<table>
<thead>
<tr>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agenda --TABC Commission Meeting – January 24, 2012</td>
<td>1</td>
</tr>
<tr>
<td>Minutes --TABC Commission Meeting – November 15, 2011</td>
<td>2</td>
</tr>
<tr>
<td>Attachment 1: Administrator’s Report: Administrator and Agency Activities, Budget Issues, Staff Achievements</td>
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<tr>
<td>Attachment 2: Strategic Planning Briefing</td>
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<tr>
<td>Attachment 3: Delinquent List Briefing</td>
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<td>Certification of Minutes</td>
<td>12</td>
</tr>
</tbody>
</table>
AGENDA

REGULAR COMMISSION MEETING

9:30 a.m. – January 24, 2012

5806 Mesa Drive
Austin, TX  78731
Tuesday, January 24, 2012 – 9:30 a.m.

Agenda

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<table>
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<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Call to Order</td>
<td>José Cuevas, Jr.</td>
</tr>
<tr>
<td>2.</td>
<td>Approval of Commission Meeting Minutes of November 15, 2011</td>
<td>José Cuevas, Jr.</td>
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<tr>
<td>3.</td>
<td>Administrator’s Report: Administrator and Agency Activities, Budget Issues, Staff Achievements, Cash/Credit Law</td>
<td>Alan Steen</td>
</tr>
<tr>
<td>4.</td>
<td>Strategic Planning Briefing</td>
<td>Carolyn Beck</td>
</tr>
<tr>
<td>5.</td>
<td>Delinquent List Briefing</td>
<td>Alan Steen</td>
</tr>
<tr>
<td>6.</td>
<td>Public Comment</td>
<td>José Cuevas, Jr.</td>
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<tr>
<td>7.</td>
<td>Executive Session to Consult with Legal Counsel Regarding Pending and Anticipated Litigation Against the Agency and to Discuss the Duties, Responsibilities, and Evaluation of the Administrator (Govt. Code §551.071, §551.074)</td>
<td>José Cuevas, Jr.</td>
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<tr>
<td>8.</td>
<td>Next Meeting Dates: No February Meeting Scheduled Tuesday, March 27, 2012 Tuesday, April 24 2012</td>
<td>José Cuevas, Jr.</td>
</tr>
<tr>
<td>9.</td>
<td>Adjourn</td>
<td>José Cuevas, Jr.</td>
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Note: Items may not necessarily be considered in the order they appear on the agenda. Executive session for advice of Counsel (pursuant to §551.071 of the Government Code) may be called regarding any agenda item. Action may be taken on any agenda item.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services (such as interpreters for persons who are deaf, hearing impaired readers, large print, or Braille) are requested to contact Luann Dickerson at (512) 206-3217 (voice) (512) 206-3203 (fax). Relay Texas at 1-800-735-2989 (TTY/TDD), at least three (3) days prior to the meeting so that appropriate arrangements can be made.
MINUTES

REGULAR COMMISSION MEETING

9:30 a.m. – January 24, 2012

5806 Mesa Drive
Austin, TX  78731
The Commissioners of the Texas Alcoholic Beverage Commission (TABC) met in Regular Session on Tuesday, January 24, 2012 at the Texas Alcoholic Beverage Commission, 5806 Mesa Drive, Suite 185, Austin, Texas.

COMMISSIONERS PRESENT: Melinda Fredricks
                       Steven M. Weinberg, MD, JD

STAFF PRESENT: Alan Steen, Administrator

Carolyn Beck, Director of Communications and Governmental Relations
David Brandon, Enterprise Development Manager
               Information Resources Division
Mindy Carroll, Director, Education and Prevention
Cathleen Cavazos, Odessa Enforcement Office
Joe E. Cavazos, McAllen Enforcement Office
William Chatham, Amarillo Enforcement Office
Sherry Cook, Assistant Administrator, Executive Division
Luann Dickerson, Executive Assistant, Executive Division
Loretta Doty, Director, Human Resources Division
Shelby Eskew, Director, Business Services Division
Joey Estrada, Grants Coordinator, Education and Prevention
Randy Field, Bryan Enforcement Office
Kathy Gersbach, Executive Assistant, Field Operations
Steve Greinert, Director, Tax Division & Marketing Practices
Thomas Graham, Supervisor, Marketing Practices
Amy Harrison, Director, Licensing Division
Emily Helm, General Counsel, Legal Division
Joe Iagnemmo, Web Administrator
Shaun Jordan, Licensing Supervisor, Austin District Office
Joann Joseph, Assistant Director, Licensing Division
Shuddell Lindsey, San Angelo Enforcement Office
Michael Lockhart, Lieutenant, Field Operations
Roland Luna, Director, Ports of Entry
Steven Moore, Arlington Compliance Regional Office
Joel Moreno, Chief of Field Operations
Merideth Munoz, Information Specialist, Executive Division
Harry Nanos, Captain, Austin District, Border Region
Earl Pearson, Assistant Chief of Field Operations
Andy Peña, Director, Office of Professional Responsibility
Yvette Price, Licensing Supervisor, San Antonio Regional Office
Gloria Darden Reed, Executive Assistant, Executive Division
Albert Rodriguez, Lieutenant, Office of Professional Responsibility
Santos Saldana, Supervisor, Ports of Entry
Loretta Smith, Assistant Director, Business Services Division
Todd Talley, Regional Liaison, Coastal Bend Region
Rod Venner, Assistant Chief of Field Operations
Jay Webster, Director, Information Resources Division
Martin Wilson, Assistant General Counsel, Legal Division

**GUESTS PRESENT:**

Mark Bordas, Region Vice President of State Affairs, Anheuser Busch
Lou Bright, General Counsel, Texas Wine and Grape Growers Association (TWGGA)
Colleen Buck, Budget Analyst, Office of the Governor
ML Calcote, Consultant, Republic National Distributing Company
Nick Canaday, Attorney
Rick Donley, President, The Beer Alliance of Texas
Doug DuBois, Director of Government Affairs, Texas Petroleum Marketers and Convenience Store Association (TPCA)
Glen Garey, General Counsel, Texas Restaurant Association
Adam T. Gonzales, Director of Marketing, Independence Brewery Company
Alan Gray, Executive Director, Licensed Beverage Distributors
Jay Howard, Distilled Spirits Council of United States (DISCUS)
CALL TO ORDER

The meeting of the Texas Alcoholic Beverage Commission was called to order at 10:32 a.m. by Commissioner Steven Weinberg. Commissioner Weinberg announced Presiding Officer Cuevas would not be attending the meeting. He stated that he and Commissioner Fredricks make a quorum for the meeting to be held.

APPROVAL OF COMMISSION MEETING MINUTES OF NOVEMBER 15, 2011

Acting Presiding Officer Steven Weinberg called for approval of the Commission meeting minutes of November 15, 2011. Commissioner Fredricks so moved to approve the minutes as written, and Acting Presiding Officer Weinberg seconded. The motion carried.

ADMINISTRATOR’S REPORT: ADMINISTRATOR AND AGENCY ACTIVITIES, BUDGET ISSUES, STAFF ACHIEVEMENTS

Acting Presiding Officer Weinberg called upon Administrator Steen to give his Administrator’s report. After welcoming the Commissioners back to Austin for another Commission meeting, Administrator Steen’s report began with a discussion on the trends that dealt with changes in wholesale sales volume and excise tax gross revenues, comparing the totals experienced in fiscal years 2011 and 2012. Administrator Steen stated that there has been a substantial increase in the wholesale sales volume areas, especially in beer sales. He stated that the state of the current economy could be the driving force behind this increase. Another upward increase occurred in gross revenues in excise tax. Administrator Steen stated an increase of $51 million spiked the total for one quarter of fiscal year 2012.
Acting Presiding Officer Weinberg commented that the members of the industry seem to be profiting very well and inquired if the Governor’s and Comptroller’s offices would receive a report of the increases. Administrator Steen answered affirmatively.

Administrator Steen stated that while some areas did show significant increases the loss of licensed retailers continues to be an area of concern. He and Acting Presiding Officer Weinberg discussed contributing factors that may affect the number of retailers lost in the different regions of the state and specifically losses experienced by license class, i.e., beer/wine (on/off premises), mixed beverages, and beer/wine (off premise only). Administrator Steen stated that with the reallocation and realigning of resources into the three regions, the percentage of licensed retailers’ losses in specific regions can be identified.

Acting Presiding Officer Weinberg inquired if the smaller convenience stores losses are included in the retailers’ loss totals. Administrator Steen stated in part affirmative and further explained that the Agency cannot distinguish if the losses are related to the smaller or larger retailer. However, he concurred with Acting Presiding Officer Weinberg that as each region becomes familiar with the retailers, a report may be generated that can pinpoint the region/service areas of losses and increases for licensed retailers. He stated that these areas will be closely monitored for any significant changes.

Administrator Steen paused a moment from his report for recognition of Santos Saldaña, Jr., Assistant Director for the Ports of Entry. He stated that “Super” Santos Saldaña will end his tenure from the Agency after collecting $88,997,774 in nickels, dimes, and quarters at the Ports of Entry. Administrator Steen thanked Assistant Director Saldaña for his dedication and service especially to the Ports of Entry for a job very well done. Acting Presiding Officer Weinberg invited Assistant Director Saldaña to come forward and address the Commission. Assistant Director Saldaña stated that he has had 29 good years at TABC and is excited about his retirement. He had made a lot of good acquaintances and will cherish the great memories.

Acting Presiding Officer Weinberg thanked him for his service and commented how impressed he was when Assistant Director Saldaña conducted a tour of the Ports of Entry bridge station for the Commissioners. He commented that Assistant Director Saldaña’s rapport with the Ports of Entry staff is to be commended and stated that they will truly miss him. Commissioner Fredricks thanked Assistant Director Saldaña for his service to the Agency.

Administrator Steen reported that the Legislative Budget Board (LBB) has requested the Agency to be a fact finding entity in assisting the LBB’s in identifying ways to work more transparently by making data accessible on its website. In a concerted effort, Administrator Steen stated that TABC and LBB were able to create, reorganize and improve resources already available on its website. Acting Presiding Officer Weinberg asked if there will be a link created on the LBB website or on TABC’s
website. Administrator Steen stated the link will be on LBB’s website. He stated the LBB website will become more user friendly in navigating and locating information about other government sites.

Administrator Steen announced that Assistant Chief Dexter Jones is attending a two-week training academy for leaders and managers of state and local police, sheriffs’ department, military policy organizations, and federal law enforcement agencies at the Federal Bureau of Investigation Academy in Quantico, Virginia.

Administrator Steen’s report is supported by a PowerPoint presentation. (Attachment 1)

**STRATEGIC PLANNING BRIEFING**

Acting Presiding Officer Weinberg called upon Director Carolyn Beck to present the next agenda report on Strategic Planning Briefing.

Acting Presiding Officer Weinberg apologized for the late start of the Commission meeting due to mechanical airplane trouble with his flight travelling from Dallas, TX to Austin, TX.

Director Beck greeted the Commissioners and began the report with a definition of a strategic plan. She stated that a strategic plan defines what an agency is and intends to be as well as the principles guiding it. It defines agency goals and objectives and charts a course for the future. As a process, strategic planning is continuous, with no clear beginning and no clear end. While plans are developed on a regular basis, it is the process of planning that is important. It implies strategically thinking about the future and how to get there; it optimally involves front-line employees as well as customers (shareholders); and it provides a common understanding of where the state and the agency are going and how everyone involved can work to that common purpose.

Director Beck outlined the various committee meetings that would be held from January 2012 leading up to the off-site meeting with the Headquarters Directors and Commissioners on March 27th and 28th. She stated that at the April 24th Commission meeting, she will present a strategic plan to the Commissioners for their review and discussion and at the May 22nd Commission meeting, the Commissioners will vote on the plan. Administrator Steen stated that the reason for the Commissioners to vote on the plan in May is because of not having a Commission meeting in June. The deadline to submit the report is in July.

Director Beck discussed the Survey of Employee Engagement, also known as Survey of Organizational Excellence survey results. As shown in the PowerPoint presentation, Director Beck spoke on the high survey participation response rate which indicates that the employees take pride with a sense of responsibility and an investment in the Agency and want to see an improvement in the Agency.
One of the survey areas of significant concern is pay. Director Beck stated that during the years of 2007, 2009 and 2011, pay has had the lowest scoring construct. She stated the concern may be the perception of the overall compensation package offered by the organization or how the employees compare their pay to similar jobs in other organizations and it can also be if the employees pay does not keep pace with the cost of living expenses. Administrator Steen commented when budget cuts occur and additional responsibilities/duties are incurred from a cut position, the Agency has to conduct business with less resources. He stated that Assistant Administrator Cook and Business Services Director Eskew have begun to draft helpful and educational facts for the Legislative Budget Board (LBB) in the anticipated budget preparations.

Administrator Steen commented that Director Beck has done an excellent job in taking the lead toward the successful administering of the survey from the beginning of the process until the report is submitted. Director Beck stated that using the survey as a catalyst for organizational improvement is essential to the survey process, as it creates momentum and interest.

Director Beck summarized her final points of the presentation with specific assignments to be completed:

- February to March: Present survey results to staff (agency-wide and group specific;
- Allow employees to interpret the results and brainstorm ideas to help improve their work experience;
- Gather this feedback and compile it;
- Based on the feedback, submit 3 suggestions by March 20 for headquarters to consider in developing goals.

Director Beck invited attendees at the Commission to participate along with Agency employees in answering the question by filling in the blanks of the sentences:

- What’s your vision of the future TABC?
  1. To be the #1 regulatory agency in the nation, TABC must/should____________________________________________________.
  2. In 2018, TABC will be/should be ______________________________.

(responses can be returned to Director Beck’s email address)
(Carolyn.Beck@tabc.state.tx.us)
IMPORTANT DATES

2/20/2012  -  Stakeholder Meeting
3/1/2012   -  Headquarter Directors meet to hear SMEs present updates to Strategic Plan document
3/27-3/28/2012  Off-site Strategic Planning meeting with Commissioners/Directors

Commissioner Fredricks commented that she found Director Beck’s report to be very interesting and informative. She stated that Director Beck provided a considerable amount of information about the regional areas of the state.

Acting Presiding Officer Weinberg inquired if the March 20th deadline is enough time for developing the goals. Director Beck stated that the goals will not be worked on before the March 27th strategic plan meeting. She will collect the data and post them for discussion during the meeting.

Administrator Steen asked Director Beck if the two questions would be posted on the Agency’s website. Director Beck answered affirmatively. Acting Presiding Officer Weinberg agreed that in order to gain greater consensus and participation from the stakeholders, an Agency website posting is a good idea.

Administrator Steen suggested that after the strategic planning meeting has completed, to continue to receive and compile answers received under the comment section of the Agency’s website. He feels the responses received can be helpful to the Agency. Acting Presiding Officer Weinberg stated he noticed comments received in the survey concerning the agency-wide email from Administrator Steen. Administrator Steen stated he enjoyed communicating through the agency-wide email, but due to his busy schedule, loss of manpower resources and some time constraints, has not allowed him the time to devote getting his email out in a timely manner. Commissioner Fredricks agreed that Administrator Steen’s email is a good tool for communicating agency-wide to the employees and she was very impressed with the responses from the survey.

Director Beck’s report is supported by a PowerPoint presentation.
(Attachment 2)

DELIQUENT LIST BRIEFING

Acting Presiding Officer Weinberg asked for Administrator Steen for the report on the delinquent list briefing.

Administrator Steen stated the agenda item “delinquent list briefing” had been discussed at the October 18th commission meeting. He committed to facilitate a meeting on October 28th with the industry to resolve their billing issues and other concerns pertaining to the delinquent list and to report back to the Commissioners in 90 days. Administrator Steen defined the various types of permits according to class:
PERMIT CLASS

<table>
<thead>
<tr>
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<th>CLASS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM</td>
<td>Restaurant</td>
</tr>
<tr>
<td>MB</td>
<td>Mixed Beverage (Bar)</td>
</tr>
<tr>
<td>BQ</td>
<td>Beer/Wine (off premise only-convenience stores)</td>
</tr>
<tr>
<td>BG</td>
<td>Beer/Wine (on/off premise-local tavern)</td>
</tr>
<tr>
<td>P</td>
<td>Package Stores</td>
</tr>
<tr>
<td>Q</td>
<td>Wine only (package stores)</td>
</tr>
</tbody>
</table>

Administrator Steen reported the first quarter of 2009 through first quarter of 2011 total number of permits reported delinquent were in the categories of:

- Delinquent amount excluding package stores;
- Multiple delinquencies;
- Single/Multiple defaults;
- Local Distributor Owner breakdown;
- Holders of local Distributor permits;
- Total permits reported delinquent in first quarter of fiscal years 2009-2011.

Acting Presiding Officer Weinberg quizzed Administrator Steen about the package stores that are on the delinquent list if they are also wholesalers. Administrator Steen stated that of the 2500 package permits about 700 of them are local distributors.

Commissioner Fredricks inquired if there were instances of non-reporting of retailers on the delinquent list. Administrator Steen stated that could have happened in some cases and inaccurate reporting could have taken place, however the Agency has assumed the responsibility of ensuring the rules of the law are followed.

Administrator Steen stated that trends in the delinquent list is relatively the same if measured from 10 days to 8 days or if measured from one quarter to another. He anticipates some significant movement in the second quarter. Administrator Steen stated that the objective was to allow businesses to change because it was a long standing rule and tradition in the Agency. He stated that the Agency’s position with this issue is not trying to make criminals out of good honest hardworking people; however the Agency will use its authority as mandated by statute. Administrator Steen stated that the second quarter report will be presented in 90 days.

Acting Presiding Officer Weinberg asked for comments from the industry. No one came forward to address the Commission. Acting Presiding Officer Weinberg requested Administrator Steen to brief Presiding Officer Cuevas on the discussion of the delinquent list. Administrator Steen stated that he has scheduled a time for an update telephone conversation.

Acting Presiding Officer Weinberg suggested that Administrator Steen extend the next report on the delinquent list to 6 months and to compare the third quarter totals.
of 2010 to 2011. Commissioner Fredricks suggested Administrator Steen build data from the current position of the report. Administrator Steen agreed to update the information and extend the report to 6 months and should present a good assessment.

Acting Presiding Officer Weinberg inquired when statute mandates the next decrease from 6 days to 4 days for the delinquent list. Administrator Steen stated the rule will be presented in the fall to post the rule to go from 6 days to 4 days. He stated the Commissioners will vote and it will become effective in 90 days.

Administrator Steen thanked Regional Liaison Todd Talley for providing the information contained in the PowerPoint presentation. (Attachment 3)

PUBLIC COMMENT

Acting Presiding Officer Weinberg opened the floor for public comments. Mr. Chris Orf completed an attendance card to address the Commission.

Mr. Orf stated that he is addressing the Commission as a beer advocate regarding the labeling guidelines in the State of Texas. He stated that as a consumer when shopping for beer he wants to buy a craft beer that he has not tasted. Mr. Orf commented that several companies will sale beer in the state; however because of the alcohol content in beer and TABC’s label strict guidelines, most companies choose not to import to Texas because they would be required to change their labels. He stated as a consumer, he dislikes that portion of the regulation in limiting his choice of beverage.

General Counsel Helm asked Mr. Orf to speak with her after the Commission has recessed. She offered to share information of the next stakeholders’ meeting that will cover the label guidelines and other topics that are helpful and educational.

EXECUTIVE SESSION

Acting Presiding Officer Weinberg did not recess the regular open session of the Texas Alcoholic Beverage Commission. The Executive Session did not convene.

NEXT MEETING

Acting Presiding Officer Weinberg announced the next meeting dates are scheduled for Tuesday, March 27, 2012 and Tuesday, April 24, 2012. There will not be a meeting in February.
ADJOURNMENT

Acting Presiding Officer Weinberg called for a motion to adjourn. Commissioner Fredricks so moved and Acting Presiding Officer Weinberg seconded. The motion was made and seconded. The motion carried, and Acting Presiding Officer Weinberg announced that the meeting was adjourned at 12:01 p.m.
Attachment 1

Administrator’s Report: Administrator and Agency Activities, Budget Issues, Staff Achievements
Administrator’s Report
Alan Steen, Administrator

TABC Commission Meeting
January 24, 2012
Alcoholic Beverage Wholesale Sales Volume September - November

FY 2011: 171,528,840 gallons
FY 2012: 176,239,990 gallons
Changes in Wholesale Sales Volume
From FY 2011 to FY 2012
(September - November)

- Distilled Spirits: 420,718 gallons
- Wine: 1,024,044 gallons
- Beer: 2,328,600 gallons
- Ale: 937,788 gallons
- All Classes: 4,711,150 gallons
Excise Tax Gross Revenues
September - November

FY 2011: $48,822,097
FY 2012: $50,719,999
Changes in Excise Tax Revenues From FY 2011 to FY 2012 (September - November)

- Distilled Spirits: $1,009,724
- Wine: $251,800
- Beer: $450,696
- Ale: $185,682
- All Classes: $1,897,902
Loss of Licensed Retailers

Licensed Retailers
September 1st - January 1st

FY 2011
FY 2012
Loss of Licensed Retailers

<table>
<thead>
<tr>
<th>Period</th>
<th>Retailers Lost</th>
<th>Rate of Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep - Oct</td>
<td>385</td>
<td>0.83%</td>
</tr>
<tr>
<td>Oct - Nov</td>
<td>399</td>
<td>0.87%</td>
</tr>
<tr>
<td>Nov - Dec</td>
<td>358</td>
<td>0.78%</td>
</tr>
<tr>
<td>Dec - Jan</td>
<td>263</td>
<td>0.58%</td>
</tr>
</tbody>
</table>
Loss ofLicensed Retailers

Retailer Losses by Region
Number Lost and Percentage of Total State Loss

- **Border**: 514 (37%)
- **North Texas**: 382 (27%)
- **Coastal Bend**: 509 (36%)
Losses as a Percentage of Group Licensed Retailer Totals

-3.03%  Statewide
-3.25%  Border
-3.50%  Coastal Bend
-2.38%  North Texas
Loss of Licensed Retailers

Total Loss by License Class

- BG - 29%
- BQ - 20%
- MB - 16%
- All Other Classes - 35%
Percentage Change in License Class Totals
September 1st - January 1st

-4.75%
-6.91%
-4.00%
-1.65% -2.04%
-7.41%
-2.73%
-4.67%
1.07%
-3.03%

BE BF-Only BG BQ MB N/NB/NE P Q RM V All Classes
Santos Saldana Jr. is Retiring after 29 Years of Dedicated Service with the Ports of Entry Division

$88,997,774
Collected in:
Nickel, Dimes and Quarters
Attachment 2

Strategic Planning Briefing
Strategic Planning

Commission Meeting

January 24, 2012
What is a Strategic Plan?

The Strategic Plan defines what an agency is and intends to be, as well as the principles guiding it.
The Process: January-February

- January 18\textsuperscript{th} Division Directors met.
- January 23\textsuperscript{rd} conference call with field supervisors.
- January 24\textsuperscript{th} Commission meeting. Stakeholders are invited to comment.
- January 26\textsuperscript{th} Tri Regional Workgroup.
- February-March Staff Meetings.
- February 23\textsuperscript{rd} Stakeholder Meeting on External Goals.
The Process: March

- March 1\textsuperscript{st} HQ directors meet to hear SMEs present updates to Strategic Plan document.
- March 22\textsuperscript{nd} HQ directors meet back to use the feedback to develop new internal management goals (or continue the old ones).
- March 27\textsuperscript{th} Commission Meeting.
- March 27-28\textsuperscript{th} off-site meeting with HQ directors and Commissioners.
The Process: April-May

- April 24\textsuperscript{th} Present Strategic Plan to Commissioners.
- May 22\textsuperscript{nd} Commissioners vote on Strategic Plan.
Survey of Employee Engagement

Overview of Survey Results

Employee Engagement Institute for Organizational Excellence
What is the Survey of Employee Engagement?

aka Survey of Organizational Excellence

All State Agencies

Biennial Survey of Employees

Coordinated by the UT School of Social Work Institute for Organizational Excellence
Participation Rate

2011: 83% responded

2009: 85% participation

2007 – 74% participation
2005 – 79% participation
2003 – 51% participation
2001 – 70% participation
1999 – 43% participation
1997 – 63% participation

High Response Rate

With this level of engagement, employees have high expectations from Leadership to act on the survey results.

High Response Rate

means the employees have an investment in the organization, want to see the organization improve and generally have a sense of responsibility to the organization.
Employee Groupings

- **By Division**
  - Field Operations
  - Licensing
  - Ports of Entry
  - Tax and Education/Prevention
  - IRD and Human Resources
  - Executive, Legal, OPR, Training
  - Business Services

- **By Geography**
  - District 1, 2, 3, 4, 5 or Headquarters

- CPO or non-CPO

Each employee’s responses are included in three groups.
Survey Framework

- 71 Questions
- 14 Constructs
- 5 Dimensions

Scores for the constructs range from a low of 100 to a high of 500.

Climate Analysis
## 14 Constructs / 5 Dimensions

<table>
<thead>
<tr>
<th>Work Group</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Supervision</td>
<td>o Information Systems</td>
</tr>
<tr>
<td>o Team</td>
<td>o Int Communication</td>
</tr>
<tr>
<td>o Quality</td>
<td>o Ext Communication</td>
</tr>
<tr>
<td>• Accommodations</td>
<td>• Personal</td>
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<tr>
<td>o Pay</td>
<td>o Employee Engagement</td>
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<tr>
<td>o Benefits</td>
<td>o Employee Development</td>
</tr>
<tr>
<td>o Physical Environment</td>
<td>o Job Satisfaction</td>
</tr>
<tr>
<td>• Organization</td>
<td>• Climate Analysis</td>
</tr>
<tr>
<td>o Strategic Orientation</td>
<td></td>
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<tr>
<td>o Diversity</td>
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</tbody>
</table>
TABC Overall Score: 362

On average, employees answered slightly closer to “Agree” than “Neutral.”

For comparison purposes, overall scores typically range from 325 to 375.
TABC average Overall Score from 2001-2011 is 352.
Overall Scores CPO and Non-CPO

Survey Scores, CPOs and Non-CPOs by year, 2007-2011

- **CPO**
  - 2007: 359
  - 2009: 331
  - 2011: 350

- **Non-CPO**
  - 2007: 334
  - 2009: 378
  - 2011: 371
TABC Agencywide Construct Scores

We scored between 264 (Pay) and 394 (Strategic) on all constructs.

In 2009, we scored between 316 (Pay) and 396 (Climate / Ethics).

In 2007, we scored between 273 (Fair Pay) and 382 (Strategic Orientation).

Seven constructs indicated an area of substantial strength and only one a significant source of concern.
2011 Survey Results

Construct Analysis

Score

100 150 200 250 300 350 400 450 500

Supervision 382
Team 365
Quality 372
Pay 264
Benefits 381
Physical Environment 383
Strategic 394
Diversity 352
Information Systems 363
Internal Communication 338
External Communication 376
Employee Engagement 365
Employee Development 374
Job Satisfaction 362
The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization.
Substantial Strengths

- Strategic Orientation Score: 394
- Physical Environment: 383
- Supervision Score: 382
- Benefits Score: 381
- External Communication Score: 376
- Atmosphere: 389
- Ethics: 382
Significant Source of Concern: Pay

• Pay Score: 264
• It’s been the lowest scoring construct in 2011, 2009 (316), 2007 (273).
• Pay construct addresses perceptions of the overall compensation package offered by the organization.
• It describes how well the package "holds up" when employees compare it to similar jobs in other organizations.
• The questions that comprise this construct are:
  o My pay keeps pace with the cost of living.
  o Salaries are competitive with similar jobs in the community.
  o I feel I am paid fairly for the work I do.
Relative Area of Concern: Internal Communication

- Internal Communication Score: 338
- Internal Communication has been in the bottom five in 2011, 2009 (342) and 2007 (310).
- Internal Communication construct captures the organization's communications flow from the top-down, bottom-up, and across divisions/departments. It addresses the extent to which communication exchanges are open, candid, and move the organization toward its goals.
Internal Communication

The questions that comprise this construct are:

- I feel the communication channels I must go through at work are reasonable.
- My work atmosphere encourages open and honest communication.
- Overall within the groups I work, there is good communication.
- The right information gets to the right people at the right time.
Climate: **Relative** Areas of Concern

- **Fairness: 331**
  - The extent to which employees believe that equal and fair opportunity exists for all members of the organization.

- **Feedback: 336**
  - The degree to which employees feel they are able to communicate their opinions and as a result help improve agency functioning.

- **Management: 327**
  - The extent employees think management communicates with employees and makes itself available.
In Summary

Seven constructs indicated an area of substantial strength and only one a significant source of concern.
Using the Survey as a Catalyst for organizational improvement is essential to the survey process.

The survey creates momentum and interest.
Supervisor Assignments

- February to March: Present survey results to staff – agencywide and group-specific.
- Allow employees to interpret the results and brainstorm ideas to help improve their work experience.
- Gather this feedback and compile it.
- Based on the feedback, submit ~3 suggestions by March 20 for HQ to consider in developing goals.
- What’s your vision of the future TABC?
  - To be the #1 regulatory agency in the nation, TABC must/should ________________.
  - In 2018, TABC will be / should be ________________.
Important Dates

- February 23 Stakeholder Meeting
- March 1 HQ Directors meet to hear SMEs present updates to Strategic Plan document.
- March 27-28 Off-site Strategic Planning meeting with Commissioners and Directors.
Questions or Comments?
Attachment 3

Delinquent List Briefing
Reduced 49.13% From FY2010

Reduced 67.04% From FY2009

Reduced 49.13% From FY2010
### Permits Reported Delinquent

<table>
<thead>
<tr>
<th></th>
<th>BG</th>
<th>BQ</th>
<th>MB</th>
<th>Q</th>
<th>RM</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2009</td>
<td>3,771</td>
<td>590</td>
<td>13,344</td>
<td>646</td>
<td>757</td>
<td>11,006</td>
</tr>
<tr>
<td>FY2010</td>
<td>1,431</td>
<td>295</td>
<td>5,027</td>
<td>167</td>
<td>363</td>
<td>2,699</td>
</tr>
<tr>
<td>FY2011</td>
<td>433</td>
<td>138</td>
<td>2,612</td>
<td>101</td>
<td>219</td>
<td>1,524</td>
</tr>
</tbody>
</table>
Percentage of Total Permits Reported – FY2011

- MB, 50.73%, 2,612
- P, 29.60%, 1,524
- Other, 8.89%, 458
- BG, 8.41%, 433
- Q, 1.96%, 101
- BQ, 2.68%, 138
- RM, 4.25%, 219
Total Amounts Reported Delinquent (In Millions)

- **FY2009**: $573.81
- **FY2010**: $78.30 (86.35% Reduction from FY2009)
- **FY2011**: $35.23 (55.00% Reduction from FY2010)
### Amounts Reported Delinquent (In Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG</td>
<td>$4,612,429.06</td>
<td>$1,698,989.49</td>
<td>$544,314.17</td>
</tr>
<tr>
<td>BQ</td>
<td>$1,665,037.13</td>
<td>$524,336.48</td>
<td>$90,680.24</td>
</tr>
<tr>
<td>MB</td>
<td>$26,136,056.90</td>
<td>$9,640,022.83</td>
<td>$4,398,263.93</td>
</tr>
<tr>
<td>Q</td>
<td>$8,470,967.04</td>
<td>$298,751.13</td>
<td>$390,845.88</td>
</tr>
<tr>
<td>RM</td>
<td>$650,124.58</td>
<td>$278,747.76</td>
<td>$193,791.12</td>
</tr>
<tr>
<td>P</td>
<td>$530,933,046.53</td>
<td>$65,658,073.29</td>
<td>$29,492,580.93</td>
</tr>
</tbody>
</table>

### amounts reported delinquent (in millions)
Amounts Reported Delinquent Excluding Package Stores
(In Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG</td>
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</tr>
<tr>
<td>RM</td>
<td>$650,124.58</td>
<td>$278,747.76</td>
<td>$193,791.12</td>
</tr>
</tbody>
</table>
Percentage of Amount Reported – FY2009

P, 92.53%
$530,933,046.53

Other, 2.68%

MB, 4.55%
$26,136,056.90

BG, 0.80%
$4,612,429.60

Q, 1.48%
$8,470,967.04

RM, 0.11%
$650,124.58

BQ, 0.29%
$1,665,037.13
Single vs. Multiple Defaults

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Default</td>
<td>1881</td>
<td>1821</td>
<td>1525</td>
</tr>
<tr>
<td>2 or More Defaults</td>
<td>3232</td>
<td>1711</td>
<td>911</td>
</tr>
</tbody>
</table>

- **FY2009**: 1 Default: 1881, 2 or More Defaults: 3232
- **FY2010**: 1 Default: 1821, 2 or More Defaults: 1711
- **FY2011**: 1 Default: 1525, 2 or More Defaults: 911

- **1 Default**
  - FY2009: 36.8%
  - FY2010: 51.6%
  - FY2011: 62.6%

- **2 or More Defaults**
  - FY2009: 63.2%
  - FY2010: 48.4%
  - FY2011: 37.4%
Multiple Delinquencies – FY 2011

- 1 Default: 65% (1,524)
- 2 Defaults: 18% (418)
- 3 Defaults: 8% (188)
- 4 Defaults: 4% (91)
- 5 Defaults: 2% (54)
- 6 Defaults or more Defaults: 2% (42)
- 7 or more Defaults: 1% (26)
Reported Delinquencies

<table>
<thead>
<tr>
<th>Seller Permit Type</th>
<th>FY-2009</th>
<th>FY-2010</th>
<th>FY-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>W-P</td>
<td>10747</td>
<td>2627</td>
<td>1452</td>
</tr>
<tr>
<td>W-MB</td>
<td>4302</td>
<td>1487</td>
<td>633</td>
</tr>
<tr>
<td>W-RM</td>
<td>466</td>
<td>189</td>
<td>81</td>
</tr>
<tr>
<td>W-BG</td>
<td>3468</td>
<td>1251</td>
<td>380</td>
</tr>
<tr>
<td>W-BQ</td>
<td>570</td>
<td>277</td>
<td>112</td>
</tr>
<tr>
<td>W-Q</td>
<td>600</td>
<td>147</td>
<td>92</td>
</tr>
<tr>
<td>P-MB</td>
<td>8866</td>
<td>3431</td>
<td>1917</td>
</tr>
</tbody>
</table>

Legend:
- **Blue** = FY-2009
- **Red** = FY-2010
- **Orange** = FY-2011

**Seller Permit Type** – **Buyer Permit Type**
Holders of Local Distributor Permits

- LP: 733 (29%)
- No LP: 1774 (71%)
Local Distributor Owner Breakdown

- Owners w/ less than 10 LP Permits: 82% 600
- Other categories: 7% 50, 4% 28, 2% 18, 2% 14, 2% 12, 1% 11
Total Permits Reported Delinquent in 1st Quarter of Fiscal Year

- FY2009: 8349
- FY2010: 3880
- FY2011: 1405
- FY2012: 1282
Permits Reported Delinquent in 1st Quarter of Fiscal Year

<table>
<thead>
<tr>
<th>BG</th>
<th>BQ</th>
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<th>P</th>
<th>Q</th>
<th>RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>927</td>
<td>119</td>
<td>3641</td>
<td>163</td>
<td>3106</td>
<td>192</td>
</tr>
<tr>
<td>2010</td>
<td>488</td>
<td>131</td>
<td>1883</td>
<td>49</td>
<td>1117</td>
<td>68</td>
</tr>
<tr>
<td>2011</td>
<td>132</td>
<td>23</td>
<td>705</td>
<td>30</td>
<td>411</td>
<td>24</td>
</tr>
<tr>
<td>2012</td>
<td>124</td>
<td>24</td>
<td>651</td>
<td>14</td>
<td>389</td>
<td>27</td>
</tr>
</tbody>
</table>
Total Amounts Reported Delinquent in 1st Quarter of Fiscal Year (In Millions)

- **FY2009**: $184.92
- **FY2010**: $29.77
- **FY2011**: $8.52
- **FY2012**: $11.19

Millions
Amounts Reported Deliquent in 1st Quarter of Fiscal Year (In Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>BG</th>
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<tr>
<td>2009</td>
<td>$1,306,669.85</td>
<td>$443,446.97</td>
<td>$7,318,368.02</td>
<td>$385,928.01</td>
<td>$2,273,983.34</td>
<td>$151,184.84</td>
<td>$173,030,234.2</td>
</tr>
<tr>
<td>2010</td>
<td>$623,790.84</td>
<td>$362,160.78</td>
<td>$3,018,479.63</td>
<td>$85,122.73</td>
<td>$148,405.19</td>
<td>$110,831.75</td>
<td>$25,423,152.53</td>
</tr>
<tr>
<td>2011</td>
<td>$173,974.50</td>
<td>$15,184.84</td>
<td>$1,090,494.52</td>
<td>$30,132.21</td>
<td>$18,797.20</td>
<td>$59,022.07</td>
<td>$7,132,199.23</td>
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<tr>
<td>2012</td>
<td>$118,571.18</td>
<td>$10,685.89</td>
<td>$1,105,498.86</td>
<td>$7,939.97</td>
<td>$354,286.38</td>
<td>$66,784.56</td>
<td>$9,514,322.44</td>
</tr>
</tbody>
</table>
### Amounts Reported Delinquent in 1st Quarter of Fiscal Year (Excluding Package Stores)

#### Table

<table>
<thead>
<tr>
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</tr>
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</table>
Questions?
CERTIFICATION

REGULAR COMMISSION MEETING

9:30 a.m. – January 24, 2012

5806 Mesa Drive
Austin, Texas 78731
STATE OF TEXAS

COUNTY OF TRAVIS

This certifies that the attached is a true copy of the proceedings of the Texas Alcoholic Beverage Commission meeting held on January 24, 2012.

__________________________
Alan Steen
Administrator

Sworn and subscribed before me this the 20th day of March 2012.

__________________________
Gloria Darden Reed
Notary in and for Travis County, Texas