR. VANDERGRIFF: Pardon me for talking over

1 you.
2 MS. RYAN: That's okay. Like is said, I forgot
3 what I said.
4 MS. JOHNSON: Well, you had started all
5 division directors are responsible.
6 MS. RYAN: Are responsible for accomplishing
7 the vision -- that's what I said -- accomplishing the
8 vision of the Texas DMV as a whole.
9 MR. WALKER: Why don't we leave it the way it
10 is and add: All division directors will be collectively
11 responsible. That puts them as a unified group.
12 MS. JOHNSON: I don't have a problem with that.
13 MR. WALKER: Collectively responsible for the
14 performance of the agency as a whole. Are you okay with
15 that?
16 MS. JOHNSON: Yes.
17 MR. WALKER: Do you like that?
18 MR. PALACIOS: Yes. Collectively.
19 (General talking and laughter.)
20 MS. RYAN: All division directors will be
21 collectively responsible for the performance of the Texas
22 DMV as a whole. Thank you.
23 6.1.1.5, Focus on revenue generation for
24 transportation needs as well as the needs of its
25 customers.

1 6.1.1.6, Decisions regarding at Texas DMV
2 division should be based on the overriding business need
3 of each division to meet or provide a specific service
4 demand, with the understanding and coordination of over-
5 achieving agency-wide needs.
6 MS. JOHNSON: Is that over-achieving or
7 overarching?
8 MS. RYAN: Overarching.
9 MR. WALKER: It's not over-achieving?
10 MS. RYAN: That was a Freudian slip. Sorry.
11 Overarching is the right word.
12 MS. JOHNSON: I'm not sure what that sentence
13 means.
14 MR. WALKER: That's not an Aggie word, I
15 promise you.
16 MS. RYAN: Over-achieving?
17 MR. WALKER: Overarching. They don't even have
18 that word at Baylor.
19 (General talking and laughter.)
20 MS. RYAN: I'm sorry. Did we need to go back
21 to 6.1.1.6, Cheryl?
22 MR. VANDERGRIFF: No. I think we were good.
23 We're on page 4.
24 MS. JOHNSON: What does that mean, though,
25 overarching?

1 MR. VANDERGRIFF: They're overarching, an
2 umbrella over the rest of the divisions. Divisional goals
3 may be there but there's an overarching umbrella, if you
4 will, on top.
5 MS. JOHNSON: It's just a word I've never seen
6 used before, except in bridge building.
7 Go ahead. I'm sorry.
8 MS. RYAN: I've lost where I was. 6.1.1.7,
9 right?
10 6.1.1.7, Developing and regularly updating a
11 long-range, statewide plan describing total system needs,
12 establishing overarching statewide goals and ensuring
13 progress towards these goals.
14 6.1.1.8, The Texas DMV shall establish a
15 transparent, well-defined and understandable system of
16 project programming with the Texas DMV that integrates
17 project milestones, forecasts and priorities.
18 Keep going?
19 6.1.1.9, The Texas DMV shall develop detailed
20 work programs driven by milestones for major projects and
21 other statewide goals for all Texas DMV divisions.
22 6.1.1.10, The Texas DMV, with input from
23 stakeholders and policymakers, shall measure and report on
24 progress in meeting goals and milestones for major
25 projects and other statewide goals.

1 Are we ready for 6.2? Goal number 2,
2 Innovative and economic development. The Texas DMV will
3 be an innovative, forward-thinking agency that looks for
4 ways to promote the economic well-being and development of
5 the industries it serves, as well as the State of Texas,
6 within the legislative boundaries that have been
7 established for the agency
8 MR. VANDERGRIFF: The only thing I have is in
9 the title, Innovative and Economic Development versus,
10 perhaps, Innovation and Economic Development? Does that
11 make sense?
12 MS. RYAN: Yes.
13 6.2.1, key objective 1: The Texas DMV shall
14 achieve operational, cultural, structural and financial
15 independence from other state agencies.
16 6.2.1.1., Build the Texas DMV identity. This
17 means the Texas DMV will make customers aware of what
18 services we offer and how they can take advantage of those
19 services.
20 6.2.1.2, Build the Texas DMV brand. This means
21 the Texas DMV will reach out to the stakeholders and
22 industries we serve and the public, being proactive in
23 addressing and anticipating their needs.
24 MR. PALACIOS: Can we go back?
25 MS. RYAN: Yes. I'm sorry.

1 MR. PALACIOS: Just grammatical.
2 MS. RYAN: Where are you? I'm sorry.
3 MR. PALACIOS: And the public being proactive
4 in addressing and anticipating their needs. So this means
5 the Texas DMV will reach out to the stakeholders,
6 industries we serve and the public.
7 MS. JOHNSON: Comma.
8 MR. WALKER: Got an English major over here.
9 MR. PALACIOS: Not really. Just didn't make
10 sense. Okay.
11 MS. RYAN: Okay.
12 6.2.1.3, Develop currently available facilities
13 into the Texas DMV physical needs.
14 MS. JOHNSON: What does that mean?
15 MR. WALKER: It means we need to get our own
16 house.
17 MS. JOHNSON: But if you read the next one, it
18 kind of sort of says that, so I'm not sure that we're
19 being a little bit redundant in develop currently
20 available facilities.
21 MS. RYAN: Okay. Let me read the next one and
22 then if we need to cross one out, we'll look at those two
23 together.
24 6.2.1.4, Determine immediate, future and long-
25 term facility and capital needs. The Texas DMV needs its

1 own stand-alone facility and IT system as soon as
2 possible. In connection with these needs, the Texas DMV
3 will identify efficient and effective ways to pay for them
4 without unduly burdening either the state, its customers
5 or stakeholders.
6 MS. JOHNSON: They don't mean different things
7 or do they mean the same thing?
8 MS. RYAN: I believe so, yes.
9 MS. JOHNSON: Okay. So let's strike the one.
10 MR. WALKER: Which one do you want to strike?
11 MR. PALACIOS: 6.2.1.3.
12 MR. VANDERGRIFF: I think initially, I'm not
13 sure how it came out, I was probably the responsible
14 person on this part of it. It's almost an either/or and
15 maybe it's better just to have one, but if we're where we
16 are now, then we need to work very proactively with our
17 landlord, TxDOT and the State to try to get a section or a
18 part of these facilities as all ours with our own IT and
19 everything in it. However, there's a longer term, at
20 least my personal thought process, which is to have a new
21 identity separate and apart from the existing facilities
22 we're in.
23 MS. JOHNSON: But our goal would be to be
24 independent.
25 MR. VANDERGRIFF: So it's okay to merge them,

1 but I was just trying to explain where I think probably
2 the original thought came from. I'm not sure where my
3 thought process went in developing sentences, but that was
4 the thought process.
5 MS. RYAN: And I think to your point, it's a
6 good clarification point, and maybe we need to define it,
7 but we need to determine immediate as a plan, future as a
8 plan, and long-term facility needs. So while we're here
9 we need to do what we can.
10 MR. VANDERGRIFF: For example, working with
11 TxDOT on some sort of facility swap where we have one
12 building of our own in their complex, but perhaps with a
13 longer term vision in mind for something different.
14 MS. JOHNSON: And I'm struggling with the
15 entire next paragraph and I think some of it is maybe in
16 the editing, some words got changed.
17 MS. RYAN: 6.2.1.4?
18 MS. JOHNSON: 6.2.1.5.
19 MS. RYAN: Okay. I'm sorry. I want to make
20 sure, we are removing and we're good with removing
21 6.2.1.3, and the clarification is okay on 6.2.1.4, or do
22 we need add anything there?
23 MR. WALKER: No. It's good.
24 MS. RYAN: Okay.
25 6.2.1.5, Providing a timely, fair and

1 predictable regulatory and administrative hearing
2 environment. All actions and decisions of the Texas DMV
3 must be made with the further understanding and the
4 timeliness of a decision or action --
5 MS. JOHNSON: Understanding.
6 MR. WALKER: You don't understand that? That
7 means when somebody applies for a franchise dealership, we
8 shouldn't have to make them wait two years to find out
9 whether or not they can open a dealership. We need to do
10 those kind of things as expeditiously as possible.
11 MS. JOHNSON: Is that what this means? And
12 then is administrative hearing us listening to people --
13 MR. VANDERGRIFF: Well, some of that is within
14 our purview -- sorry for talking over you. You started
15 first. I apologize.
16 MS. JOHNSON: I'm just trying to see the
17 administrative hearing we're talking about, if we're
18 either listening to people so we can make it better, or
19 we're creating a timely, fair and predictable regulatory
20 and administrative hearing environment which involves
21 SOAH. So if hearing means the hearing part rather than us
22 listening to what people are having to say, so it looks
23 almost like we have two thoughts in here. I think that
24 we're trying to listen to what people have to say, but we
25 might also want to be providing a timely SOAH type hearing

1 environment. I'm confused.
2 MR. VANDERGRIFF: I'll take a stab at it. I
3 will say that it's probably hard for us, given that we
4 don't have any authority over SOAH, to make any
5 pronouncement about what should happen there. But I think
6 that there's really thoughts broken down here. We want to
7 have timely, fair and predictable regulations that the
8 agency has, enforcement that the agency does, and the
9 cases that we hear, in effect, on appeal, are for final
10 judgment. That's what we're, in my opinion, looking for
11 here.
12 And then obviously timeliness of a decision is
13 as important as the quality and the consistency of the
14 decision because sometimes, according to your point, that
15 old phrase, Justice delayed is justice denied, if it takes
16 two years to get somewhere. So I think this agency should
17 have a philosophy of timely, fair and predictable in all
18 things that it does, but also looking to advocate wherever
19 else we can to see that that happens in the chain of
20 things that go further, which might include SOAH at that
21 point.
22 MS. JOHNSON: I think as I read it more, I
23 understand, but I wasn't certain that we were talking
24 about the same thing.
25 MR. PALACIOS: I think the wording is all

1 convoluted. I would just reword it completely. And I
2 like what you said, Victor. All actions and decisions at
3 the Texas DMV must be made in a timely, fair and
4 predictable manner, period. If we can do that, then I
5 would say we should accomplish stakeholder satisfaction
6 because some of the decisions may not always be to their
7 satisfaction. And then we address the second part, just
8 as significantly -- well, I think it's kind of saying the
9 same thing.
10 I'm saying: All actions and decisions of the
11 Texas DMV must be made in a timely, fair and predictable
12 manner.
13 MR. VANDERGRIFF: I'm on the same page with you
14 there: All regulations, enforcement actions and decisions
15 at the Texas DMV must be made in a timely, fair and
16 predictable manner.
17 MR. PALACIOS: Yes.
18 MR. WALKER: Timely, fair and predictable
19 manner is what I have.
20 MR. VANDERGRIFF: Does that make sense?
21 MS. RYAN: I think so.
22 MR. VANDERGRIFF: All regulations, enforcement
23 actions and decisions of the Texas DMV must be made in a
24 timely, fair and predictable manner.
25 MS. RYAN: All regulations, enforcement actions

1 and decisions must be made in a timely, fair and
2 predictable manner.
3 MS. JOHNSON: Are you good with the rest?
4 MR. WALKER: Yes.
5 MS. RYAN: And then so we're taking out: with
6 the further understanding that the timeliness of the
7 decision or the action, taking all that out?
8 MR. VANDERGRIFF: That's fine too.
9 MS. RYAN: Okay.
10 6.2.1, key objective 2: Provide continuous
11 education/training on business trends in the industry with
12 a particular emphasis on activities in Texas.
13 6.2.3, key objective 3: Provide continuous
14 outreach services to all customers and stakeholders to
15 assess their respective needs and wants. This includes
16 helping frame legislative or regulatory issues for
17 consideration by other bodies, including the legislature.
18 6.2.4, key objective 4: Examine all fees to
19 determine their individual worth and reasonableness of
20 amount. No fee will be charged that cannot be defended
21 financially or operationally.
22 Concerns, questions, input?
23 (No response.)
24 MS. RYAN: Okay. 6.3, goal number 3, Customer-
25 Centric. The Texas DMV shall be a customer-centric agency

1 that delivers today's services and decisions in a positive
2 solution-seeking manner, while ensuring continuous,
3 consistent and meaningful public and stakeholder
4 involvement in shaping the Texas DMV of tomorrow.
5 6.3.1, key objective 1: The Texas DMV shall
6 seek to serve its customer base through a creative and
7 retail-oriented approach to serving the needs of supported
8 industries and customers.
9 MS. JOHNSON: 6.3.1, is that what you just
10 read?
11 MS. RYAN: Yes.
12 MS. JOHNSON: What about: The Texas DMV shall
13 seek to serve its customer base through a creative and
14 retail-oriented approach to support its industries and
15 customers. Because you've got serve and you've got
16 servicing.
17 MS. RYAN: Well, you've got support of the
18 needs of supported industries.
19 MS. JOHNSON: The Texas DMV shall seek to serve
20 its customer base through a creative and retail-oriented
21 approach to support its industries and customers. No/yes?
22 MS. RYAN: My brain just shut down. Sorry.
23 MR. WALKER: You've only got about three more
24 to go, Laura.
25 MS. RYAN: I'm okay with servicing or support.

1 MR. WALKER: It says the same thing.
2 MS. JOHNSON: It's wordsmithing. It's just
3 removing servicing the needs of, is all I was doing, and
4 taking out supported and just making support its
5 industries and customers. Doesn't matter.
6 MS. RYAN: Okay. I got it. Approach to
7 support the needs of its industries and customers.
8 6.3.2, key objective 2: The Texas DMV shall
9 develop and implement a public involvement policy that
10 guides and encourages meaningful public involvement
11 efforts agency-wide.
12 6.3.3, key objective 3: The Texas DMV shall
13 develop standard procedures for documenting, tracking and
14 analyzing customer complaint data. Successful problem
15 resolution metrics should be in order to support
16 continuous improvement activities that will permanently
17 improve customer-facing processes.
18 Any concerns or questions before I turn the
19 page?
20 MR. WALKER: Linda, can we get any kind of
21 report on customer complaints on a monthly basis? I
22 remember we got it at one time but I haven't seen it in a
23 long time.
24 MS. FLORES: We do an annual survey, but it's a
25 collective effort, if you will, all throughout the year.

1 MR. WALKER: But this is directed to the board.
2 MS. FLORES: I would have to touch base with
3 Ginny Bouton.
4 MR. WALKER: I know we collect it, but when
5 does the board review that? Because this says we're going
6 to do this so we might as well address it. I know we had
7 set that up at one time to do that.
8 MS. BOUTON: Hi. I'm Ginny Bouton, for the
9 record.
10 We produce a monthly report with that
11 information, and we have provided it to the executive
12 director, and now it will be provided to our interim
13 executive director, so this month's report is being
14 prepared right now -- well, for last month, it's always in
15 arrears.
16 MS. JOHNSON: When do we get it?
17 MR. WALKER: But shouldn't the board see that
18 also?
19 MS. BOUTON: The instructions I have received
20 was that it would come from the executive director to the
21 board.
22 MS. JOHNSON: I want to see that. You said
23 annually a review. Do you do an annual summary?
24 MS. BOUTON: Well, we haven't yet. It's our
25 first go-round at this.

1 MR. WALKER: Per this document we're creating
2 right here, it's going to have to be done.
3 MS. BOUTON: And we will do that. And it's
4 also on the Intranet, if you ever go out to the Intranet.
5 It's accessible on our website.
6 MS. FLORES: And it is part of the strategic
7 planning process. That's one of the first things we have
8 to do.
9 MS. BEISERT: It's a state requirement.
10 MS. BOUTON: So we have it, we keep it all.
11 MR. WALKER: But that is something that the
12 board should look at. Thank you, Ginny.
13 MS. RYAN: Last lap. 6.3.4, key objective 4:
14 The Texas DMV shall provide a formal process for staff
15 with similar responsibilities to share best practices
16 information.
17 6.3.5, key objective 5: The Texas DMV shall
18 provide central coordination of the department's community
19 outreach campaigns.
20 MS. JOHNSON: Is that stakeholder too?
21 MS. RYAN: Community and stakeholder? Where
22 are you adding stakeholder?
23 MS. JOHNSON: Is that people, or is that
24 stakeholders, is that customers, provide central
25 coordination? I believe this you go out to all these

1 conferences and there's going to be a coordinated effort
2 is what I think. But it's not community outreach that
3 we're doing, it's stakeholder outreach or customer
4 outreach, is it not?
5 MS. RYAN: Customer-centric. So it would read:
6 The Texas DMV shall provide central coordination of the
7 department's community and stakeholder outreach campaigns?
8 MS. JOHNSON: I'm just trying to figure out
9 what it is we're trying to accomplish. If this is
10 reaching out to the public like through TV commercials or
11 the things that go out, that's one thing. Is this more
12 directed towards the agency does attend different
13 functions with its partners and stakeholders? I don't
14 know what this is focused on.
15 MS. RYAN: I think that would be considered
16 part of the community and it would be relevant in this
17 line if it was an outreach campaign. If it was just
18 attending to be there for a different reason, then it
19 wouldn't fall under this.
20 MS. JOHNSON: But it is to the community.
21 Because there was a suggestion last year that DMV was
22 going to go into tax offices and survey customers, and the
23 public does not understand that we are not the DMV in the
24 tax office, and so I had a real problem with somebody from
25 DMV coming into my office and asking how they thought the

1 service was because that reflects on my office, not on the
2 DMV. You don't touch the customers directly. You have
3 partners, you have stakeholders, but the individual
4 people, you're only time you're really touching them is
5 when you're mailing them that renewal receipt is my
6 opinion.
7 MR. VANDERGRIFF: Agreed.
8 MS. RYAN: So I'm going to put it back into
9 context under the customer-centric.
10 MS. JOHNSON: Maybe we just take it out, maybe
11 just take out community. Coordination of the department's
12 outreach campaigns. Is that better, or does it lose its
13 meaning?
14 MR. VANDERGRIFF: That would be fine, from my
15 perspective.
16 MS. JOHNSON: You just want to be done.
17 MR. WALKER: We're a long way from being done.
18 Right, Chair?
19 MS. JOHNSON: I know. We need a break too.
20 MS. RYAN: We do. I'm okay with either taking
21 it out or adding stakeholders, I'm okay either way.
22 Johnny, Raymond, any other thoughts?
23 MS. JOHNSON: If we just drop community, it's
24 going to infer everybody, all of the above.
25 MR. VANDERGRIFF: I think that's a good

1 suggestion.
2 MS. RYAN: I'm fine with that.
3 MR. WALKER: Drop community?
4 MS. RYAN: We're dropping community.
5 6.3.6, key objective 6: The Texas DMV shall
6 develop and expand user-friendly, convenient and efficient
7 website applications.
8 6.3.7, key objective 7: The Texas DMV shall
9 timely meet all legislative requests and mandates.
10 MR. PALACIOS: I move that we adopt the goals
11 and objectives with the changes that have been made.
12 MR. WALKER: Second that motion.
13 MR. VANDERGRIFF: A motion, and a second from
14 Board Member Walker. Any further discussion?
15 (No response.)
16 MR. VANDERGRIFF: Seeing none, please raise
17 your right hand in support.
18 (A show of hands.)
19 MR. VANDERGRIFF: The motion passes
20 unanimously.
21 MS. JOHNSON: Mr. Chairman, may we take a
22 break?
23 MR. VANDERGRIFF: Yes. I'd like to try, if I
24 can, because I think this is going to be very quick --
25 well, never mind, I won't do that. We've got to do number

1 2 which is still on the organizational assessment.
2 MS. RYAN: There's nothing we do that's quick.
3 MR. VANDERGRIFF: Yes. I was going to say.
4 We're going to take a ten-minute break and
5 we'll be back in a little more than ten minutes, we'll be
6 back at five minutes to 4:00. So we're in recess.
7 (Whereupon, a brief recess was taken.)
8 MR. VANDERGRIFF: We are back in session. We
9 are on item A.2, and that is potential next steps in
10 consideration and implementation of the organizational
11 assessment. We have three bullet points under here that
12 are really for some discussion purposes.
13 I think that one next step we do, and we're not
14 prepared to do it here today but certainly interested in
15 any comments, the organizational assessment findings and
16 improvement priorities, we need to work on that as moving
17 forward, and working with the executive director, a start
18 date and details of board and staff strategic planning,
19 and then last but also connected to that is the possible
20 board/division directors specially called meeting to
21 consider the organizational assessment.
22 Again, these are kind of three different topics
23 to maybe have some brief discussion on about what would be
24 the pleasure of the board in moving forward with that
25 assessment, and again, we want to do that with the

1 executive director and the division directors. So I'd
2 open it up for any discussion that you would have,
3 thoughts, ideas, good idea, bad idea.
4 MS. JOHNSON: I still would like to see us meet
5 in a workshop to go through that, and I think that we had
6 started that the last meeting that I was at.
7 MR. VANDERGRIFF: In August. Yes.
8 MS. JOHNSON: Right. But we were having a
9 difficult time with dates. So there's a lot that's in the
10 organizational assessment, as everybody well knows. We
11 were given a planning calendar but I think we're already
12 off of it, for strategic planning. But tying strategic
13 planning and the organizational assessment together, is it
14 possible to do the two together in workshops?
15 MS. RYAN: May I see that? Who gave this to
16 you?
17 MS. JOHNSON: It was in the organizational
18 assessment minutes.
19 MR. VANDERGRIFF: I'm looking at Julie to come
20 up and look, but I remember this.
21 MS. JOHNSON: I thought that was handed out at
22 that meeting. Is that where it came from?
23 MS. RYAN: There's a Gantt Chart that we got,
24 and this may be the details of what we were going to try
25 to start up. What we were trying to do was create

1 something, a framework because we do better when we kind
2 of have something to check off, and that may be something
3 we use, we may want to tweak it. The consideration of the
4 start date and details of when we want to do a strategic
5 plan is kind of the decision of not how we do it but when
6 do we want to hold that meeting.
7 Linda has some input and has already started
8 working on the agency's strategic plan.
9 MS. FLORES: The state procedures for a
10 strategic plan, we, the agency has to submit something to
11 the LBB for their review, I believe it's in March, and
12 their timeline is usually approved/denied by June, and
13 that becomes the agency's structure for its appropriations
14 request.
15 So we've reached out to our division staff,
16 every division director has provided a point of contact,
17 and we're building it from the ground up. So our plan is
18 to have a draft to really engage the division directors
19 because this is their points of contact, it's their staff.
20 So my plan is to engage the division directors sometime
21 before the holidays to get their feedback and input
22 because we're going down to the very lowest level of
23 detail to support the state's process. But we are trying
24 to incorporate what comes out of the board's goals and
25 objectives to try to incorporate as much as we can of that

1 into the state process, hoping that the LBB will review
2 that and approve it.
3 MS. RYAN: So the agency's process has started.
4 I do believe that there will be a lot of information,
5 based on a strategic planning document, that we'll pull
6 from the agency and some of that work we can gain on. The
7 question that I would have is the bullet point two and
8 three: do we need to do these specially called meetings
9 to better understand the organizational assessment before
10 we start our strategic planning so that they build off
11 each other, or do we believe they're parallel, or do we
12 believe they're interchangeable?
13 MS. JOHNSON: I think they should happen
14 together. If we need a special meeting, my opinion would
15 be that we have a special called meeting. It was that we
16 got halfway through with David and then we stopped, and so
17 to finish going through that, identify what specifically
18 we saw through our little button that we were pushing,
19 what we thought we needed to focus on, and I do believe
20 that we need a workshop to finish that because I don't
21 think that we finished what was started. And that will
22 lead to our strategic plan if we look at the assessment.
23 If we look at that organizational assessment,
24 what we need to put in that strategic plan is pretty well
25 formed, in addition to all the other reports, the work

1 group. I still go back to the work group that created the
2 DMV and all that, there's a lot of goals. Does this need
3 to be a committee first?
4 MR. VANDERGRIFF: Well, the board is the body
5 that has got to buy off on this as a whole, so my
6 preference in this case, normally I prefer a committee
7 approach, but this one, I think, has got to be with the
8 full board going through the organizational assessment.
9 We have certainly one new member who didn't have the
10 benefit even in the original presentation, as important as
11 it was. So I would like to kind of see if we can't have
12 the organizational assessment in our part of the strategic
13 plan with the division directors together and maybe try to
14 schedule that. Given that it's hard to do
15 this with schedules, and I think Mr. Walker is not going
16 to be at our next board meeting. The best option has
17 typically been for us to try to schedule it the day
18 before, but as you see by today's attendance, we're
19 missing four people. So do I have your permission to just
20 work with Julie and Gloria and Gail and try to find the
21 best date, or do you want to stay with the day before the
22 board meeting which would be November's board meeting?
23 MS. RYAN: I'm comfortable with a best date. I
24 don't mind coming in independently of a board meeting.
25 That's fine.

1 MR. VANDERGRIFF: You're going to be out the
2 board meeting week, if I remember.
3 MR. WALKER: The 9th is the next board meeting.
4 Right?
5 MR. VANDERGRIFF: Yes.
6 MR. WALKER: I have another board meeting in
7 Houston.
8 MS. RYAN: So maybe Gloria can send an email
9 out like we've done in the past and find days that work
10 for everybody.
11 MR. VANDERGRIFF: And it also has to work for
12 the division directors and executive director.
13 MS. RYAN: And then we'll want to contact David
14 and make sure he can be there.
15 MR. VANDERGRIFF: That's obviously true too.
16 That would be an important ingredient. Thank you for
17 remembering that.
18 That was the consultant who did the assessment
19 that we're asking to come back and would kind of be an
20 important part of it.
21 MS. RYAN: To help answer any questions and
22 clarify.
23 MR. PALACIOS: So we'll send notices out for us
24 to check our calendars.
25 MR. VANDERGRIFF: Yes. Between Gail and Gloria

1 they'll get those notices out to us to look for a date
2 that works for senior staff and the board.
3 MS. RYAN: And I believe that out of that then
4 maybe the framework and the next state strategic plan
5 would come out of that.
6 MR. VANDERGRIFF: And again, Linda has the
7 state part and we don't want to be contradictory to it but
8 there might be some things.
9 MS. RYAN: From conversations with her, there's
10 some good work coming out of what she's doing, and I think
11 it will benefit us, the information.
12 MR. VANDERGRIFF: So we'll have that at the
13 meeting as well. That's great.
14 We now come to, if there's no further
15 discussion, to Roman Number II.B which is briefing and
16 possible action items on the Texas DMV automation project
17 components.
18 MR. GORDIER: For the record, my name is Gary
19 Gordier. I'm the chief information officer for the
20 Department of Motor Vehicles.
21 I'll begin with the county equipment
22 replacement project. The county RPS equipment replacement
23 project is underway, purchase orders have been issued,
24 equipment has arrived, the majority of the required site
25 surveys are complete, and the first deployment was

1 initiated Thursday, October 6 in north Dallas, followed by
2 sites in Dallas, Tarrant and Williamson counties. Several
3 issues were encountered. As of today we have deployed 68
4 work stations, monitors, printers, and 77 cable drops have
5 been installed.
6 Several issues, as I mentioned, were
7 encountered and subsequently staff has been working with
8 the contractor and their subcontractors to correct the
9 gaps that prevented a smooth and successful installation.
10 Scheduled deployments for the week were canceled in order
11 to be able to debrief the issues and take corrective
12 action. Deployments will start back up on Monday, October
13 24, if our current schedule holds. This will allow us
14 time to make the necessary improvements in order for the
15 vendor to be successful in their deployment.
16 Yesterday we held an in-depth debriefing with
17 the vendor and discussed corrective action. The vendor
18 has accepted responsibility for the issues for which they
19 were responsible. Texas Department of Motor Vehicles and
20 the vendor are sensitive to the fact that delays have
21 pushed deployments into the property tax season and will
22 work closely with the counties to accommodate any areas of
23 concern in scheduling deployments as we go forward.
24 Communications will be enhanced by the
25 Department of Motor Vehicles strategic communications team

1 being leveraged so that they can use the existing regional
2 relationships with the counties to make communications
3 more personalized in each of the locations. Some of our
4 focus for corrective action includes: broadening
5 communications with the tax assessor-collectors, engaging
6 our regional staff as site liaison, collaborating with the
7 vendor to polish up the step-by-step procedures for a
8 successful installation, and equipping for contingencies.
9 The vendor has committed to successfully training all of
10 their own staff and better equipping their team with
11 technical leads that have been properly trained.
12 We are providing additional hard drives that
13 can be used in case there's a failure in the field of the
14 equipment that was delivered, and once received on the
15 site. Additionally, we will house hot spares in regional
16 offices as backups in the event they are needed during
17 deployments on down the road.
18 Once deployments resume, one to two vendor
19 staff will work on site at the Department of Motor
20 Vehicles to create a command center at DMV headquarters
21 during deployment so that resources are available in one
22 place for face-to-face discussions and so we can have a
23 better team coordination in those areas that require
24 intervention in order to assure quick and timely
25 resolution of any problems.

1 Prior to arriving at this point for deployment,
2 despite the best efforts of the project team, numerous
3 events constricted the ability of the team to move faster.
4 The availability of equipment presented some challenges,
5 some equipment shipped quickly but other critical
6 components did not ship until the end of August or even
7 some of into September.
8 The requirement by Texas Department of
9 Transportation that all equipment be tested and validated,
10 coupled with the availability of their staff to support
11 this project was limited due to some of their own
12 priorities and their lack of experience with the Windows 7
13 operating system. TxDOT had no experience in creating an
14 image of our legacy system in that environment. This
15 required extensive testing and deep technical assistance
16 from the PC vendor as well as from Microsoft which added
17 to the time to deploy. Finally we received a stable image
18 and deployment became possible.
19 The initial scheduled focus was on the large,
20 high volume counties. At this time we are reviewing the
21 schedule and will initially focus on smaller sites to
22 ensure contractor staff has acquired the proper training
23 for successful deployment. Once trust is regained, we
24 will graduate to some of the larger, more complex sites.
25 Once we've reset the schedule framework, a finite rollout

1 schedule will be released and it will be a rolling
2 schedule of two weeks throughout the deployment.
3 Particular attention is being given to the
4 needs of each county to accommodate their schedules.
5 Since the shift in time frame, we recognize the needs of
6 the counties may have changed from the time of the first
7 identified preferences that they had. It was interesting
8 as I reviewed the list because we had preferences from 254
9 counties and every one of them was different. So it was
10 really intriguing to look at that. Property tax deadlines
11 are approaching, as I mentioned, and we'll well aware that
12 year-end needs will need to be accommodated.
13 To address the issues encountered in Dallas and
14 Tarrant counties, we're looking to send IT staff to those
15 locations to do the deployments, in conjunction with the
16 vendor, which are at Grand Prairie, Irving and Mansfield,
17 where a decision was made to revert back to the old
18 equipment during the attempt to deploy.
19 Before I go on into the other automation
20 projects, are there any questions you may have of this?
21 MR. WALKER: Yes. It was my understanding that
22 the people we hired to do this installation did not follow
23 instructions when they got out there to put the stuff in
24 and didn't do it the way they were supposed to is the
25 reason we had problems up in Tarrant County.

1 MR. GORDIER: That is correct.
2 MR. WALKER: Why didn't you tell us that?
3 MR. GORDIER: Well, I thought I had, but it was
4 not that specific. But yes, we worked with them to
5 develop a very specific checklist of what they were
6 supposed to do and how they were supposed to do it. They
7 then made their modifications, apparently, to it and there
8 were multiple versions that went out, and it was clearly
9 the responsibility of the vendor, we thought there was
10 one. In fact, as we're sitting here today, the vendor is
11 working with my staff for us to go over that procedure in
12 detail, walk through it with them again to make sure that
13 what we have is correct and they will be using our
14 procedure, not one that they've edited so that they will
15 be following what we know works.
16 MR. WALKER: Well, Gary, as kind of projects
17 chairman here on this deal, I have been getting lots of
18 emails, lots of phone calls about what a poor job our
19 agency is doing on getting this particular deal completed.
20 MR. GORDIER: Absolutely. That's one reason
21 why we stopped all deployments until our vendor got up to
22 speed.
23 MR. WALKER: If I could show you a list of the
24 emails that this lady over here has sent me from all the
25 tax assessors that are just livid about this whole deal,

1 and I know I've talked to Linda several times about it
2 about the problems we're having.
3 But first and foremost, what we have a problem
4 with, and I talked to Dawn about this, is communication.
5 And you know, I run a trucking company and when we have a
6 problem, the best way to solve our problem, from the truck
7 having a flat tire to the engine or the driver not getting
8 there, is communication with our customer generally gets
9 us out of more trouble than anything else, but when the
10 truck is a day late and we don't call the customer, he's
11 livid. And apparently in this situation there has been a
12 very poor communication between our department and our
13 end-users there where we're not communicating to them.
14 And you don't need to communicate to me, but apparently
15 Ms. Johnson.
16 MR. GORDIER: That's one of the very reasons
17 why we've engaged a number of venues now and resources to
18 augment that communication.
19 MS. FLORES: And if I can interject. We did
20 meet, we had a late afternoon meeting yesterday with a
21 roomful of people and I brought in all the resources I
22 felt we needed across the agency to ensure that we were
23 communicating with the folks who were being affected by
24 these folks walking into their office. So I pulled in our
25 IT people -- when Gary says IT, it's DMV IT people -- as

1 well as Jeremiah Koontz, who is now the division director
2 for Communications, and the regional staff, we brought
3 Randy's division in, to make sure that we're all on the
4 same page and that we're communicating from one page.
5 And so Jeremiah has been tasked with coming up
6 with a communications plan. If we're going to be in
7 somebody's office on this date, we're backing up making
8 phone calls to every individual they've indicated who
9 needs to be contacted, and from that we're backing our
10 steps up. So if Jeremiah wants to come up. Just to make
11 sure that everybody knows who's on first and who's on
12 second.
13 MR. WALKER: Surely we have an email address to
14 every tax assessor-collector in the state.
15 MR. GORDIER: And we thought that was adequate
16 because we were sending out email blasts to all of them,
17 we were putting all the information out on a blog, and
18 unfortunately, a lot of people don't read them.
19 MS. JOHNSON: But, sir, that's not it at all.
20 We might get ten a day, and so which one is important?
21 And that's what's happening.
22 MR. VANDERGRIFF: If we can make sure and talk
23 one at a time so they can get it properly on the record.
24 Go ahead.
25 MS. JOHNSON: I'm sorry. The biggest problem

1 is we receive so many and if there's a system outage then
2 it's frequent, and the only thing we want to know is it's
3 up, it's not up. But we received an email, I believe,
4 last week or the week before that I gave to my chief
5 deputy of operations -- which was a new person who wasn't
6 familiar with this -- that said click on this link and you
7 can find out the schedule, and there wasn't anything on
8 there. And so that did not make me very happy Because I
9 said go find out what the schedule is, see when we're
10 going to get our equipment, and we weren't on there. Of
11 course, we were scheduled for August and I'm still waiting
12 for somebody to show up.
13 MR. KOONTZ: Jeremiah Koontz, director of
14 Government and Strategic Communications.
15 At this point -- my division got brought into
16 this somewhat late in the process -- we are going through
17 the process right now, the schedule has been frozen by the
18 vendor and by our agency. It's looking like the earliest
19 that that would be kicking back off is the 24th of this
20 month. What the vendor is doing is putting out a two-week
21 schedule, two weeks at a time, and that will be posted.
22 What my team is doing is backing up from those dates for
23 those specific sites and we're developing a communication
24 plan that starts two weeks prior to somebody showing up at
25 that office in the county. We're going to start providing

1 them with phone calls.
2 The key piece of this that we're adding in that
3 was not being used previously is that the regional offices
4 were not involved in this process.
5 MS. JOHNSON: That's not true.
6 MR. KOONTZ: Well, they were not officially
7 involved in the planning or in the communication stream
8 from the IT section.
9 MS. JOHNSON: Can I tell you what happened? If
10 I may please tell you what happened because they were very
11 much involved. On a Thursday afternoon at four o'clock I
12 got an email from the regional director, he's a good
13 regional director, had nothing to do with him, it said you
14 have until five o'clock tomorrow to tell us when you want
15 us to show up. We dropped everything because that meant
16 six offices I had to figure out what employees I was going
17 to have to put out there to meet people on the weekends.
18 I had to reschedule 50 employees in six offices to figure
19 out how to make this happen. We did it. Then we never
20 heard from anybody again until I sent an email that said
21 where's my equipment in September. We never heard another
22 word.
23 So now you know, the regional directors were
24 involved, they were involved.
25 MR. KOONTZ: My understanding is the first

1 deployment occurred last Thursday, the first actual
2 deployment occurred last Thursday. We are trying to
3 rectify the process that occurred in order for that
4 deployment to occur and the problems that were identified
5 in that deployment. So from what we saw there, I'm trying
6 to develop a communications scheme so that there is not a
7 blast email that goes out to all the counties, that there
8 is a targeted communication two weeks prior.
9 MS. FLORES: And that there's adequate notice,
10 not two hours.
11 MS. JOHNSON: Are you going to ask us when we
12 need you to come? That's going to be your first outreach
13 is when. Right?
14 MS. FLORES: Yes.
15 MS. JOHNSON: Because if I just get an email
16 two weeks before you're going to show up, I'm probably
17 going to shut you down.
18 MR. KOONTZ: Here's the struggle that I'm
19 trying to face is that we have a vendor who was hired in
20 order to project manage and deliver all of this, he has
21 been tasked with setting that schedule based on the scope
22 of work that he was assigned. So I'm not in charge of his
23 schedule because that's a vendor issue. Now, that vendor
24 is supposed to working within the scope of work as it was
25 defined for him.

1 MS. FLORES: But I believe the vendor was
2 charged with reaching out to each county tax assessor as
3 to when.
4 MR. GORDIER: And they had a regular call
5 schedule. And there's a couple of things I think would be
6 important to the dialogue here. There are really two
7 things going on. One is re-cabling. That's a project, in
8 some respects, by itself for where it needed to be. Then
9 there's the actual equipment deployment. And the vendor
10 has actually a script where they've been calling.
11 One of the frustrations he's finding is that
12 they will call one site and we hear from the main site
13 that said why are you contacting my sites.
14 MS. JOHNSON: That's going to be my question.
15 MR. GORDIER: Then there are others that say
16 why are you calling the main site because you need to
17 contact the individual sites because they're the ones who
18 are going got be receiving the equipment. So we have this
19 180-degree dichotomy that the vendor is facing right now.
20 So that's why we've engaged Jeremiah with the regions to
21 really augment this communication because our regions know
22 and understand the individual locations and will be able
23 to address both those needs in a much more productive
24 manner.
25 MS. JOHNSON: I agree. So we're going to hear

1 from the regional offices to ask when.
2 MR. GORDIER: As well as the vendor. It will
3 be joint contact. They're developing that overlay contact
4 time schedule together.
5 MS. JOHNSON: And I can tell you in most
6 instances you have an elected tax assessor-collector who
7 does motor vehicles, they're going to want to know who is
8 planning on being in their secure areas, and so you never
9 fail to at least start with us to find out what is our
10 preference, and I'm probably going to turn you over to a
11 chief deputy of operations, whoever's branch it's in is
12 going to work that out. That first contact should
13 definitely be with the person who runs that office.
14 MR. VANDERGRIFF: Randy, do you have something
15 you want to add?
16 MR. ELLISTON: If I may. I'm Randy Elliston,
17 director of Vehicle Titles and Registration.
18 As far as the region personnel, and Jeremiah
19 spoke to this a little bit, what we're going to do here
20 forward is when the vendor gets ready to deploy we're
21 going to use the regional people as your contact. I'm not
22 aware of them contacting you earlier. I don't know if it
23 was cabling issue or whatever, but we had not been
24 involved in that piece of the project, but we're going to
25 be from here on out so that you have people that you're

1 familiar with, you're used to talking to, that if they
2 walk in your office hopefully you'll know who they are,
3 and those kind of things. So they'll be the liaison
4 contact between the vendor and your office so Jeremiah's
5 group is going to be making the two-week deal, the
6 regional folks should be then in a closer end date
7 contacting who to contact personally and making all those
8 kind of things.
9 And also, we're going to have people on site
10 while they're doing the work so when they're in your
11 secure areas, those types of things, to help facilitate
12 that. Also, our folks know RTS, so one thing that we
13 found is the vendor when they got ready to log on or
14 whatever, there were some issues and some county staff
15 wound up being utilized for that. This way you create a
16 dummy account for our staff so they can go on and make
17 sure we log on and do those things so that we can
18 facilitate that so that your staff is not tied up long
19 hours or whatever, and we'll be able to facilitate that.
20 So we're going to make that contact so hopefully that will
21 help everyone from here on out that you have those kind of
22 contacts.
23 MS. JOHNSON: And then if I may ask, and Mr.
24 Koontz, I definitely want to hear your plan, but I just
25 have to ask Gary one question. Extra equipment, that's

1 going to be left in tax offices or regional offices?
2 Because we're not allowed to touch your equipment.
3 MR. GORDIER: The extra equipment is going to
4 be housed in the regional offices. If it's needed we have
5 a place that we can go that's relatively close by in order
6 to continue the deployment process.
7 MS. JOHNSON: That's good because my concern is
8 we can't replace an ink cartridge in a printer, let alone
9 plug in a PC. So we need to know that there's going to be
10 people there and we will have to engage our IT department
11 in order to have anybody touching any equipment.
12 I'm sorry. Go ahead.
13 MR. KOONTZ: That's okay. What I guess I'm
14 trying to emphasize here is I literally received this task
15 and was really given direction yesterday. My staff is
16 currently working on developing that plan as we speak,
17 they're looking at putting together all of the
18 communication documents, we're trying to create a
19 communication packet, if you will, that includes all the
20 things that every county tax assessor is going to need to
21 know about what to expect. So roles and responsibilities,
22 things as simple as: make sure you've got somebody to
23 unlock the door, this is what you need to look for as far
24 as who is going to be showing up, what time, all those
25 kinds of things.

1 I guess I wanted to stress that my team is not
2 in charge of schedule, per se, what we have been put in
3 charge of is putting together the communication documents
4 to try and smooth out what's been put out there and what
5 is being given to the counties, because our feedback was
6 that what had gone out was causing consternation, it
7 wasn't clear, there was too much information, it was going
8 out in a blast email rather than specifically pointing it
9 to the different folks that are actually coming up for an
10 actual deployment so that there's communication
11 specifically targeted to: Hey, we're going to be here in
12 two weeks, make sure that you're doing what you need to do
13 in your packet to get ready for the launch day.
14 MR. ELLISTON: That's the importance of having
15 a DMV person there so that if the vendor doesn't show up,
16 at least you have somebody there from our staff that knows
17 they're not here, we can make phone calls, find out why
18 they're not there, and take care of those things. So
19 hopefully you'll have a more personal contact this way
20 instead of just relying on the vendor to do those things.
21 MR. WALKER: Who is this vendor?
22 MR. GORDIER: It's a vendor called Insights.
23 We've used them for a number of years. They do huge
24 amounts of work throughout the state. They actually are
25 providing the technical support to the counties whenever

1 something breaks or needs to be replaced, they're familiar
2 with our sites. And this particular deployment, I think
3 their using a subcontractor I think was part of the
4 problem because it's so large, it's a huge project, and
5 they just needed to step up, rather than just using their
6 people to really engage their subcontractor more
7 effectively.
8 MR. WALKER: Why do we allow the use of a
9 subcontractor on a contract? Most of my contracts don't
10 allow for subcontractors to do the work.
11 MR. GORDIER: There was no limitation on that
12 and they did that. It is what it is.
13 MR. ELLISTON: And probably there's not a
14 company out there that the aggressive schedule of trying
15 to push this amount of equipment out across the state in a
16 16-week period, which I think was the target date, there's
17 probably not a vendor out there that could come in and do
18 that. They're going to have to hire subcontractors to be
19 able to facilitate.
20 MS. RYAN: Was the 16-week timeline self-
21 inflicted?
22 MR. GORDIER: It was self-inflicted, it was
23 aggressive, and we had originally targeted what we call
24 the Big Six because that represented 90 percent of the
25 transaction volume of the state, and that really was not

1 the way to go.
2 MS. RYAN: The reason I ask is that, again,
3 hindsight, but if there was no particular reason that it
4 couldn't have been 30 but we could have found a vendor
5 that we could ensure service level agreements and quality
6 and specific training and that it was done smoothly,
7 efficiently and customer-centered, then the six extra
8 weeks or double the time, the quality of what we did might
9 have been. So again, that's why I'm asking.
10 But to Johnny's point from a sublet standpoint,
11 sometimes we have to, sometimes we don't.
12 MR. GORDIER: The 16 weeks wasn't the end-all,
13 that was what we were targeting for the big push. And
14 what we're doing now is we're pretty much flipping that
15 upside down and we're going to be starting smaller sites
16 to gain a sense of experience and trust and so forth, and
17 that's another reason for the two-week rolling schedule
18 because as that improves we will begin to pick up more
19 sites and larger sites and so it's going to change things
20 rather dramatically.
21 MR. VANDERGRIFF: That was going to be one of
22 two questions I had of you. Lessons learned, perhaps, and
23 you've answered one of them which was to me scaling the
24 Big Six first with the unknown here is kind of like trying
25 to go over the Himalayas with just a backpack. So going

1 to a smaller county is just as important, but obviously
2 not the volume, to test and be sure is probably a better
3 way to go, and I'm glad to hear you're doing that.
4 The second question I'd ask, just to make sure
5 I'm clear, the key problem here, though, is just trying to
6 put Windows 7 on a Windows XP environment in an old 30-
7 year system.
8 MR. GORDIER: Yes. The application that we
9 have, our registration titling system, unfortunately, when
10 it was designed and written was written so that it used
11 some service functions of the Windows XP operating system.
12 Now, that's a no-no, you just don't do that, but it was
13 done. And so our legacy application is hooked and locked
14 in to the Windows XP right now. I have a project team
15 that's working at unhooking that, but for now we've
16 deployed Windows 7, which is the latest operating system
17 Microsoft has, it doesn't make sense to put on something
18 that's three generations back .
19 MR. VANDERGRIFF: And as I understand it,
20 Windows XP isn't even supported anymore by Microsoft.
21 MR. GORDIER: That's correct.
22 MR. VANDERGRIFF: So you really don't even have
23 a choice, so you had to go forward with Windows 7.
24 MR. GORDIER: Windows 7 and we're running in
25 what's called a virtual mode with actually a copy of XP so

1 that the application will work, and it works fine.
2 Williamson County, before we started the first deployment,
3 we actually took some machines and deployed two of them in
4 one of their offices, and they did real well, no problems
5 at all, but we did it, our staff did it. And we brought
6 the vendor in, we went through training with some of them,
7 but that did not translate, nor did they follow the
8 procedure that you mentioned that was scripted for them.
9 MR. VANDERGRIFF: And I don't know if that's
10 our fault for not staying on top of them, or their fault
11 for not doing the job. But I want to be sure, at least
12 from my perspective, that when we communicate out we don't
13 absolve ourselves of responsibility, but we continue to
14 point out that we've got 30-plus-year-old software and
15 explain in plain English what those conflicting issues are
16 between Windows 7 and Windows XP. It won't make the tax
17 assessor-collectors any happier, we screwed it up, but at
18 the same time, that's a core critical component that this
19 agency needs to get this new project moving forward --
20 which we're going to talk about here in a minute -- so
21 that we can get past some of these problems. And we need
22 to get hooked out of TxDOT so you can have more control.
23 Correct?
24 MR. GORDIER: Correct.
25 MS. JOHNSON: And if I can ask, V.G. Young is

1 in a month an d the vast majority of the tax assessor-
2 collectors that are doing RTS work are going to be at V.G.
3 Young and you know we're not quiet.
4 MR. GORDIER: I've heard that.
5 MS. JOHNSON: Well, we've got the customer in
6 our face every single day, and the system goes down, we
7 have to make excuses for you all, quite frankly. Sorry,
8 but that's the way it is, we're making excuses for the
9 system crashing all throughout the day. Frequently, we
10 end up spending months trying to reconcile days that don't
11 balance because the system was down.
12 So are you going to have this schedule
13 available at V.G. Young for the DMV people who will likely
14 be at V.G. Young to be prepared to take the heat and to
15 answer the questions that you know are going to arise when
16 you set up a table?
17 MR. GORDIER: Yes. For two weeks.
18 MS. JOHNSON: Because that's going to be
19 really, really important.
20 MR. GORDIER: If a TAC office is eight weeks
21 downstream, they won't be on the schedule because we won't
22 know.
23 MR. ELLISTON: But we'll make the explanation
24 of how that's all working, and Dawn plans on being there
25 also, so there will be plenty of us to chew on, we'll make

1 sure of that.
2 Let me also say I've been in personal contact
3 by phone with tax assessor-collectors in Dallas and
4 Tarrant Count and they've been quite vocal about it but in
5 a very good way, and we certainly have not tried to dodge
6 any of our responsibility in this piece, but yet told them
7 how much we appreciate going forward and continuing to
8 make this deployment work, and they've committed to doing
9 that. So I think we're in good shape. We've got some
10 fences to mend but we'll be able to get past this.
11 MR. VANDERGRIFF: And I want to point out too
12 that I've had a lot of conversations with tax assessor-
13 collectors as well, as we all have, but they have
14 generally been positive, frustrated but supportive that
15 we're moving forward.
16 MR. ELLISTON: They appreciate the phone call,
17 and that's why I do it because I think when I call them,
18 let them talk a little bit and then we're off to the next
19 issue, so I think we're in good shape.
20 MR. WALKER: Randy, we have a call center, it
21 used to be in your office, I guess it's still over there.
22 MR. ELLISTON: That's Ginny Bouton's.
23 MR. WALKER: Ginny, how many people do you have
24 working in your call center?
25 MS. FLORES: You have approximately 20-

1 something people in the call center?
2 MS. BOUTON: Ginny Bouton, for the record.
3 I have total in the division 45, including me,
4 and taking calls specifically we have 25, and we handle
5 the motoring public, their calls, and the dealer calls.
6 The tax assessor-collector calls are handled by another
7 entity.
8 MR. WALKER: I understand, I've been through
9 the call center. But my question would be: How busy are
10 you over there at eight o'clock in the morning?
11 MS. BOUTON: We're already up and running. We
12 start at 7:30 now; since we became the DMV, we opened our
13 hours up.
14 MR. WALKER: When I think of customer-friendly
15 and communication with my customers, we pick up a
16 telephone and have a dispatcher call and say the truck is
17 going to be late. I mean, we don't send them an email
18 because we think that an email is like: Well, what if
19 somebody doesn't get it, they're still mad. And why
20 couldn't we use some of our resources maybe at our call
21 center and allocate two or three ladies or men, whatever
22 they might be, to make a few phone calls and make a
23 personal communication to say we're going to be out there
24 tomorrow or next week, that we're coming.
25 MS. FLORES: Well, actually, we decided to do

1 that very same thing today, is to see what resources we
2 have to leverage the communications plan, and that
3 includes our call center.
4 MR. WALKER: Like Cheryl said, I get 200 emails
5 a day, I can't hardly answer all the emails I get, and
6 you're trying to pick out what's important in your daily
7 input of all that stuff. But when you're talking about
8 we're going to be a customer-friendly agency here,
9 communication is an important deal, and a personal voice
10 is ten times more important, in my mind. And we've got 20
11 ladies over here, or men or ladies, whatever they might
12 be, that are answering telephones, but we could use some
13 of those resources of those callers over there, I think,
14 for maybe an hour a day.
15 MR. ELLISTON: And I don't disagree with you,
16 and we do try to do a lot. But also, a lot of the emails
17 we send are general business things; we have 254 counties
18 so it's a large audience trying to get out to. And then
19 if we call and we don't get the right person, then they
20 don't have the backup document that's there. We need to
21 do both, we absolutely need to do both.
22 MS. RYAN: If I may, I think you've got four
23 pretty talented people and one that's extremely involved.
24 I think we need to set a clear expectation that what has
25 occurred isn't okay, I think you all know that. The

1 vision of the agency is customer-centered, we expect to
2 fix it. The recovery of what has happened is probably
3 more vital than rehashing what's happened, and we need to
4 look to Linda to hold her accountable to work with the
5 resources that she has and problem resolution. I think
6 Ginny getting involved is great, whether it's her team or
7 not, she has the expertise in problem resolution and
8 documenting customer complaints and determining trends,
9 and that will help moving forward since it is a multiple-
10 month project.
11 And when we come back next month, I think, I
12 won't speak for all of us, but in my opinion what I want
13 to hear is how much better it is, what you did to fix it
14 so that we can duplicate that next time, how all areas are
15 tying together. It goes back to that responsibility piece
16 of all of the division directors. And we want to hear
17 good things -- is that a conference, V.G. Young?
18 MR. VANDERGRIFF: Yes.
19 MS. RYAN: We want to hear great things. And I
20 hope after that we don't hear that we got chewed on but
21 that we got complimented in how we handled it. I think
22 that's the focus of what we want to stay focused on.
23 Right?
24 MR. VANDERGRIFF: It is. But I want to make
25 sure and point out a couple of things. Some of this

1 problem is a little bit self-inflicted, and it's out there
2 trying to do the right thing by our partners -- and I
3 emphasize partners. Partners cover for each other, and I
4 think the tax assessor-collectors also understand and
5 appreciate the fact that the known enhancements to the
6 existing system, the technology replacement upgrades
7 necessary, this agency committed millions and millions of
8 dollars to do those things right now.
9 What we really should have thought about a
10 little better, and I go back to an analogy that Randy when
11 he pops down, he's stuck one night, just me and him in the
12 building left at about 7:00 and he told me something that
13 makes me ver succinctly understand that we've got a 30-
14 year-old system and it's like an old pipe system in a
15 house, and when you start doing thing to the pipe system,
16 whether it's hardware or software, it just breaks
17 somewhere else.
18 And part of our message, and our think our
19 board has to be supportive of this, is that we have tried
20 as an agency to get out there with our partners and really
21 help them with software and hardware solutions, not
22 throwing good money after bad, we hope, but trying to get
23 them there, bridging the gap between now and where we're
24 going to get when the full-scale automation project rolls
25 out, maybe in a series of years but it rolls out in

1 phases. And our board, we've got to focus on what they
2 need to do, we've also got to remember that a lot of this
3 is caused because we're trying to help, we're trying to do
4 the right thing.
5 So I want to emphasize that, I appreciate that
6 effort. We've go to plan it a little bit better,
7 communicate it better, but we've got to also make sure,
8 and I think our partners do know that, that we're trying
9 to help them too.
10 MS. JOHNSON: When is the expected completion
11 of KEES?
12 MR. GORDIER: KEES?
13 MS. JOHNSON: Yes.
14 MR. GORDIER: I was going to address that as my
15 next area. If we're finished with this, we can move on to
16 that.
17 MR. WALKER: Well, I have one more statement to
18 make, and that's that we have a vendor here in my mind
19 that's not carrying out his part of this whole deal
20 because I just heard somebody say prior to this that they
21 have been paid to notify and contact all of these tax
22 assessor-collectors, and we're talking about getting
23 intervened in this process and doing their job for them
24 because they're not doing it.
25 MR. GORDIER: Well, they are doing it, that's

1 the problem, where we've made those contacts. They called
2 North Dallas, they made the arrangements, everything was
3 done and they did it. And it would have been fine if the
4 deployment went well, but the deployment didn't go well.
5 MS. FLORES: So we're just supplementing that
6 effort, if you will, to make sure that the right people
7 are there at the deployment sites.
8 MR. WALKER: Can I ask you one question, and I
9 don't know if you know the answer to it. How much is this
10 contract.
11 MR. GORDIER: $2.1 million.
12 MR. WALKER: That's the installation, or that
13 includes the equipment?
14 MR. GORDIER: That's just the installation.
15 MR. WALKER: That's just the installation.
16 We're paying somebody $2.1 million to go out there and do
17 this.
18 MS. FLORES: Total project of approximately
19 $5.2 million.
20 MS. JOHNSON: And I was very surprised to find
21 out that all of our equipment is being replaced which was
22 really a surprise to me, because if we're trying to go to
23 a web-based system, I'd just as soon use my county
24 computers than yours because I have control over them and
25 log onto the internet. And so some of us are a little

1 concerned because we thought we were trying to head
2 towards a web-based system, and now we're getting all new
3 equipment which we may or may not really need with the new
4 system in two more years. And so I see government at work
5 with an $800 hammer and it's not making sense, and then
6 you're in these offices that, quite honestly, every single
7 tax office in the State of Texas got whacked on their
8 budget this year and so we don't have the staffing to
9 support what's going on and so it's creating other
10 additional issues.
11 MR. GORDIER: There would be some that would
12 not want us to make this statement, but this very likely
13 could be our last equipment deployment project as an
14 agency, depending on what the future holds. But in two
15 years that equipment will be in good shape.
16 MS. JOHNSON: The people who are coming in
17 photographing the routers, is that this same thing?
18 MR. GORDIER: It's part of that same project.
19 MS. JOHNSON: We couldn't have done that for
20 you? We were really surprised. We felt like the DMV must
21 have a lot of money if they showed up with people to take
22 pictures of cables in my office.
23 MR. GORDIER: Well, they have to show what was
24 before as well as they will be taking pictures after.
25 There are very specific reasons for doing that, and that

1 was part of the requirements.
2 MS. JOHNSON: What was inferred is you don't
3 know what you have.
4 MR. GORDIER: That's absolutely correct.
5 MS. JOHNSON: And that's a shame.
6 MR. GORDIER: It is.
7 MS. JOHNSON: And probably we need to admit we
8 have no idea what we have now, because we are tax
9 collectors, we deal with people who are angry every single
10 day in our office, we would rather you tell us the ugly
11 truth, just like we know this is a 30-year-old system,
12 nobody knows better than us that it's a 30-year-old
13 system, so we would rather you just say the vendor messed
14 up, or darn, we messed up, or we don't have a clue what we
15 have and we're trying to get our hands around it, so that
16 we feel better about you having to come in and do that,
17 than oh, you need to give us access to your secure areas
18 so we can take pictures.
19 MR. ELLISTON: The picture-taking has as much
20 to do with inventory control as anything, because they've
21 taken a picture of what's there so that we know what
22 equipment they're pulling out, and then when they get
23 through they do it again.
24 MR. GORDIER: It's proof of work.
25 MR. ELLISTON: It's proof of work. It's also

1 for our inventory control so we know what equipment is
2 where because under the state guidelines we have to
3 account for all that stuff. So it's not that we don't
4 know what's there currently but we need to see, since
5 we're utilizing a vendor, to be able to verify what they
6 have done.
7 MS. JOHNSON: That makes perfect sense.
8 MR. GORDIER: And from a cabling standpoint, we
9 don't really know what exists in some places, it's
10 whatever was there when TxDOT did it. There was one site
11 that I got pictures of that were very telling because all
12 the cables were in a huge bundle underneath a desk.
13 MS. JOHNSON: That was probably my office.
14 (General laughter.)
15 MR. GORDIER: It may be, which is totally
16 unacceptable.
17 MS. JOHNSON: It's almost a fire hazard, yes.
18 MR. GORDIER: So it's in part to identify those
19 kinds of problems. The vendor has specific requirements
20 to rewire according to current standards and so forth, so
21 the picture-taking is proof of work.
22 MS. JOHNSON: Okay. Perfect. See, that type
23 of information is really useful for us and we tend to
24 complain less when we know that.
25 MR. PALACIOS: I have a question, Gary. Once

1 these glitches and all these problems are ironed out with
2 this particular phase of this automation process, what's
3 the timing and then the schedule for the remaining
4 counties in the state?
5 MR. GORDIER: Well, it will depend on how fast
6 we can ramp up with a degree of confidence. One thing
7 that we know, it takes about two hours and 15 minutes per
8 machine to do a deployment, if everything just goes like
9 it's supposed to. And so you can use your own arithmetic,
10 you go to Harris County has 147 machines, you're talking
11 about a boatload of hours. We will probably parse that
12 down. The Dallas office has actually said, Well, our
13 machines are on four separate LANs and they've asked us
14 when we do the deployment at their main office, which has
15 I believe it's 68 work stations, that we come in and do
16 one LAN at a time. Well, that breaks that down and it
17 really becomes a much more manageable process when we do
18 it and chunk it down. And those are the kinds of things a
19 little dialogue will really augment our planning effort.
20 We will move as fast as we can responsibly.
21 MR. PALACIOS: Do you have a timeline in mind?
22 MR. GORDIER: Originally we said we wanted to
23 be all completed by November 15, that is pushed out to
24 January. I'm not going to guarantee that will hold, it
25 will depend on how well we're able to ramp up responsibly.

1 MR. PALACIOS: So your goal is by January 15 to
2 have the whole state onboard.
3 MR. GORDIER: In a perfect world, at this
4 point.
5 MS. JOHNSON: I'm not sure that that's going to
6 be able to happen.
7 MR. GORDIER: I agree, and when you layer in
8 the tax season. And we're fully aware of that and there's
9 probably going to be some dead time in there.
10 MS. JOHNSON: I'll wait till February, gladly.
11 MR. GORDIER: To do it right, we're going to
12 take our time.
13 MS. JOHNSON: Okay, good. Because the bills
14 will go in the mail in about ten days, we're not going to
15 have people out of our office or be able to shut down,
16 because initially we were going to shut down in August.
17 MR. GORDIER: And we totally understand that.
18 So we will take our time to do it right.
19 Move along?
20 MR. VANDERGRIFF: Let's move along.
21 MR. GORDIER: Okay. We'll move into the Texas
22 automation projects. The first one is KEES. For benefit
23 of our new board member, the goal of KEES was to implement
24 enhancements and improvements to existing systems by
25 adding needed functionality. The project, having

1 established a history of successful delivery, is now
2 slated for closure as a project -- I underscore as a
3 project -- and it is looking to transition the items of
4 value to a standard process for continuous improvement in
5 the IT change management process that will be
6 transitioning over the next couple of months.
7 There's a solid recognition that the agency
8 must continue to engage external stakeholders to ensure
9 balanced stakeholder needs are embraced and brought into
10 the decision-making process, and continuous improvement
11 process is critical to the success of any IT operation and
12 organization. So we're embracing that and we're putting
13 in specific procedures to do that, but as a project it
14 will be coming to closure.
15 Last month I promised to have a summary of some
16 of the more significant accomplishments of KEES. The
17 following represent some of those accomplishments. Number
18 one, we established a program advisory council that helps
19 move toward a change management philosophy. We increased
20 effectiveness and the amount of communication with
21 stakeholders.
22 We implemented eTags, which I'm going to stop
23 momentarily and parenthetically insert that I know there
24 were lots of problems with eTags over many, many months, a
25 long time before I ever even got here, and on August 22 we

1 flipped a switch, we found a little problem, it's not
2 fixed but we found a way to get around it, and thanks to
3 our data center it's still not fixed, but we have not had
4 a single failure since then. So the application was not a
5 problem which a lot of people were accusing us of, but
6 eTags has been running without failure since August 22.
7 We did plate to owner, we did electronic
8 placards, we did temporary permit database. KEES has
9 consistently done about quarterly updates. We did a
10 winter of 2010, spring of 2011, summer of 2011, fall of
11 2011, and a plates release are coming out in November
12 again. We've done value checking that citizens are able
13 to access the vehicle title history from vehicles before
14 they buy. We've developed e-reminders, and we removed
15 Social Security and other identifying information that was
16 required to be removed from 32 million records in out
17 database.
18 Urgent legislative changes to the RTS will be
19 implemented October 24 which is really coming up quick
20 here, and will include changes to the renewal notices for
21 write-in donations to the Veterans and Parks and Wildlife,
22 and support for a hardware change to support the equipment
23 replacement project. The project team is finalizing the
24 business requirement definitions for these items that were
25 passed into law in June. A plates-only release is

1 scheduled for the 19th of November and prioritization for
2 the winter of 2011 will focus on additional legislative
3 items and potentially maybe a few other items. And at
4 that point the KEES, as a project, will come to closure.
5 We will still have successive, ongoing updates that will
6 occur after that but it will be under a different moniker.
7 MS. JOHNSON: If I could ask a question, and I
8 believe I've seen something about my list serve that might
9 have addressed this, but are some of these enhancements
10 what's causing the system to either slow down or to shut
11 down occasionally?
12 MR. GORDIER: No.
13 MS. JOHNSON: Okay. Because I mean, we're used
14 to it, but it's been more noticeable since you have been
15 doing the enhancements, and the TACA list serve lights up.
16 MR. VANDERGRIFF: I thought that the
17 enhancements coming on the system were causing the
18 problems.
19 MR. GORDIER: I guess it depends on how you
20 look at that. Some of the enhancements could because
21 we're getting more volume. Slowness happens when we hit
22 volume peaks, and when you do good things, people tend to
23 use it more which drives up the transaction volume, and
24 when that happens then we have issues. So it wasn't the
25 enhancement that caused it but volume is an issue. We're

1 monitoring that as closely as we can. Unfortunately, we
2 don't get good information coming out of our data center.
3 Now that we have two lame duck vendors in the data
4 center, it probably won't get better until something
5 changes.
6 DIR is vetting two vendors, down to one of two
7 vendors now, as the master services agreement, MSA vendor,
8 who will then have at least five other vendors who will
9 support each of the individual towers.
10 MS. FLORES: For our new board member's
11 information, state agencies are required to go to a
12 central data center, and so we are still connected with
13 TxDOT so we have a service level agreement, I guess,
14 through TxDOT, so all of our IT issues are, I guess,
15 controlled, if you will, by this data center. And so IBM
16 was the original contractor -- well, there were four subs,
17 and Brett is looking at me, but they were the main vendor
18 and they decided to go out for a new contract. So when
19 Gary is talking about a lame duck vendor, it's because
20 they're in this transition of awarding a new contract.
21 MR. GORDIER: IBM being a lame duck, they did
22 not compete for the rebid, and Unisys did compete for the
23 rebid but was ruled out, they did not make the cut for the
24 master service agreement portion, they may come back for
25 one of the other towers.

1 MR. PALACIOS: So when will the decision be
2 made for the new vendor?
3 MR. GORDIER: They're saying by end of calendar
4 year. I was at a meeting yesterday and they said by end
5 of calendar year they hope to award the new MSA vendor.
6 They still have to then go out and bid out the other five
7 vendors for each of the different kinds of services that
8 will be provided.
9 I'm concerned, to be real honest with you, as
10 an agency trying to stand up a new operation. If we are
11 compelled to go into the data center, they've told me it
12 will be eight months per server, minimum, to get a server,
13 and that is untenable, we cannot stand on that. We have
14 two major systems that we have or will have that have been
15 exempted, they've gotten waivers from being in the data
16 center, but then that requires us to find a home for them
17 also. Right now they're being housed by TxDOT in their
18 facility, Building 6, but if we try to move everything
19 into a data center, we will have to go to some commercial
20 data center either as a co-location or as infrastructure
21 as a service or something. Challenges.
22 MR. WALKER: Do you know where TxPROS is
23 running right now?
24 MR. GORDIER: Yes. It's running at the
25 vendor's site and it was exempted from being in the data

1 center.
2 MR. WALKER: So we don't have to worry about
3 the data center on the TxPROS system?
4 MR. GORDIER: At this point, no.
5 MS. FLORES: It's exempted.
6 MR. PALACIOS: Has the IBM contract already
7 expired, are we on a month-to-month basis?
8 MR. GORDIER: Actually, IBM I think has a
9 longer period on the contract, but it will be terminating.
10 Move along?
11 MR. VANDERGRIFF: Yes.
12 MR. GORDIER: Very quickly then, the next item
13 is our motor vehicle registration titling application, or
14 Web Agent project. It's webifying, if you will, the
15 ability to renew registration with a web-based front-end.
16 This initiative is commonly refereed to as Web Agent, and
17 it has two parts to it. The Web Sub we're going to begin
18 to pilot deployment in October, this month, and then we'll
19 begin the initial rollouts of some of the counties
20 beginning in November is the plan right now. The
21 application really is looking pretty solid. The people
22 who have had their hands on it and seen it and used it
23 really like it, and it's sort of representative of what we
24 might be able to achieve when we move to a complete
25 rebuild our whole registration titling system to browser-

1 based environment. This project team put together the
2 plan, and as I said, they're planning to begin the pilot
3 deployments later this month.
4 MR. PALACIOS: Gary, is this using a third
5 party vendor as well?
6 MR. GORDIER: No. We developed that ourselves.
7 MR. PALACIOS: Okay.
8 MR. GORDIER: Continuing on then, we have the
9 licensing administration, consumer affairs and
10 enforcement, or LACE rewrite project. A couple of months
11 ago that project was placed on hold pending the outcome of
12 the BPA process. Currently we are beginning to integrate
13 the current LACE request for change process into the scope
14 of the IT change management process. That process
15 currently in use for LACE has strengths that can be used
16 in a collaborative way in the release management process,
17 and we will do some enhancement to the existing system
18 until we get through the BPA process.
19 When we look at the ILAP project, or the
20 infrastructure and legacy application analysis, this was a
21 project really for us to document all of the
22 infrastructure as is right now. We're working with TxDOT
23 as much as we can. This last month we documented our
24 voice systems, we developed information on our IP
25 addressing, document internet connectivity was completed,

1 and on 9/30 we received 23 applications to hire two
2 network contract engineers to help augment the ILAP team
3 for a couple of months to further document our network
4 infrastructure that we'll be separating.
5 I've been working with network engineers to
6 design a preliminary network, what it would look like as a
7 stand-alone for us, and I've talked with the CIO for
8 TxDOT, and in November we'll begin having joint workshops
9 to actually plan out the separation strategies so we can
10 get unplugged from their network, and that will be a
11 beginning point for us then.
12 Next month the ILAP, as I said, we'll be hiring
13 the network engineers, we'll identify and document DMV's
14 ownership of network-attached printers, faxes and copiers,
15 identify and document the DMV's work stations, tablets,
16 desktops, laptops, identify and document all video
17 conferencing and video streaming usage, and document
18 security software as well as the security procedures, and
19 we ill acquire a product called ER Studio to view the data
20 models and update the server and document our full
21 software application list which we're trying to get from
22 TxDOT. I got a preliminary list of that yesterday.
23 One of the struggles that we have is that when
24 we get information from our legacy agency, it usually
25 comes with a caveat that this either needs to be updated

1 or this may not be complete, and so we're constantly
2 looking and finding things as we go through this process
3 that have yet to be discovered. And this is a one-person
4 operation right now, that's why we're bringing in two
5 network engineers to augment our staff, and we'll probably
6 be bringing on a third one as a technical writer to
7 actually write all the documentation of everything that we
8 have.
9 Last but not least, probably the more
10 significant component is the BPA project. I do have two
11 representatives here from the Gartner project for BPA that
12 can be responsive to any questions you may have beyond
13 what information I would provide for you.
14 This project is the first step to the
15 modernization of the DMV business processes. It reviews
16 current business processes to ensure that they align with
17 DMV core functions and identifies areas where processes
18 could be streamlined and improved, reduced and eliminated.
19 The results of this analysis will be included in a
20 request for proposal for Part 3 which we will solicit
21 technological solutions and accommodate different business
22 sourcing scenarios to support improved business processes
23 for the agency, and we will focus on transformation
24 opportunities that will provide improved service for DMV
25 customers and stakeholders.

1 The BPA project has completed the as-is
2 business process phase which contains maps and narratives
3 as described by the process owners and subject matter
4 experts in the business work areas. The BPA to-be
5 workshops have concluded. On the 15th of September a team
6 conducted a workshop that focused on the outcomes from the
7 eight to-be workshops that included the DMV Board chairman
8 and division directors. The outcome of those meetings was
9 to identify what is on the table to discuss and what might
10 be barriers or constraints that may impact DMV's ability
11 to implement the to-be business requirements.
12 The next steps is to develop a roadmap of the
13 procurement assistance and we are preparing to engage a
14 vendor for this procurement. We will be using a best
15 value justification to use a deliverables-based IT
16 services contract, a DBITS, to procure this assistance.
17 We'll develop updated performance measures, finalize the
18 ideal to-be processes developed during the sessions and
19 analysis of the activities, interview and hire BPA staff
20 augmentation staff resources submitted through the DIR.
21 Just today I think we received nine -- was it nine --
22 business analyst applications as staff aug for that
23 project.
24 We'll contact internal and external
25 stakeholders as required to collect appropriate details

1 for the to-be business processes. We'll identify gaps
2 between the as-is and the to-be business processes, and
3 develop to-be use cases.
4 With that, I guess it's open for questions.
5 MS. RYAN: I have one with regard to the BPA
6 update, and my understanding is that it doesn't fall under
7 kind of the IT portion. Is that correct?
8 MR. GORDIER: It is a sort of on behalf and
9 that's why we have two representatives from Gartner here
10 to augment any additional information that you might need
11 or request.
12 MR. VANDERGRIFF: There's obviously a
13 technology component, but the more important component is
14 the whole as-is and to-be business process component which
15 I think the Gartner Group -- and Greg Fisher is on the
16 edge of his seat there. Come on up.
17 And I want to emphasizes to the board, we
18 talked briefly about this, but the board assumed the
19 champion's role on this because it ties into the
20 organizational assessment and kind of where we want to be,
21 so we are the champion for this part of it because it's
22 part of the cultural piece of where the agency is going.
23 It's the meat of what goes into the technology.
24 MS. RYAN: So it's kind of half technical, you
25 guys are working parallel.

1 MR. GORDIER: Yes. And in fact, Greg and I met
2 just yesterday to kind of talk about this report to you
3 guys.
4 MS. RYAN: Okay.
5 MR. FISHER: My name is Greg Fisher. I am the
6 business process analysis project manager. I actually do
7 not work for Gartner, I'm an independent contractor that
8 Texas DMV hired.
9 MR. COHAN: And I'm Rob Cohan. I'm a managing
10 partner with Gartner, and I'm responsible for the overall
11 engagement that we have with you.
12 MR. FISHER: In terms of the update, I'm sort
13 of leveraging off of what Gary's presenting, but actually
14 we're here to answer any specific questions that you may
15 have
16 MS. RYAN: Is there anything we need to know
17 specifically at this point?
18 MR. FISHER: I believe Gary covered it all, but
19 one thing that I would like to interject is that we've
20 been working with the chairman on preparing a scope of
21 work for the procurement assistance to be picked up after
22 we complete the to-be assessment part of the current BPA
23 effort.
24 MR. VANDERGRIFF: I want to add a couple of
25 things, If I can real quick, for the board benefit.

1 Obviously, this whole project falls under Projects and Mr.
2 Walker is working pretty diligently on the whole transfer
3 of the Motor Carrier operations into this agency, and we
4 discussed a few weeks ago bringing in some additional help
5 to do that, and I want to emphasizes that Victor
6 Rodriguez, who is not here today, and Laura Ryan have
7 worked also on getting it handled.
8 And over the course of the last three weeks
9 I've gone from when we left this board meeting not knowing
10 where we were and what was happening to feeling very
11 comfortable that with Linda's leadership, with Dawn, Gary,
12 Randy and certainly with the Gartner Group, that this
13 thing for both the process management, if you will, which
14 is a critical component, and obviously the technology. So
15 I feel, me personally, good that it's heading in the right
16 direction, and I feel like the Gartner Group has done an
17 outstanding job of really working with our
18 stakeholders/partners to get the as-is and develop the to-
19 be.
20 What I would also encourage, and it would be a
21 big day for us, perhaps, if we could find this day that we
22 have a workshop, because what they do kind of dovetails
23 into that, that we have them as a part of that meeting so
24 they could give us a brief overview into the to-be for us,
25 and I think you would be pleased with that as a board.

1 MR. PALACIOS: I just have a question, not so
2 much for our panelists here but more for the board. We
3 have two concurrent projects going on right now, or
4 reports: the Azimuth and now this other one that I'm
5 learning of, the business process analysis. A key part of
6 doing a process analysis obviously is looking at the
7 organizational structure of the entities that you're
8 trying to set these processes up. We've got something
9 going on with the Azimuth Group. Do we have communication
10 with the people over there so as to prevent, number one,
11 overlap, and more importantly, I guess, conflict? You
12 could come up with a process that is in complete conflict
13 with what the organizational structure is, so how are
14 handling that.
15 MR. VANDERGRIFF: I'm going to jump in, if I
16 can. It's a big thick, what you need to see and get a
17 presentation on that. The mapping of what we do today
18 throughout the industries we serve and what the industries
19 would like to see and what we think technology we can
20 deliver is the to-be function, and those two together are
21 complementary and supportive of the organizational
22 assessment, or vice versa. So they're not in conflict,
23 they don't overlap. One was to kind of assess the
24 strengths and weaknesses of the organization, the other
25 was to really assess where we needed to go with our

1 stakeholders and what the business processes were that
2 they were driving towards. So they're complementary but
3 they're not overlapping, is what I would say.
4 MS. RYAN: If I can add to that, one, the
5 organizational assessment is completed, but prior to its
6 starting, Julie Beisert was the project manager on the
7 organizational assessment, Greg Fisher on the BPA, and
8 they met and reviewed RFPs prior to going out and
9 expectations to make sure that they were not conflicting
10 in line, and then the two project managers met on a weekly
11 basis to understand activities on both sides while they
12 were both going on hand in hand. And now that the
13 organizational assessment is completed and back in our
14 hands, now it kind of falls on us, the board and myself
15 and Julie as assigned to the project, to align, and that's
16 one of the reasons that when a decision was made by
17 Chairman Vandergriff to pull the BPA in too so that we can
18 now make sure they don't overlap.
19 MR. PALACIOS: So we have comfort that they
20 have complete and different scopes of their assignments.
21 MR. VANDERGRIFF: They're complementary but
22 they are different. What we need to do, particularly I
23 think for all the board members, is with Gartner and Julie
24 and Linda I think that we could maybe provide an executive
25 summary level of kind of how those two complement and work

1 together and make sure that that gets out to the board. I
2 personally, from where we were in September to October, I
3 am light years ahead in my comfort level with everybody.
4 MR. GORDIER: Big difference.
5 MR. VANDERGRIFF: And I want to compliment
6 Linda, first and foremost, and then everybody else that I
7 mentioned of really stepping in there to give some
8 direction to that and pull us all together on the same
9 page. I feel good about that.
10 MR. FISHER: If I may, to just sort of expound
11 a little bit. Our focus in BPA was process, the focus of
12 the Azimuth assessment study was culture, it was the
13 organization. So our charge was basically to look at
14 Texas DMV at six particular divisions within DMV: the
15 Motor Vehicle, Motor Carrier, Consumer Relations, VTR,
16 ABTPA, and Enforcement. So of those six divisions there
17 were a multitude of business processes and our primary
18 charge was to understand what the as-is, what the current
19 business process practices were, and the efficiency
20 opportunities that could be gained.
21 As we worked through this process and
22 documented the as-is in great detail -- and it's actually
23 on our BPA web page that you can access the
24 deliverables -- our focus when we actually transitioned
25 into the to-be, we spent several weeks and brought in

1 external stakeholders, we brought in tax assessor-
2 collectors, we brought in dealers, we brought in motor
3 carriers, we brought in law enforcement, we brought in
4 basically our key external stakeholders, our business
5 partners to understand what was the need of change for
6 business process. And we spent, like I said, several
7 different weeks in understanding what those specific
8 requirements were, and we're still actually in that
9 process now.
10 So our focus was not necessarily culturally,
11 however, culture is impacted in terms of adverse risk
12 opportunities that the agency would be exposed to when you
13 go to a to-be process, are we positioned, are we ready.
14 So from the Azimuth standpoint, the things that they
15 documented were in order for the organization to move to
16 the future state, what are some of the opportunities
17 through the SWAT analysis, what needs to actually be done
18 to align to some of the business processes. And so the
19 overlap, there's touch points, there's dependencies, but
20 we were actually really clear not to overlap. But like I
21 say, there are a lot of touch points that we want to be
22 cognizant about so that we can actually support the
23 culture, the process, and then the third pieces is
24 primarily focusing on technology.
25 MR. PALACIOS: Thank you.

1 MR. VANDERGRIFF: Greg articulated in a few
2 words culture, process and technology, what I was fumbling
3 around saying those words, but that's why he could get to
4 the point, good job.
5 Another quick thing, this may not have come
6 out, I think it did, but I think we are on target to be
7 able to get with their help and the staff, get an RFP out
8 in February as we'd originally planned to do but were
9 concerned a month ago we wouldn't. I think we can get
10 that done.
11 MR. GORDIER: We're working very diligently to
12 that goal, yes.
13 MR. VANDERGRIFF: So that we can get something
14 tangible on the ground and be able to show the legislature
15 that we are moving on this project and this thing is going
16 to get done and it's worthwhile to continue the funding
17 for it.
18 Now, board members, I will tell you that
19 although we have four pages left of meeting, we might can
20 get through some of that fast, but on the other hand, we
21 do have a board meeting scheduled right now for tomorrow
22 at nine o'clock. So how much of this would you like to
23 plow through this evening and how much would you like to
24 just adjourn and come back tomorrow.
25 MS. JOHNSON: Are any of these that we can

1 approve so that any of the division directors can get on,
2 because I know that we have enforcement issues, any of
3 these that we can resolve?
4 MR. VANDERGRIFF: Yes. That's why I'm asking.
5 MS. JOHNSON: Yes. I'd say let's hit those
6 ones that we can dispense with.
7 MR. WALKER: Well, I think I understood your
8 question but I want to make sure I understand it. So
9 you're saying that we could potentially complete the
10 entire board meeting by today, or do you want to just stop
11 and wait till tomorrow?
12 MR. VANDERGRIFF: Well, that's the question.
13 MR. WALKER: Okay. So the question I have for
14 you is how long would it take us to complete, roughly.
15 MR. VANDERGRIFF: Well, Johnny, with you on
16 this board with me, one never knows.
17 (General talking and laughter.)
18 MR. WALKER: If you're telling me we can finish
19 in 30 minutes to an hour, I'd just as soon do that; if
20 you're telling me we could come back tomorrow for 30
21 minutes and go home, I'd just as soon stay here tonight
22 and finish up and go home tonight and save the state a
23 hotel room, I can sleep at the ranch.
24 MR. VANDERGRIFF: There's a potential to get
25 through this agenda in certainly inside an hour.

1 MR. WALKER: Then let's do it. Get the coffee
2 pot going.
3 MR. VANDERGRIFF: We're going to skip for the
4 moment the executive search services. We are on the
5 enforcement penalty schedule presentation. Mr. Harbeson.
6 MR. HARBESON: Good evening. My name is Bill
7 Harbeson. I'm the director of the Enforcement Division.
8 MR. VANDERGRIFF: By they way, before you
9 start, I want to make sure and give a medal to anybody who
10 is not working for the DMV who is actually still sitting
11 here watching this. I know I see one for sure.
12 MR. WALKER: If I might make a suggestion.
13 There's four board members not here, if we're going to
14 conclude, maybe somebody ought to go try to get in touch
15 with them.
16 MR. VANDERGRIFF: I think that's a great idea.
17 In fact, we should do that, if you can. Gail, can you
18 send somebody out?
19 MR. HARBESON: May I proceed?
20 Board members, at the last meeting Board Member
21 Rodriguez had posed the question regarding our penalty
22 schedule that's used in the enforcement cases, and what
23 I've done today is provided you with a copy of that
24 schedule. And this is the basic guidelines by which the
25 staff attorneys will analyze a given case and it's

1 essentially the starting point so we have consistency
2 across our 1,500 cases that we do a year when we settle
3 the cases. So what you will see here is a list of the
4 various violations that we deal with, the penalty
5 recommendation for settling a case on the first instance,
6 second instance and beyond that.
7 Are there any questions about the schedule?
8 MR. WALKER: No. I love it, it's perfect.
9 MR. WALKER: I love it too. Thank you.
10 MR. WALKER: But let me tell you what this
11 brought up in my mind as soon as I saw it, and I made a
12 note on here when I was going through this, is when I was
13 looking at this, the first thing that came to my mind was
14 does this tell me how many offenses there are in this
15 particular area. Do we have a breakdown by volume where
16 most of our violations are?
17 MR. HARBESON: Yes, sir. I provide you also
18 with an annual report from the Motor Vehicle Division side
19 of the house. We've yet to formulate one of these for the
20 Motor Carrier enforcement actions, but we can get you that
21 data. It goes into great detail as far as what is our
22 most common violations and how often do we see these.
23 MR. WALKER: But this doesn't tell me that,
24 though, does it?
25 MR. HARBESON: No, sir.

1 MR. WALKER: This is just the violation
2 charges.
3 MR. HARBESON: This schedule is merely the list
4 that we start with when we try to formulate an appropriate
5 agreed order in a disciplinary case. I've also provided
6 you with a copy of the Occupational Code which discusses
7 the things the board should consider in awarding a
8 penalty, and you'll see that there's six items, the last
9 of which is fairly open which discusses any other matter
10 that justice may require. So these are the things we
11 would look at in a given case in determining what the
12 appropriate penalty is.
13 And finally, Board Member Rodriguez had a
14 question about whether the respondents have adequate
15 notice of what could happen, and I provided you a sample
16 of one of our petitions which discusses the penalty ranges
17 and also we have included on each of these petitions that
18 we send to them procedures and policies so they understand
19 how the system will work once they're involved in it.
20 MS. RYAN: One of the followup to the
21 discussion that occurred when we asked for this was, and
22 it may not be determined here, but how we follow up on
23 collecting the ones we do collect. And I think this is
24 great and helpful and I think that's kind of just the next
25 natural progression to understanding what that looks like,

1 what is our collection rate, so to speak, and what options
2 do we currently have, are they sufficient and should we
3 look to make other changes and that kind of thing.
4 MR. HARBESON: I can probably address that
5 quickly. In 85 percent of our cases the collection rate
6 is 100 percent because we don't present you with an order
7 until they've paid, so we send them the order, they send
8 back the money, and then the order is presented to the
9 decision-maker, be it yourselves or the director of the
10 Motor Vehicle Division, for signature. The other 15
11 percent are default cases, and these are, in most cases,
12 people have gone out of business. So the collection rate
13 is nil there except if they come back to apply for a
14 license at a later date. We will then be advised of that
15 by the Motor Vehicle Division and will take an action
16 against them for contempt to stop the license unless it's
17 paid.
18 The amounts that we're dealing with in these
19 default cases, I think Brett discussed this last time,
20 it's just not practical and indeed, the AG's office, who
21 would represent us in those actions, will not take the
22 cases. The dollar amounts have to be a lot higher than
23 what we're talking about.
24 MS. RYAN: Do we publish anywhere? People
25 write bad checks they put their names out, you've got

1 child support pictures up. Do we publish anywhere people
2 that are in default or names of organizations that are in
3 default? Is it on our website if somebody wanted to do a
4 reference check, if somebody came back? Is that at least
5 an area that would maybe help encourage somebody to pay
6 their fine?
7 MR. HARBESON: It's something we could look
8 into. Currently all the actions that are taken by either
9 yourself as the board or the Motor Vehicle Division
10 director are published, I know, at least in the
11 independent dealers association monthly magazine. I
12 understand it's fairly interesting reading; everybody goes
13 there first to make sure their name is not on it.
14 MS. RYAN: But those are the ones that have
15 paid. Correct? The 15 percent that don't pay, where do we
16 see those?
17 MR. HARBESON: I may be wrong, and if they're
18 not on that list, we can get those cases to them too to
19 publish those cases. But again, most of these cases that
20 we're dealing with on the default docket today and every
21 month are people that are out of business and they've just
22 left the industry.
23 MS. RYAN: But they might be looking for jobs
24 in other areas of the industry that I would want to use it
25 as a reference check. It may be a way to enforce, and

1 also, we may not want them coming to work in the industry.
2 MR. HARBESON: They may be coming back as an
3 owner. Of course, we would maintain a record of this, and
4 if somebody was making an inquiry as to whether they were
5 hiring a general manager or a salesman, they could get
6 that information from us so we'd provide it to them.
7 MS. RYAN: Thank you.
8 MR. HARBESON: Are there any other questions?
9 (No response.)
10 MR. HARBESON: Do you want me to proceed with
11 the consent agenda?
12 MR. VANDERGRIFF: Sure, go ahead since you're
13 up there. Very nice work on this, by the way.
14 MR. HARBESON: Thank you, sir.
15 The consent agenda today consists of 62 agreed
16 orders, three motions for dismissal of enforcement cases,
17 five Lemon Law settlement cases because they were settled
18 we're asking for orders of dismissal to be entered, and
19 four cases in the franchise area where protests were filed
20 and now the case is to be dismissed, and so we're asking
21 for approval of those orders.
22 MS. JOHNSON: Mr. Chairman, do you need
23 individual motions for items A, B, C and D?
24 MR. VANDERGRIFF: I don't believe so. I think
25 we can take them up in one motion.

1 MS. JOHNSON: Then I'd like to move to approve
2 consent agenda items III.A, B, C and D, as presented.
3 MR. VANDERGRIFF: Do I have a second?
4 MS. RYAN: Second.
5 MR. WALKER: Is this just the consent or are
6 doing the defaults also?
7 MR. VANDERGRIFF: This is just the consent,
8 Roman Numeral III.
9 We have a motion and a second from Board Member
10 Ryan. And with that, if there's no further discussion,
11 please raise your right hand in support of the motion.
12 (A show of hands.)
13 MR. VANDERGRIFF: The motion carries
14 unanimously. Thank you.
15 MR. HARBESON: I also have the Lemon Law cases.
16 MR. BRAY: Excuse me just a minute. Did you
17 say Member Ryan seconded.
18 MR. WALKER: I seconded.
19 MR. VANDERGRIFF: She was first. You were
20 talking.
21 MR. WALKER: I was listening.
22 (General laughter.)
23 MR. VANDERGRIFF: We're now taking up the Lemon
24 Law cases.
25 MR. HARBESON: That would be IV.C, the usual

1 warranty performance cases. There's two proposals for
2 decision before you.
3 MR. WALKER: I move that we accept staff's
4 recommendations on both of those cases.
5 MS. JOHNSON: I second.
6 MR. VANDERGRIFF: We have a motion and a
7 second. Any discussion?
8 MS. RYAN: Can you finish what you're
9 requesting?
10 MR. HARBESON: In both of the cases it was the
11 recommendation of the administrative law judge that the
12 case be dismissed.
13 MR. WALKER: If you read the cases, they're
14 petty.
15 MS. RYAN: I just wanted to make sure.
16 MR. HARBESON: Generally, both of these cases
17 it was determined that it was not a defect by the time the
18 hearing occurred.
19 MR. VANDERGRIFF: I see you're taking the
20 mantle of Board Member Rodriguez and moving very quickly.
21 We have a motion and a second. All those in
22 favor of the motion please raise your right hand.
23 (A show of hands.)
24 MR. VANDERGRIFF: The motion carries
25 unanimously.

1 MR. HARBESON: Finally on item D, that would be
2 the default cases today. The staff today has presented
3 you with seven cases. We are asking approval of the
4 orders in numbers 1 through 5 and 7 only, and we're asking
5 that item number 6 not be considered by the board today
6 because we would like to take some alternative action. If
7 we cannot settle the case, we'll present it to you at the
8 next meeting.
9 MR. PALACIOS: I make a motion to accept the
10 default cases except for item 6.
11 MR. VANDERGRIFF: We have a motion. Do we have
12 a second?
13 MR. WALKER: I second.
14 MR. VANDERGRIFF: Mr. Walker. All those in
15 favor of the motion please raise your right hand in
16 support.
17 (A show of hands.)
18 MR. VANDERGRIFF: The motion carries
19 unanimously. Thank you very much.
20 MR. HARBESON: Yes, sir.
21 MR. VANDERGRIFF: We'll go ahead and stay on
22 number IV, adoption of the rules under IV.A. Ms. Flores,
23 IV.A.1.
24 MS. FLORES: For the record, my name is Linda
25 Flores. I'm the interim executive director for the

1 department.
2 The amendments to Section 209.23 and the repeal
3 of 209.24 are necessary to implement House Bill 2017 which
4 allows the board to promulgate rules regarding the method
5 of collection of a fee for any goods sold, services
6 provided by the department, or for the administration of
7 any program. The amendments authorize the use of
8 electronic funds transfer or valid or debit or credit card
9 for the department transactions.
10 Before the effective date of House Bill 2017,
11 the department only had specific statutory authority to
12 accept credit card payments relating to motor carrier
13 registration fees, motor transportation broker fees and
14 the internet motor vehicle registration through the
15 Texas.gov project.
16 There are no fiscal implications. The proposed
17 rules were published in the August 26, 2011 edition of the
18 Texas Register. No comments were received. I recommend
19 that the amendments to 209.23 and the repeal of 209.24 be
20 adopted.
21 MR. WALKER: I move that we accept the motion
22 just made by Linda.
23 MR. VANDERGRIFF: We have a motion. Do we have
24 a second to the motion?
25 MS. RYAN: Second.

1 MR. VANDERGRIFF: Second from Board Member
2 Ryan.
3 And now you had a question.
4 MS. JOHNSON: I just have one question,
5 assuming that we are on 217.63.
6 MR. VANDERGRIFF: No. We're on 209, Payment of
7 Fees for Department Goods and Services.
8 MR. WALKER: It's the credit card/debit card.
9 MS. JOHNSON: Okay. Never mind.
10 MR. VANDERGRIFF: Any question on this one? So
11 there's a motion and a second. All those in favor please
12 raise your right hand.
13 (A show of hands.)
14 MR. VANDERGRIFF: The rules are adopted.
15 Now we're on Roman Numeral IV.A.2. Mr.
16 Elliston, are you ready?
17 MR. ELLISTON: Yes, sir. Mr. Chairman and
18 members, my name is Randy Elliston, director of Vehicle
19 Titles and Registration.
20 Before you today you have for final adoption
21 amendments to Section 217.9 and Section 217.63. The new
22 section and amendments are necessary to comply with the
23 requirements of House Bill 1422 out of the 82nd
24 Legislative Regular Session of 2011 which changes the
25 notification procedures for insurance companies and

1 salvage pool operators to obtain titles related to
2 insurance claims. Changes have been made in response to
3 comments and/or for clarification purposes.
4 The proposed rules were published in the August
5 26, 2011 edition of the Texas Register. We received two
6 written comments concerning the new section and proposed
7 amendments were received. In response to the comments
8 received, the department has expanded proof of payment to
9 include a copy of a document indicating that payment has
10 been made, including an electronic check, a canceled check
11 or screen print from the insurance company's database that
12 identifies the type of payment method that reflects the
13 vehicle identification number, the vehicle owner's name,
14 name of the person to whom payment was made if different
15 from the vehicle owner's, the payment amount and date
16 payment was issued. In addition, the requirement for
17 insurance companies to provide proof of notification has
18 been removed.
19 I recommend that these amendments and new
20 section be adopted.
21 MS. RYAN: So moved.
22 MR. WALKER: I second the motion.
23 MR. VANDERGRIFF: We have a motion and a
24 second. Any further discussion?
25 (No response.)

1 MR. VANDERGRIFF: Please raise your right hand
2 in support.
3 (A show of hands.)
4 MR. VANDERGRIFF: The motion carries.
5 MR. ELLISTON: Mr. Chairman and members, in
6 August a new Subchapter F to Chapter 217 was proposed and
7 approved by the board to be placed out for public comment.
8 It included identification requirements for titles,
9 initial registration, certified copies of titles, and
10 motor vehicle information.
11 The proposed subchapter was published in the
12 August 26, 2011 edition of the Texas Register. After
13 further consideration, we determined a different
14 organization in the Administrative Code would be of
15 benefit and we wanted to add another type of
16 identification, so we would like to withdraw Subchapter F
17 as previously proposed and propose new amendments to 217.3
18 concerning Titles, 217.22 concerning Initial Registration,
19 and New Subchapter F concerning Motor Vehicle Record
20 Information.
21 The following types of current photo
22 identification will be accepted under the new proposal:
23 number one would be a driver's license or state
24 identification certificate issued by a state or territory
25 of the United States, a United States or foreign passport,

1 a United States military identification card, or a United
2 States Department of Homeland Security United States
3 Citizenship and Immigration Services, or United States
4 Department of State identification document. The
5 Department of State ID is the one that has been added.
6 House Bill 2017 also creates an alternative
7 location for titling and registration services when a
8 county has been declared a disaster area and is
9 inoperable. Language has been added to 217.3 and 217.22 to
10 allow an applicant to title and register a motor vehicle
11 in a nearby unaffected county if the applicant's county of
12 residence or the county in which a motor vehicle was
13 purchased or encumbered has been declared a disaster and
14 the affected count tax assessor-collector estimates the
15 county's offices will be inoperable for a protracted
16 period.
17 I recommend that the amendments and the new
18 subchapter be published again for public comment. So
19 basically, what we're asking is the rules we had up that
20 would have been for final adoption now that those be
21 pulled down and that the new proposal we have before you
22 today be placed forward for a new public comment time
23 period.
24 MR. WALKER: So you want to re-post this.
25 MR. ELLISTON: We're re-posting, basically,

1 yes, sir, with some modifications to the rule.
2 MR. WALKER: I don't have a problem with
3 re-posting. Do we need a motion for this?
4 MR. VANDERGRIFF: Do you think the industry
5 will be okay on this one?
6 MR. ELLISTON: Well, we're still going to get
7 comment. It doesn't substantively change some of the
8 things. One of the issues we had, the way it was
9 constructed was that it only required one ID per person
10 who was getting a CCO, and because you can have two names
11 on a title and a CCO is a negotiable document, and
12 currently our practice is we will not allow a CCO out
13 without two IDs if there's two people's names on there
14 because of problems with relationships that someone might
15 want to go in there and get negotiable title to go do
16 something with a car unbeknownst to the other person, so
17 we require both of those documents. Under the previous
18 rule we had proposed, it would only require one. So that
19 was one of the issues we wanted to clean up, plus, we
20 added one more form of ID which was a U.S. State
21 Department ID.
22 MR. VANDERGRIFF: Do we have a motion?
23 MR. WALKER: Are you sure it takes a motion to
24 do this?
25 MR. BRAY: Yes.

1 MR. WALKER: I'll motion that we take it down
2 and re-post it with the new language.
3 MS. JOHNSON: I second that.
4 MR. BRAY: Just for clarification, I don't
5 think it actually has to have one. It's good that you're
6 doing it, but I don't want any actions that have
7 previously been taken to be seen as improper or illegal
8 when they weren't. This is just publication, it's not an
9 absolute requirement for a board order. It's a good
10 practice, I'm just saying it's not absolutely necessary.
11 MR. ELLISTON: Okay. Just so I'm clear, we are
12 pulling down one but we are putting back out for public
13 comment.
14 MR. VANDERGRIFF: What you've got here.
15 MR. ELLISTON: Yes, sir.
16 MR. WALKER: Well, did the board make the
17 motion to post the other one?
18 MR. VANDERGRIFF: Yes.
19 MR. WALKER: Then it would take a board action.
20 MR. VANDERGRIFF: The practice we have been
21 doing that, to signify our support for posting these
22 rules, so if the industry sees that the board has been
23 behind proposed rules.
24 MR. WALKER: Well, this is the first time we've
25 ever pulled back a rule, is it not?

1 MR. VANDERGRIFF: No. It's not uncommon to do
2 that when you get feedback.
3 MR. ELLISTON: And this particular one we'll
4 have some scrutiny to it, so it's probably a good idea.
5 MR. VANDERGRIFF: It is a good idea for us to
6 vote to post it.
7 Motion and second. All those in favor please
8 raise your right hand.
9 (A show of hands.)
10 MR. VANDERGRIFF: The motion carries
11 unanimously.
12 MR. ELLISTON: If I could make one other quick
13 comment before I sit down, this talks about the portion
14 allowing a county allowing another county to help them
15 out. With the Bastrop County fires, we got real close to
16 that, however, because of some of our actions with helping
17 Bastrop County I think we probably prevented that, but we
18 were well ready to step forward, and actually talked to
19 the tax assessor-collector to let her know what we
20 believed the process was for her to reach out to her
21 neighbor counties to do that. But that went very well for
22 us and we had staff over for about two weeks assisting.
23 MR. VANDERGRIFF: I'm glad you brought that up
24 because I want to personally compliment Randy and his
25 senior staff. They got out there in the field to check on

1 what was happening, really reached out very aggressively
2 and immediately to the tax assessor-collector, and I think
3 it was very well received and appreciated by the
4 legislative members who represent that area, as well as
5 the tax assessor-collector there.
6 MR. ELLISTON: Thank you.
7 MR. VANDERGRIFF: All right.
8 MR. HARBESON: Staff today is asking permission
9 to publish a rule for your consideration. This is just a
10 request to publish the rule. It will be 43 TAC 217.81.
11 In the last session the legislature provided for civil
12 penalties to be levied against salvage dealers for the
13 first time. Prior to this time the only available remedy
14 in a case like this was suspension or revocation of a
15 license. The legislature passed this law and the rule
16 that we're asking you to approve today to be published
17 incorporates that change and discusses that change and
18 also changes some of the procedures that would be involved
19 in bringing a disciplinary action against a salvage
20 dealer.
21 The staff is asking for permission to publish
22 the rule. Are there any questions?
23 MR. PALACIOS: What are the disciplinary
24 actions that you're proposing?
25 MR. HARBESON: The legislature provided for a

civil penalty for the first time of $50 to $1,000 for violation of the laws regulating salvage dealers.

MR. WALKER: How much?

MR. HARBESON: $50 to $1,000.

MR. WALKER: Oh, I thought you said 50- to 100,000.

MR. HARBESON: And again, that's the first time that was available to staff to do something like that in the salvage area.

MR. VANDERGRIFF: Which is a great first step. I can assure you we would not have gotten it through the legislature with giving that approval for $50- to $100,000, the industry would be up in arms.

(General laughter.)

MR. VANDERGRIFF: Do we have any further questions?

MS. JOHNSON: I move to post.

MR. VANDERGRIFF: We have a motion. Do we have a second?

MS. RYAN: Second.

MR. VANDERGRIFF: A motion and a second. Again, remember when you're posting it still comes back to us for final approval, so we're just merely publishing.

We have a motion and a second. All in favor please raise your right hand.

1 (A show of hands.)
2 MR. VANDERGRIFF: The motion passes
3 unanimously. Thank you very much.
4 We're kind of jumping back pages here, we're
5 now on page 2 at the top on advisory committee updates,
6 and I guess the first one we have is the
7 Oversize/Overweight which, of course, you're up.
8 MR. WALKER: Okay. Well, I don't have a whole
9 lot of good news but I don't have a whole lot of bad news.
10 The news is that the MOU has been batted back and forth
11 between both parties, it's been sent to us, we made some
12 changes to it, we sent it back over to TxDOT with a bunch
13 of changes, they came back to us with a bunch of changes,
14 and it is now back in their court. The November 1
15 deadline that we were going to try to meet is still
16 possible but highly unlikely to get this transition done
17 by then, so I would anticipate that this probably won't
18 come back and be finalized probably until our December
19 meeting. And that's all I can tell you about where we are
20 on this thing. It's still kind of back and forth. We
21 made some recommendations on some changes and they made
22 some recommendations.
23 MR. VANDERGRIFF: Okay. So back and forth.
24 MS. JOHNSON: Is business being adversely
25 affected, or is it okay?

1 MR. WALKER: Well, it doesn't affect anybody,
2 it's business as usual because the Oversize is still
3 operating over at TxDOT and we can't do anything until
4 this MOU is done. We have a deadline of December 31 that
5 this has to be done by in order to have it transferred
6 into the DMV.
7 MR. BRAY: The business shouldn't be affected
8 in any way. Really the major effect is going to be
9 employees' records will change from being a TxDOT record
10 to a Texas DMV record.
11 MR. WALKER: The good news is, from an industry
12 standpoint, is that the TxPROS system over at TxDOT which
13 was a whole lot of why DMV is picking up this part of this
14 operation was to improve that, is that the TxPROS system
15 is working beautifully, the industry is very happy with
16 it, so we're not going to be picking up a lemon, it's
17 something that's obviously going to be working for us when
18 it comes on.
19 That's my report.
20 MR. VANDERGRIFF: We're now on the Senate Bill
21 529 and we have a special advisory committee. This was
22 the franchise bill that came through, and a number of
23 practitioners as well as staff meetings had questions
24 about that bill and what needed to be done with it going
25 forward, and I think that we did a really nice job of

1 asking the industry what the expectations were, the
2 industry responded with a series of questions, comments,
3 and then we held the first of two meetings. The second
4 meeting, you'll tell us in a second what the date is of
5 the second meeting.
6 The first meeting, Board Members Ryan and
7 Ingram participated in that. Ingram was kind of your
8 stand-in, Raymond, because this is where the manufacturer
9 representative and a dealer representative would be there,
10 and we wanted to have a second person there, so he
11 thoroughly enjoyed but had no direct input into the
12 process. That committee will meet again. This was
13 primarily practitioners in the field and representatives
14 from the trade associations and the manufacturers. I
15 think there were roughly 40 involved and most of them
16 attended.
17 But with that, I'll let you give an update.
18 MS. WINGO: I think you've said it all. I'm
19 Michelle Wingo, a staff attorney with the Motor Vehicle
20 Division under the direction of Molly Cost.
21 As the chairman suggested, our first advisory
22 committee, it's the Senate Bill 529 Advisory Committee,
23 and along with the larger work group, we met on September
24 2 to talk about implementation. Our next meeting on
25 November 2 will perpetuate those discussions.

1 MBD ultimately has two goals: first, to
2 identify areas that require rulemaking, and second is the
3 overarching implementation, whether requiring rulemaking
4 or automatic implementation. The most significant result
5 that I can say is that we have had nothing but positive
6 feedback, that the industry, the stakeholders thoroughly
7 enjoyed the discussion forum, the format, the opportunity
8 to participate, and they certainly have responded that
9 they have felt heard. And we as staff, of course, are
10 particularly thankful for the opportunity to hear kind of
11 the behind-the-scenes of how Senate Bill 529 came into
12 being, came into play so that we can implement consistent
13 with the intention as those parties negotiated that bill
14 before the legislature.
15 I stand ready to answer any questions you might
16 have.
17 MR. VANDERGRIFF: I want to make sure one other
18 point to emphasize is that the historic process was to
19 literally either do one of two things which was to wait
20 until, frankly, litigation bubbled up and four or five
21 years from now we'd have some other results of these
22 questions without us getting involved -- and by us I mean
23 the department -- or to issue rules. You'd have notice of
24 comment on this, but in this case we went out proactively
25 before doing anything and said, What would you like us to

1 do? And got back an earful.
2 So I compliment Molly, Michelle and the staff
3 for running a good meeting. I was not there, so I'm doing
4 all the talking, but you were there, Laura.
5 MS. RYAN: It was a very good meeting. There
6 was a lot of the desire is to have the agency execute on
7 the intentions, and there was a lot of discussion about
8 why was this intended and even to the point that in
9 interpretation we might have gone in a direction that
10 would not have supported the intention and caused more
11 confusion than not. So lots of good discussion and lots
12 of good input. I think we even had some parties that
13 wouldn't normally sit at the same table together sitting
14 at the same table. It was a really good outcome and I'm
15 looking forward to the second meeting.
16 So if you're able to make it, I think on the
17 committee or not, it would be valuable input.
18 MR. PALACIOS: I would have a very acute
19 interest in participating.
20 MS. RYAN: And I can update you on the last
21 part as well.
22 MR. WALKER: You're late or either early.
23 (Board Member Rodriguez joined the meeting.)
24 MR. RODRIGUEZ: I'd move a vote right now.
25 (General laughter.)

1 MS. WINGO: I'd be more than happy to provide
2 you with a high level executive type summary and some
3 information, and it will be held in this room.
4 MR. VANDERGRIFF: And you should get him up to
5 speed as quickly as possible on it so he's in sync.
6 MS. WINGO: I'll make an appointment to brief
7 you over the phone at your convenience.
8 MR. PALACIOS: So again, the meeting is
9 November 2, and at that point or thereafter or shortly
10 thereafter we'll draft an implementation processes of 529?
11 MS. WINGO: It would be our utmost desire for
12 there to be only those two meetings. Hopefully we can
13 wrap up all the discussion points and then, yes, from
14 those discussions staff will go draft rules that would
15 then be circulated to executive management at the
16 commission, and then just as you've seen the rules come
17 into play here, we'd bring those proposed rules to this
18 board for permission to propose because there's comment
19 that comes back, an then we'd come back to the board for
20 permission to adopt. And that's kind of the overview
21 process.
22 There are areas of this bill that will require
23 actual explanation, comments, discussion through that
24 rulemaking process. There are other parts of this bill
25 that require no rulemaking that are automatically

1 implemented.

2 MR. PALACIOS: I'd be happy to meet with you.

3 MS. WINGO: Great. Thank you.

4 MR. VANDERGRIFF: I'm sorry, that's right. We

5 noticed it but didn't say officially. Please let the

6 record reflect that at approximately 5:58 today, Board

7 Member Rodriguez joined us, so he is here. He's probably

8 wondering driving all the way here for this.

9 (General laughter.)

10 MR. VANDERGRIFF: The Motor Vehicle Standing

11 Advisory Committee. The 529 committee is as special

12 committee designed to ride pursuit on that particular

13 bill. The standing committee, there will be three board

14 members on that committee because it obviously deals with

15 motor vehicle issues, and I'm assuming they'll accept

16 those appointments. It will be Board Member Ryan, Board

17 Member Palacios, and Board Member Ingram. I have asked

18 Board Member Ingram because a key area that we want to

19 talk about is the licensing part and the process there,

20 particularly as it fits into the to-be technology but also

21 the, frankly, bottleneck issues and industry issues they

22 have there and he has a keen interest in it. I've asked

23 him to chair the meeting, at least initially, because

24 that's the number one issue.

25 We don't want to tax the staff to the Motor

1 Vehicle Division to have to deal with too many things at
2 once, so I've told Molly that we won't start this
3 committee until after the 529 Committee finishes its work,
4 but that certainly will be done within the next month to
5 six weeks, and so then this committee would kick in
6 towards the end of this year.
7 But I'm going to charge -- and he knows this,
8 we've talked about this and hope this is okay with Ms.
9 Ryan and Mr. Palacios, but he knows that he's charged with
10 this task so he's going to be continuing to a view to move
11 it forward. And at the moment he's in Fiji. He might not
12 like the fact that I just announced that in public, but
13 nevertheless, that's where he is.
14 With that, we may have already covered this,
15 but the possible MOU. I know we're not going to do it,
16 but is there anything further to cover there, Brett?
17 MR. BRAY: No. We've already covered it.
18 Backing up into the appointment of organization
19 of the Motor Vehicle Standing Advisory Committee, to be
20 clear, that strictly advisory, they won't be making
21 decisions for the whole board.
22 MR. VANDERGRIFF: No. It's strictly advisory.
23 And also part of it, as you know, and I didn't say this
24 earlier and I should have, is that that advisory
25 committee, the board members involved in it are going to

1 be charged with the task of filling out that committee
2 with industry people to help and assist in that advisory.
3 You will come up with, I'm sure, an acceptable number
4 where it's not too big but it's large enough that you can
5 encompass the whole industry, the franchise dealers of the
6 different classes and the independent dealers, to bubble
7 up ideas that need to be addressed, and then, of course,
8 the specific one that's on the agenda first is the
9 licensing aspect of that. But it is strictly advisory, no
10 votes will be taken.
11 MR. BRAY: The only addition I'd have on the
12 Motor Carrier MOU is Ms. Flores would probably prefer that
13 it come before the full board, and it just depends, as we
14 get closer and closer to January 1, how timing plays out.
15 There currently is a board resolution in place that
16 authorizes the executive director to execute with the
17 chair's approval, and we're keeping that in reserve that
18 if timing doesn't work out right, the secondary procedure
19 that we have in place would be Mr. Walker and his
20 committee would, of course, review it, the chair reviews
21 it, and then Ms. Flores signs it with a subsequent report
22 to the board if we can't get it on the November or the
23 December agenda. Just so you know there's a backup plan.
24 MR. VANDERGRIFF: Great.
25 Under the chair reports, we've talked about

1 most of these. The only one I do want to emphasize a
2 little bit is we've had extensive media coverage on the
3 Confederate license plate and I appreciate the fact that
4 the media office has been working overtime with
5 legislators and the media on that particular matter.
6 And for the board's information, I did
7 yesterday, with their assistance, clarify something in
8 response to a question, and that is that we explained the
9 process again that went on and what my decision, right or
10 wrong, to allow it for a vote when it was four-four split,
11 but that this plate, that Governor Rick Perry has nothing
12 to do with this plate. He did not sponsor this plate,
13 bring it before this agency, has not asked for it to be
14 approved, has not asked for any action on it, and I just
15 made that very clear to the media because I think that's
16 been tied in to obviously his presidential run,
17 unfortunately tied in that way.
18 So with that, I can turn it to Linda.
19 MS. FLORES: I wanted to provide our monthly
20 financial report. To begin with, the month ending August
21 31 is the state's fiscal year-end, and for Board Member
22 Palacios, I normally give a monthly revenues and
23 expenditures report to the board, but August is our year-
24 end.
25 This is the report for the month of August, but

1 I need to clarify that our staff is in the process of
2 doing all of our year-end closings, our adjustments,
3 coming up with the financial report that is due to our
4 oversight agencies November 20. So while this is a
5 snapshot of August, just kind of want to go over really
6 quickly, and I know Board Member Walker has some
7 questions.
8 MR. WALKER: Only one left.
9 MS. FLORES: We spent approximately $11.2
10 million for the month of August compared to $11.6 million
11 for the same month last year. The difference is just a
12 change in ABTPA contract grants that were approved. ABTPA
13 is the Auto Burglary and Theft Prevention Authority grant
14 program.
15 We collected $112.6 million in Fund 6 revenues,
16 State Highway Fund, and $4.2 million in Fund 1, General
17 Revenue. We have a graph that represents those revenues
18 and expenditures on page 6 of your document. We have two
19 sources of funding for this agency: State Highway funds
20 which are constitutionally dedicated, can only be used for
21 certain types of activity; and General Revenue which is
22 located in our ABTPA program. So those are the two major
23 sources of funding for the agency.
24 Page 4 is just a snapshot of how we ended the
25 year for our revenue collected for both of those two

1 accounts, the General Revenue and the State Highway
2 account. Last month I reported that we expected to see a
3 shortfall of approximately $13.9 million in the State
4 Highway Fund, however, we did collect a little bit more
5 than we expected and the actual shortfall in Fund 6 is
6 approximately $4 million. So we did a little bit better
7 than we thought. Overall, between our two accounts,
8 though, we did come very close to meeting the state
9 comptroller's revenue estimate for the year.
10 On page 5 I've provided a snapshot of some
11 major projects for the agency. The very first one is the
12 TexasSure verification program, and this program, we are
13 not including this program in the agency's operations for
14 Fiscal year '12. That program has been transferred to the
15 Department of Insurance. But we did have a budget of
16 $11.8 million and year-to-date we've spent $7.3 million.
17 The automation system project which Gary
18 Gordier provided a status report on, this is the major
19 program that we were appropriated $41 million for Fiscal
20 Year '12 and '13. We had $60 million actually budgeted
21 for this biennium. We originally estimated that we would
22 be lapsing $15 million; we made that adjustment with the
23 LBB's approval. We spent $1.8-.
24 I need to clarify that the balance will be used
25 as a funding source for this biennium's appropriation. So

1 whatever we didn't spend, we're going to use those same
2 dollars to fund our automation system project in FY '12-
3 13.
4 Our county registration titling system
5 enhancements, again, we had approximately $11.8 million to
6 fund that project. We received invoices for the year
7 totaling $105,000. Financial services will encumber
8 approximately $5.2 million in expenditures associated with
9 the deployment of the counties and that will be reflected
10 in our annual financial report along with some other
11 encumbrances.
12 We did a validation of our projections of when
13 I presented the operating budget at the August board
14 meeting based on our cash expenditures which are reflected
15 on page 9, plus encumbrances that are approximately $7.2
16 million. We will meet our projected expenditures of $108
17 million and lapse approximately $96 million.
18 MR. WALKER: We're going to lapse $96 million?
19 MS. FLORES: It's going to go into fund balance
20 and those dollars are used to support Fund 6, so they'll
21 be used as a funding source for Fiscal Year '12. So it
22 doesn't go to waste, it goes to fund next year's
23 operations.
24 MR. WALKER: Where is that reflected?
25 MR. VANDERGRIFF: Before we were here, what

1 would have happened to that money? It would have just
2 been absorbed into TxDOT operations?
3 MS. FLORES: Absolutely. Or it would have been
4 lapsed just as well.
5 MR. VANDERGRIFF: It would have stayed in Fund
6 6.
7 MS. FLORES: Correct.
8 MR. VANDERGRIFF: It stays in Fund 6, it's
9 always there.
10 MS. FLORES: It's always there.
11 MR. VANDERGRIFF: But at least we know that we
12 didn't spend it, we're letting it lapse, we didn't go
13 crazy and go spend money.
14 MS. FLORES: So page 9 is just a cash
15 expenditure snapshot, so you'll see year-to-date total of
16 $100 million.
17 MR. WALKER: So Linda, I see the $96-. The
18 $46- over here, is this where we're holding the Vision 21
19 money?
20 MS. FLORES: Correct. A large portion, let me
21 put it that way, not all of it but a large portion of it
22 is there. A large portion is actually in professional
23 services.
24 I would like to draw your attention to page 10.
25 Interest charges for the month of August were

1 substantially higher than in previous months, and that's
2 because we did have some bills that got lost in transit
3 between the Texas Department of Transportation and the
4 DMV. So we did get some bills that we were not aware of,
5 we paid them, and because they were so late we incurred
6 substantial interest expenses.
7 MR. WALKER: Like what kind of interest rates
8 were those?
9 MS. FLORES: We had a very large procurement
10 and it was three of four months old, so interest charges
11 accumulated.
12 MR. PALACIOS: Where is that charge?
13 MS. FLORES: It's on page 10 at the very
14 bottom.
15 MR. WALKER: But Linda, I mean, $4,000, in my
16 mind, paying bills late is just -- the state has got
17 plenty of money.
18 MS. FLORES: Unacceptable.
19 MR. WALKER: That's unacceptable.
20 MS. FLORES: Yes, sir.
21 MS. JOHNSON: But did you not say TxDOT did not
22 provide those bills to us to pay?
23 MS. FLORES: Right. They just got lost in
24 transit, they got delivered and somebody forgot. So there
25 were some instances there was a large bill in-house, and

1 so we incurred substantial interest charges.
2 MS. RYAN: So one large bill was here, it just
3 didn't get paid, but there was another bill that nobody
4 knows when or where.
5 MS. FLORES: Not just one or two, but several.
6 MR. WALKER: Surely somebody is responsible for
7 posting the mail and vouchering the bills. My office
8 vouches the bills when they come in and sets them up in a
9 computer system and you run a report that says these are
10 the bills that are due and you know to cut the checks on
11 Friday.
12 MS. FLORES: Right.
13 MR. WALKER: I mean, if a little old company
14 like J.H. Walker can do it, why can't the State of Texas?
15 MS. FLORES: It would be easier if we had an
16 integrated financial system, but we do not, so a lot of
17 our processes are still manual.
18 MR. WALKER: What would have happened if we
19 just wouldn't have paid the $4,000?
20 MS. FLORES: We're required by state law,
21 Prompt Payment Act.
22 The other thing I'd like to address as part of
23 the financial report is on page 14 -- actually on page 15
24 we are now providing a forecast of the My Plates revenue
25 trend, and last month we had reported that they would meet

1 their goal in approximately December time frame. We just
2 moved it up a month based on additional information that
3 we received, November 2013.
4 MR. VANDERGRIFF: Is when we think they'll meet
5 their goal.
6 MS. FLORES: Yes, sir. So not too much change
7 in that respect from one month.
8 MS. JOHNSON: So you're predicting that they're
9 going to be done in three years on what was supposed to be
10 five?
11 MS. FLORES: Well, they started in 2009.
12 MR. VANDERGRIFF: They'll be done in time.
13 MS. JOHNSON: So they're going to be done ahead
14 of time.
15 MS. FLORES: Yes.
16 MR. WALKER: Linda.
17 MS. FLORES: Yes, sir.
18 MR. WALKER: On most financial reports you get
19 you have budgeted and balance and so forth that we don't
20 see on this. Like this tuition here, $16,291, what did we
21 budget for tuition for the year?
22 MS. FLORES: For FY '11 we budgeted
23 approximately $150,000 for tuition assistance
24 specifically.
25 MR. WALKER: Do the people have to request that

1 ahead of time before we do the budget?
2 MS. FLORES: Yes, sir. We were in a transition
3 state. We had a legacy process with TxDOT and a lot of
4 our employees had approved curriculums, if you will, to go
5 to higher education and attain degrees. It was based on
6 an advance payment to the institution. When the
7 Department of Motor Vehicles was created, we established a
8 new process where it's going to be a tuition reimbursement
9 process.
10 MR. BRAY: Actually, Ms. Flores and company
11 just got that process in place. When the agency was
12 created in 2009, the TxDOT practice, you all adopted that
13 rule process and it came over. Ms. Flores has since
14 enhanced the process and it actually begins full-fledged
15 in January with basically the spring semester, and we go
16 to a pay-as-you-go kind of system.
17 MR. WALKER: I remember us doing that. I just
18 didn't know how much we've accrued in it and how much was
19 used.
20 MS. FLORES: Yes, sir. And the online types of
21 higher ed are substantially more expensive than your state
22 tuition rates.
23 MR. WALKER: Well, send them over there to UT.
24 MS. JOHNSON: I can't believe you're suggesting
25 that, Mr. Walker.

1 (General laughter.)
2 MR. PALACIOS: Linda, can I ask a question
3 about the My Plates?
4 MS. FLORES: Yes, sir.
5 MR. PALACIOS: This is $25 million over four
6 years.
7 MS. FLORES: It was actually five years.
8 MR. PALACIOS: Okay. Well, I'm looking at the
9 projection here, it's November '09 and you're forecasting
10 ending at a $25 million mark on November '13.
11 MR. BRAY: Their contractual obligation is to
12 do so in 60 months.
13 MR. WALKER: And they're at $2.7 million right
14 now after 18 months.
15 MR. PALACIOS: What happens beyond that? I
16 guess we get a certain percentage, or how does this work?
17 MR. BRAY: Beyond that it just depends on what
18 we negotiate in the contract if we, the board, elect to
19 negotiate the contract with them at all.
20 MS. FLORES: It's up for renewal.
21 MR. WALKER: It's three years away from being
22 renewed, and there is an evaluation point of 18 months.
23 MR. BRAY: No. You have an evaluation point of
24 30 months which is about six to seven months away.
25 MR. ELLISTON: If I could make one

1 clarification on the comment. Randy Elliston, for the
2 record.
3 We have a contract for $25 million obligation,
4 at least that much for the five-year period. Once they
5 hit $25 million till the end of that five-year period, we
6 will continue to make money, so we can make more than
7 that. At the end of the five-year period, then it's a
8 whole new renegotiation of contract, and the way the
9 statute is written, then currently we are mandated to use
10 a vendor, at the end of 2014 it then wouldn't matter, so
11 it would be up to the agency what we do at that point.
12 But in this five-year period we can make more
13 than $25-, so they'll continue with the same money, the
14 same growth rate will occur as they sell license plates.
15 If they sell license plates, we'll continue to make money,
16 so we could make more than $25-.
17 MR. PALACIOS: Because according to the
18 projections, you'll hit that $25 million in 2013.
19 MR. ELLISTON: That's correct. And if the
20 contract continues on to 2014 till the end of the time
21 period and they continue to sell license plates, we'll
22 continue to make money so we could make $30 million.
23 MR. WALKER: I think our commission schedules
24 change at the end of the $25 million also, don't they?
25 MR. ELLISTON: I don't recall. There's a

1 graduated amount based on how much they sell.
2 MR. WALKER: There's an adjustment.
3 MS. FLORES: So if I can move on, I did want to
4 report on agency vacancies. For the month ending
5 September, we had approximately 72 vacancies throughout
6 the agency.
7 MR. WALKER: How many?
8 MS. FLORES: Seventy-two. However, effective
9 10/1 we did have some folks start, so as of today I
10 believe our vacancies are at 66 positions. Our cap is 647
11 full-time equivalents. The largest vacancy rate is in
12 Administrative Services and most of those are associated
13 with the automation project and IT support at about 30
14 vacancies.
15 MR. VANDERGRIFF: Because we don't need them
16 yet.
17 MS. FLORES: Right. Actually, I know that Gary
18 is working on filling positions.
19 MR. GORDIER: We're in the process of getting
20 ready to start advertising. I have no networking people,
21 I have no database administrators, I have no server staff,
22 so we're going to be augmenting that and bringing on FTEs.
23 Plus, with the automation project they're bringing on
24 some high level people which we will be pairing internal
25 staff. For example, an enterprise architect will be coming

1 on for that project, we will be hiring an FTE so that when
2 that project ends we'll have FTEs that are up to speed and
3 can be able to carry that load. Same with business
4 analysts and business architects, we'll have parallel
5 mirrored positions as FTEs to the contracts.
6 MS. FLORES: And to finalize agency operations,
7 I did, effective October 3, create a new division called
8 Government and Strategic Communications, headed by
9 Jeremiah Koontz as the division director. The division is
10 a consolidation of Government and Regulated Industries and
11 Communications staff. It is not a creation of new
12 functions but just a reorganization to improve legislative
13 activities and strategic communications. The creation of
14 this division had been in the planning stages prior to my
15 becoming interim director and it's also included as a
16 recommendation in the organizational assessment report.
17 Jeremiah Koontz is here to answer any questions
18 you all might have regarding his division.
19 MR. KOONTZ: Jeremiah Koontz, director of the
20 Government and Strategic Communications Division, and I
21 really just wanted to kind of answer any questions.
22 I can tell you what our structure is intended
23 to do. I've got kind of four things that we're trying to
24 accomplish by restructuring this which is:
25 The consolidation and centralization of

1 legislative bill analysis and communication with
2 legislative offices, stakeholders and constituents.
3 Develop and implement a strategic communication
4 plan -- that's one of the first things I will try and
5 accomplish when I bring on a communications manager. I've
6 got a vacant position that's been sitting out there. I'm
7 going to task them with putting together a communications
8 plan.
9 Facilitating a consolidated message for the
10 agency that's really to try and bring all the
11 communication messages through one single division so that
12 we are saying the same thing across the agency to try and
13 streamline that process.
14 And then provide a consistent one-voice message
15 on the agency's ongoing progress with regard to
16 implementation of organizational assessment, business
17 process analysis, automation project. So our division
18 will be integral and part of those projects as they're
19 rolling forward to make sure that we're communicating out
20 to the public, to our constituencies to make sure they're
21 kept abreast of what's going on.
22 MS. FLORES: As part of his new division, I
23 would like to point out there are approximately three
24 unfunded full-time equivalents. They won't be actually
25 created until we can identify some realignments of some of

1 those vacancies, and I have been working with HR to come
2 up with a process that we can all live with.
3 MR. KOONTZ: And those three functions were
4 really integral to the centralization of bill analysis for
5 the legislative session, so those were government
6 relations specialists that during session would be doing
7 bill analysis and keeping up with fiscal notes and all
8 that kind of stuff.
9 MS. FLORES: And we have some time before that
10 happens.
11 MR. KOONTZ: Correct.
12 MS. FLORES: And then the other vacancy that we
13 have currently is for the public information.
14 MR. KOONTZ: That communication manager, it's a
15 lead, I guess, position.
16 MS. FLORES: And we are moving forward to post
17 that one.
18 MR. KOONTZ: Correct. I'm looking to post that
19 one hopefully in the next month.
20 MS. FLORES: That one is funded.
21 MR. KOONTZ: And then one last thing, just one
22 of the first things that I'm really looking at doing with
23 the division is also taking a look at our website to try
24 and make sure that we're bringing that up to the standards
25 to make sure that we're communicating very effectively

1 with our audience through the web. So that's one of the
2 things that our division will be looking at extensively.
3 Any other questions?
4 MS. FLORES: Regarding the Texas Department of
5 Criminal Justice contract, we had brought that to you I
6 believe in the month of August. We ended up finding a
7 mathematical error of $600 and we went ahead and took care
8 of that, and just wanted to make sure you were informed.
9 And Ann Pierce is here to answer any more specific
10 questions. But it was just a math error on our part, so
11 we fixed it and we sent it back.
12 And that concludes my report.
13 MR. VANDERGRIFF: I do not believe -- and I'll
14 look to Mr. Bray -- that we need an executive session.
15 MR. WALKER: I have a question. Are you fixing
16 to adjourn?
17 MR. VANDERGRIFF: I was going to get close to
18 that.
19 MR. WALKER: I have one question that's on the
20 agenda. What are we going to do about addressing the
21 hiring of a placement agency to find an executive
22 director?
23 MR. VANDERGRIFF: That was the next thing.
24 MR. WALKER: Okay. I just didn't want to walk
25 away and forget that.

1 MS. RYAN: Not forgotten.
2 MR. VANDERGRIFF: We can provide you with a
3 basic update right now or we can go into executive session
4 and talk about it in more detail.
5 MR. WALKER: I think we just posted the request
6 for a vendor, and we only had two vendors reply.
7 MR. VANDERGRIFF: That's correct.
8 MR. WALKER: And somebody is evaluating those
9 two vendors?
10 MR. VANDERGRIFF: There's a five-person
11 committee of the agency, and then from the board's
12 perspective, not letting grass grow, Laura and Victor
13 Rodriguez stepped in for me when I wasn't here last week
14 to push that process forward. The staff is going to ask
15 clarifying questions of the vendors and then they're
16 supposed to hopefully get those back by Monday or so of
17 next week. I'm looking at Aline Aucoin, who is handling
18 that for the agency. And then we'd anticipate hopefully
19 by next Wednesday either picking one of those firms or re-
20 posting.
21 MR. WALKER: That doesn't take a board action
22 to do this.
23 MR. VANDERGRIFF: No. You've delegated that
24 to me to do that, so it's moving.
25 With that, did anybody else have any further

1 business?

2 (No response.)

3 MR. VANDERGRIFF: With that, I would be pleased

4 to entertain a motion to adjourn.

5 MR. RODRIGUEZ: So moved, Mr. Chairman.

6 MS. JOHNSON: Second.

7 MR. VANDERGRIFF: We have a motion from Board

8 Member Rodriguez, second from Vice Chair Johnson. All in

9 favor please raise your right hand.

10 (A show of hands.)

11 MR. VANDERGRIFF: We are adjourned.

12 (Whereupon, at 6:18 p.m., the meeting was

13 concluded.)

1 C E R T I F I C A T E

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3 MEETING OF: Texas Dept. of Motor Vehicles Board

4 LOCATION: Austin, Texas

5 DATE: October 12, 2011

6 I do hereby certify that the foregoing pages,

7 numbers 1 through 228, inclusive, are the true, accurate,

8 and complete transcript prepared from the verbal recording

9 made by electronic recording by Nancy H. King before the

10 Texas Department of Motor Vehicles.

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