



COMMISSION MEETING MINUTES
August 16, 2004

The Commissioners of the Texas Alcoholic Beverage Commission met in Regular Session on Monday, August 16, 2004, at the Texas Alcoholic Beverage Commission, 5806 Mesa Drive, Suite 185, Austin, Texas.

PRESIDING: John T. Steen, Jr., Chairman

PRESENT: Gail Madden, Commissioner

STAFF PRESENT: Alan Steen, Administrator

Glenda Baker, Assistant Chief of Enforcement
Carolyn Beck, Public Information Officer,
Executive
Lou Bright, General Counsel
Charlie Cloud, Sergeant, Fort Worth
Loretta Doty, Director, Human Resources
Division
Shelby Eskew, Accountant, Business Services
Division
Jeannene Fox, Assistant Administrator
Buck Fuller, Director, Compliance Division
David Garza, Director, Homeland Security,
Executive
Jeffrey Gladden, Sergeant, McKinney/Dallas
Robert Gonzalez, Sergeant, San Antonio
Christina Guerra, Lieutenant, San Antonio

Amy Harrison, Director, Licensing Division
Gary Henderson, Information Resources
Division
Michael Hernandez, Training Coordinator,
Human Resources Division
Linda Hubbard, Administrative Assistant,
Executive
Renee Johnston, Executive Assistant,
Executive
Dexter Jones, Acting Director, Marketing
Practices, Executive
Charlie Kerr, Director, Business Services
Paul Morgan, Licensing Division
Sonja Pendergast, Lieutenant, Dallas
Garry Sitz, Director, Information Resources
James "Sam" Smelser, Chief of Enforcement
Craig Smith, Agent, San Antonio
Karen Smith, Lieutenant, Fort Worth
Gloria Villaseñor, Administrative Assistant,
Enforcement/Grants
Jimmy Zuehlke, Sergeant, Training, Human
Resources Division

GUESTS PRESENT: Doug DuBois, Jr., Director of Membership and
Education, Texas Petroleum Marketers and
Convenience Store Association
Alan Gray, Licensed Beverage Distributors, Inc.
Richard Jaeschke, Senior Project Manager,
Versa Systems
Karen Latta, Policy Analyst, Sunset Advisory
Commission
Fred Marosko, Texas Package Stores
Association
M. Jack Martin, Attorney at Law
Mike McElhaney, Governor's Advisor, Office of
the Governor
Mike McKinney, Executive Vice President,
Wholesale Beer Distributors of Texas
Lindsay Meche, Republic Beverage

Robert Sparks, Executive Director, Licensed
Beverage Distributors, Inc.
Tom Spilman, Vice President, Wholesale Beer
Distributors of Texas
Michelle Wittenburg, General Counsel, Office of
the Speaker of the House
Randy Yarbrough, Wholesale Beer Distributors
of Texas

CALL TO ORDER

Chairman John T. Steen, Jr., called the meeting of the Texas Alcoholic Beverage Commission (TABC) to order.

APPROVAL OF JULY 19, 2004, COMMISSION MEETING MINUTES

Chairman Steen called for a motion to approve the TABC Commission meeting minutes of July 19, 2004. **Commissioner Madden moved that the Commissioners approve the minutes of the July 19, 2004, meeting. Chairman Steen seconded the motion. The motion carried.**

RECOGNITION OF AGENCY EMPLOYEES WITH 20 OR MORE YEARS OF SERVICE

Chairman Steen called upon Buck Fuller, Director of Compliance, and Sam Smelser, Chief of Enforcement, to discuss the accomplishments of staff being recognized for 20 or more years of service (Attachment 1). The following staff were recognized for 20 years of service: Armando Flores, Jeffrey Gladden, and Craig Smith. The following staff were recognized for 25 years of service: Diana Hagens and Karen Smith. In addition to the recognition for 25 years of service, Lieutenant Karen Smith was recognized with a 20-year safe driving award. Mr. Fuller explained that employees Armando Flores and Diana Hagens were unable to attend the recognition presentation; however, he would ensure that they received their plaques.

ADMINISTRATOR'S REPORT

Chairman Steen called upon Administrator Alan Steen to provide the Administrator's Report.

Administrator Steen thanked Buck Fuller and the Compliance Division staff for hosting the reception held earlier.

2004 Summer Conference

TABC's 2004 Summer Conference was held August 9-11, 2004. Administrator Steen referred to the positive evaluation comments from staff that attended the conference.

Legislative Activities

The House Appropriations Criminal Justice Subcommittee held a budget oversight hearing on August 11, 2004; Administrator Steen stated that TABC received positive comments at the hearing. Also, a hearing on TABC's legislative appropriations request (LAR) is scheduled for September 1, 2004. Administrator Steen reported that TABC staff have been involved in various meetings with House and Senate members.

Sunset Review

Administrator Steen reported that Sunset activities are on track. TABC's public testimony hearing is scheduled for November 16-17, 2004, and the Sunset Advisory Commission's decision hearing is scheduled for December 14-15, 2004. Administrator Steen assured the Commissioners that they would be kept apprised of Sunset activities and would be given details of the hearings in order that they may attend.

Audits

TABC's exit conference on the Enforcement Division's internal audit is scheduled the last day of August. The Commission will have an Audit Subcommittee meeting on September 27, right before the Commission meeting. Administrator Steen stated that the State Auditor's Office audit on the agency's HUB (historically underutilized businesses) and the post payment audit of the Texas Building and Procurement Commission are still pending.

Other Activities

- TABC staff presented to the Texas Package Store Association in Houston.
- Staff met with Anheuser-Busch governmental relations staff in Houston with regard to Sunset issues.
- All training sessions on workplace discrimination have been completed. The training sessions were conducted by Sheila Gladstone. All staff—with the exception of approximately six (due to extended leave or military obligations)—have attended the training.
- Administrator announced the implementation of a reduction in the number of TABC Enforcement regions. Rather than eight regions, there are five, and all five regions are the same for Enforcement and Compliance. Administrator Steen noted that this will enhance communication, teamwork, and consistency within the agency. **He stated that the Commissioners would receive an update at a future Commission meeting.**

TECHNOLOGY TRANSFORMATION DEMONSTRATION

Chairman Steen called upon Garry Sitz, Director of Information Resources Division. Mr. Sitz provided a demonstration overview on the Human Resources Information System (HRIS), soon to be implemented within the agency. Administrator Steen noted that the HRIS is not a Versa-funded project and that the HRIS was purchased from lapsed FY 2004 funds. In addition, Mr. Steen noted that there was a previous audit recommendation that TABC utilize an automated human resources system.

Mr. Sitz then provided a demonstration overview of Versa LicenseEase, TABC's new licensing application system. The system will be ready for implementation at the beginning of the year; in the meantime, data is being converted into the new system and testing is being conducted. The Commissioners expressed interest in receiving updates on the technology transformation; **Mr. Sitz will provide technology transformation updates at upcoming Commission meetings.**

UPDATE ON TABC CONTRACTS

Chairman Steen called upon Charlie Kerr, Director of Business Services Division, to provide an update on TABC contracts (Attachment 2).

Mr. Kerr explained that his presentation on TABC contracts was in response to Chairman Steen's request for an update to address accountability issues. Mr. Kerr reported that since the last Commission meeting, the agency has adopted an internal policy of having all contracts related to consulting, professional fees, construction services, and leases reviewed by General Counsel. All contracts initiated or prepared by the agency will contain a signature block for the contract initiator (usually the Director of Business Services or the agency's senior purchaser) and the contract reviewer (General Counsel). In instances where the contract exceeds \$100,000, a signature block will also be made for the agency's Administrator.

Mr. Kerr reviewed the agency's contracts for FY 2004 that were \$10,000 and greater, noting that the majority of them are typically pre-negotiated by the Texas Building and Procurement Commission (TBPC), the Council on Competitive Government, or the Department of Information Resources. In the instances where the contract is pre-negotiated by these agencies, TABC's senior purchaser is typically the only person that signs these contracts. Mr. Kerr added that TABC's Administrator currently signs all grant contracts.

Chairman Steen requested that the Commissioners be given an opportunity to review the recommended internal policy on TABC contracts in order to formally approve them at the following Commission meeting. Chairman Steen also requested that the Commissioners be provided a list of the agency's building leases.

Mr. Kerr added that the TBPC and Attorney General's Office would be providing training in the future to state agencies to assist the agencies in negotiating contracts.

PUBLIC COMMENT

Chairman Steen asked if there was anyone in the audience who wished to make a statement; no one expressed the desire to provide public comment.

EXECUTIVE SESSION

Chairman Steen asked General Counsel Lou Bright to comment for the record if law allowed for the evaluation process of the Administrator to be done in executive session. Mr. Bright stated that this is specifically addressed in Section 551.074 of the Government Code and that it is an appropriate subject to be discussed in executive session.

Chairman Steen announced that the regular open session of the Texas Alcoholic Beverage Commission would be recessed, the time being 2:15 p.m. on August 16, 2004. He announced that an executive session would be held to consult with Legal Counsel regarding pending and anticipated litigation against the agency, pursuant to Section 551.071; to discuss law relating to the Open Meetings Act as contained in Chapter 551 of the Government Code, pursuant to Section 551.071; and to discuss the duties, responsibilities, and evaluation of the Administrator, pursuant to Texas Government Code, Section 551.074.

Chairman Steen announced that the Texas Alcoholic Beverage Commission had concluded its executive session and was in open session, the date being August 16, 2004, and the time, 4:21 p.m. He stated that no final action, decision, or vote was made in the executive session and that there were no matters requiring Commission action at that time.

NEXT MEETING

Chairman Steen announced that the next TABC meeting was scheduled for Monday, September 27, 2004.

ADJOURNMENT

Commissioner Madden moved that the Texas Alcoholic Beverage Commission meeting be adjourned. Chairman Steen seconded the motion. The motion carried, and the meeting adjourned.