



COMMISSION MEETING

May 31, 2007

Texas Alcoholic Beverage Commission
5806 Mesa Drive
Austin, Texas 78731

*John T. Steen, Jr., Chairman
San Antonio*

*Gail Madden, Member
Dallas*

*José Cuevas, Jr., Member
Midland*

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AGENDA

REGULAR COMMISSION MEETING

10:00 a.m. – May 31, 2007

5806 Mesa Drive
Austin, Texas 78731



Alan Steen
Administrator

TEXAS ALCOHOLIC BEVERAGE COMMISSION
5806 Mesa Drive, Suite 185
Austin, Texas 78731

John T. Steen, Jr.
Chairman-San Antonio

Gail Madden
Member-Dallas

José Cuevas, Jr.
Member-Midland

Thursday, May 31, 2007
10:00 a.m.

AGENDA

1. Call to Order	John T. Steen, Jr.
2. Approval of Commission Meeting Minutes of April 30, 2007	John T. Steen, Jr.
3. Administrator's Report: Administrator and Agency Activities, Budget Issues, Staff Achievements	Alan Steen
4. Training Update	Loretta Doty
5. Region 5 Update	Richard Jauregui Dan Hoover
6. Workflow Manager Update	Sherry Cook
7. Future Commission Meeting Dates--Discussion, Comment, and Possible Vote: - Thursday, June 28, 2007 - Friday, July 27, 2007 - Friday, August 24, 2007 - Friday, September 28, 2007 - Friday, October 26, 2007 - Friday, November 30, 2007 - Tuesday, December 18, 2007	John T. Steen, Jr.
8. Public Comment	John T. Steen, Jr.
9. 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)	John T. Steen, Jr.
10. Adjourn	John T. Steen, Jr.

- 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 Renee Johnston at (512) 206-3217 (voice) (512) 206-3203 (fax), or (512) 206-3270 (TDD), at least three (3) days prior to the meeting so that appropriate arrangements can be made.



MINUTES

REGULAR COMMISSION MEETING

10:00 a.m. – May 31, 2007

5806 Mesa Drive
Austin, Texas 78731



COMMISSION MEETING MINUTES

May 31, 2007

The Commissioners of the Texas Alcoholic Beverage Commission (TABC) met in Regular Session on Thursday, May 31, 2007, at the Texas Alcoholic Beverage Commission, 5806 Mesa Drive, Suite 185, Austin, Texas.

PRESIDING: John T. Steen, Jr., Chairman

COMMISSIONERS

PRESENT: Gail Madden
José Cuevas, Jr.

STAFF PRESENT: Alan Steen, Administrator

Glenda Baker, Assistant Chief of Enforcement
Carolyn Beck, Public Information Officer, Executive
Lou Bright, General Counsel, Legal Services
Sherry Cook, Director of Information Resources
Loretta Doty, Director of Human Resources
Del Drake, Captain, Office of Professional
Responsibility
Jeannene Fox, Assistant Administrator
Buck Fuller, Director of Compliance
Diana Gonzalez, Assistant Director of Compliance
Amy Harrison, Director of Licensing
Dan Hoover, Compliance Supervisor, Region V
Joe Iagnemmo, System Support Specialist,
Information Resources
Linda Jackson, Administrative Assistant, Executive
Richard Jauregui, Captain, Region V
Charlie Kerr, Director of Business Services
Joel Moreno, Acting Chief of Enforcement
Santos Saldana, Jr., Program Supervisor, POE/HQ
Ashley Storm, Attorney, Executive
Rod Venner, Deputy Assistant Chief of Enforcement
Sharon White, Inventory Coordinator, Business
Services

GUESTS PRESENT: Kimberly Frost
Vicki Goff
Steve Koebele
Randy Yarbrough

CALL TO ORDER

Chairman John T. Steen, Jr., called the meeting of the Texas Alcoholic Beverage Commission to order at 10:23 a.m.

APPROVAL OF COMMISSION MEETING MINUTES OF APRIL 30, 2007

Chairman Steen called for a motion to approve the Commission meeting minutes of April 30, 2007. Commissioner José Cuevas so moved, and Commissioner Gail Madden seconded. The motion carried.

ADMINISTRATOR'S REPORT

Chairman Steen called upon Administrator Alan Steen to provide the Administrator's report on Administrator and agency activities, budget issues, and staff achievements. Administrator Steen reported the following:

- The 80th Legislative Session has ended, and Administrator Steen stated it was successful for the agency. While he did not have the final numbers on the agency's budget, Administrator Steen reported that the agency received all requested exceptional items except for the 5% overhead cut. The agency received funding for the following exceptional items: return of lapsed salaries, public safety equipment replacements, the Department of Information Resources consolidation costs, hardware/software acquisitions, and two Ports of Entry Bridge contingency riders. Funding for the biennium of the exceptional items totaled over \$2.6 million, with the total agency biennial appropriations being over \$79.2 million. The 5% overhead cut that was not approved amounted to approximately \$132,000. Administrator Steen stated that he would be reporting on the final figures as soon as they were determined. Administrator Steen thanked Jeannene Fox, Lou Bright, Charlie Kerr, Joel Moreno, and other staff who spent long hours monitoring legislation.
- There are 510 applicants for the 13 statewide agent vacancies. Administrator Steen noted the success of the regional hiring initiative, specifically noting the problems in the past with turnover in the Houston area. He reported that there are five vacancies in Houston, with over 200 applications for those positions. He stated that this has been the most number of applicants and the smallest number of vacancies for Houston. Administrator Steen stated that statewide, there are a greater number of applicants competing for a small number of

vacancies; therefore, the agency will have access to the “cream of the crop” of the applicant pool. He also noted that the applicant pools are balanced statewide.

- The Lubbock and San Antonio areas have experienced tornadoes. TABC staff have been providing assistance to the local authorities in those areas, following the natural disasters.
- There are 23 bills that affect the Alcoholic Beverage Code that TABC staff are in the process of reviewing. The Governor has until June 17 to sign legislative bills; therefore, Code changes and planning for training will begin after the 17th. As was done following the previous legislative session, TABC will have industry members come in during the TABC Summer Conference to discuss the changes and how the agency plans to operationalize the new laws. Administrator Steen discussed some bills of interest:
 - Physical fitness. All state agency Schedule C paid employees—peace officers—would be required to complete a physical fitness evaluation in order to stay on the Schedule C pay scale and in order to be promoted. The agency is in the process of developing a Request for Proposal to hire a consultant to assist in determining the physical standards. In addition, the agency is working with the other Schedule C state agencies (such as Texas Parks and Wildlife) to partner into one bid to utilize the consultant for across-the-board standards.
 - Two-year renewals. The bill for two-year renewals of licenses and permits passed.
 - Human trafficking. TABC would be required to send signage for certain licensed premises to hang in their establishments that provide information and a telephone number to report suspected human trafficking.
 - Three tiers/charitable events. This bill would mean that all three tiers of the alcoholic beverage industry would be able to jointly sponsor a charitable event. Administrator Steen stated that this would help the agency out immensely, as there have been several inquiries made in the past on this issue.

Administrator Steen stated that staff would begin making the appropriate changes and training for all Alcoholic Beverage Code laws that are signed by the Governor after June 17th.

In response to Commissioner Madden’s questions about the three tiers’ donations, Administrator Steen stated that they would be able to donate items with their logos on them to charities.

Commissioner Cuevas asked questions about the physical fitness evaluation, such as when it would go into effect. Administrator Steen stated he believed the date it would need to be instituted was November 2008. In addition, the agency would be required to report to the Legislature in 2008 the number of peace officers that passed or did not pass the evaluation.

Commissioner Cuevas asked questions about the signage for human trafficking. Administrator Steen explained that TABC would design and send out the signs at TABC's cost; this, however, is not a problem as TABC sends other various signage to licensees/permittees. Commissioner Madden discussed the signage and its intent for awareness; Administrator Steen confirmed that the signage is meant to be an awareness aid for people to report suspected human trafficking and for those who are the victims of human trafficking.

Commissioner Cuevas asked questions about the 13 agent vacancies, training, when the agents actually "hit" the streets, and the cost of outfitting them. Ms. Fox stated that TABC implemented a follow-up academy with new agents hired in the last 18 months, and that the agency would continue with the follow-up academy for the new agents. Administrator Steen stated that the agents will begin working the streets starting September 1, and that it costs approximately \$60,000 per agent to outfit an officer for the first year. Commissioner Cuevas also asked if TABC experienced better retention from the 60 agents hired previously. Administrator Steen stated that there has been better retention in those areas the agency historically has had retention problems, such as Houston.

Chairman Steen asked Administrator Steen about General Counsel Lou Bright, as Mr. Bright was not in attendance at the meeting. Administrator Steen stated that Mr. Bright was providing training at the present but would be available at the meeting shortly.

Chairman Steen asked Administrator Steen to briefly discuss the agency's Sunset bill. Administrator Steen stated that Governor Perry signed the agency's Sunset bill, which continues the agency for 12 more years. Also, Administrator Steen noted that the Sunset Advisory Commission staff were very pleased with TABC's responses and actions to their recommendations.

Chairman Steen and the other Commissioners congratulated staff for the excellent job done on the budget and on the Sunset bill.

Chairman Steen called upon Charlie Kerr, Director of Business Services, to discuss the status of the agency's budget deficit. Mr. Kerr stated that the lapsed salaries of vacant positions had made up the deficit. Chairman Steen noted that at the last meeting, Mr. Kerr had stated that he saw no problem with the budget, barring no major unexpected costs such as judgments or unanticipated retirements. Mr. Kerr stated that there are no problems now concerning

unanticipated judgments, as any judgment costs at this time would not occur until after the fiscal year. Also, unanticipated retirements would be expected to occur next year, being that next year is the third year from the last major pay raise for state employees. Chairman Steen asked how retirement costs are planned. Mr. Kerr stated that it is difficult to plan; however, staff do review the number of employees who are eligible to retire based on their age and years of service and plan for a percentage of them to actually retire. He stated that fortunately, most staff provide notice of their retirement several months in advance, which allows for budgetary planning.

Commissioner Cuevas asked Ms. Fox some questions from a summary monthly report that was sent to the Commissioners. With regard to the Grants Coordinator position, Ms. Fox stated that the position has been filled. Commissioner Cuevas asked whether staff were still working Saturdays and overtime to address the licensing backlog. She stated that some staff continue to work Saturdays. Because the June, July, and August time period are the heaviest workload times and the times people wish to take vacations with their families, as well as some recent turnover in Licensing, Ms. Fox stated that there is a request being considered for staff to work overtime in June. Commissioner Cuevas asked if there was anything that could be done to get ahead of the backlog. Ms. Fox explained that some FTEs had been temporarily transferred from Compliance to Licensing for the conversion and data "cleansing," realizing that this would take approximately two years. She stated currently, staff are approximately 30 days behind on renewals, and staff adjustments are continually being made to address the backlog. Commissioner Cuevas expressed concern over staff burnout, and Ms. Fox agreed. She stated that at this point, the overtime has not been mandatory, and that it has been only volunteers who have been working the overtime to work on the renewals. The upcoming months, however, will be a challenge, but staff are working on addressing the issue.

Commissioner Cuevas also asked about the 38 outstanding issues related to the Versa/information resources system. Ms. Fox responded that staff would be meeting the following day to discuss and address the issues. Most of the issues are minor and would not "bottleneck" the system. Administrator Steen added that the numbers in some reports concerning the system issues do not match, and this will also be addressed. He stated that some are "side-bar" issues, not directly related to Versa, and the reports will be changed to match and reflect only the Versa-related issues.

Commissioner Cuevas then asked about a licensing service issue in Galveston. Ms. Fox recalled the situation in Houston where a licensing service went out of business overnight, and that staff were being proactive to ensure that this would not be the case in Galveston. As it turned out, the issue dealt with the TABC outpost office being closed at times.

Chairman Steen stated that he had heard many good things about Joel Moreno, Acting Chief of Enforcement, and asked if **Chief Moreno could provide an update on his activities at the next Commission meeting.** Administrator Steen and Chief Moreno agreed.

TRAINING UPDATE

Chairman Steen called upon Loretta Doty, Director of Human Resources, to provide an update on training. Ms. Doty presented an update on the agency's training activities and planned training activities (Attachment 1). Following Ms. Doty's presentation, Commissioner Cuevas asked if she saw positive results and growth as a result of the training programs. Ms. Doty stated that she has seen positive results, and the greatest indicator to her is in staff attitude in being customer service-oriented. Commissioner Cuevas asked about the interview training Ms. Doty developed. She explained that she goes over the "dos and don'ts" of what can be asked in an interview, how to document the interview, and how to score the application. Commissioner Madden noted that there are law-mandated items concerning the interview process. Ms. Doty agreed, stating that while she does not cover the laws themselves, she bases the training on them.

The Commissioners expressed appreciation to Ms. Doty for her presentation and her division's training efforts.

REGION 5 UPDATE

Chairman Steen called upon Richard Jauregui, Region V Captain, and Dan Hoover, Region V Compliance Supervisor.

Mr. Hoover provided the "Behind the Scenes" update on the San Antonio Compliance Region (Attachment 2), highlighting customer service activities in the processing license and permit applications and in contacting temporary permittees for Fiesta 2007 in an effort to reduce TABC violations. Chairman Steen, President of the Fiesta San Antonio Commission, noted that Fiesta is a large charitable organization with approximately 100 participating member organizations and over 100 events during the 10-day event. Chairman Steen also stated that the Fiesta Commission has provided incentives to the volunteer participants to receive seller-server training, and many have already received the training and expressed appreciation for helping them understand the liability issues involved in serving alcoholic beverages.

Mr. Hoover stated that he would be retiring in July, and Chairman Steen asked Mr. Hoover to talk about his career with the agency. Mr. Hoover discussed the various positions he had held with the agency since the 1970s as well as the many changes he has seen in the agency. The Commissioners congratulated Mr. Hoover and wished him well.

Captain Jauregui presented the "Behind the Scenes" update on the San Antonio Enforcement Region (Attachment 2). Captain Jauregui highlighted Spring Break and Fiesta events, which are very big annual events for Region 5. He discussed the extensive planning process and coordination efforts for the events, which begin several months before the events occur. He discussed the results of Spring Break and Fiesta, noting that there were no personnel complaints. Commissioner Madden stated that she sees a great deal of media attention given to Spring Break showing crowds of people drinking. She asked how staff handle this. Captain Jauregui stated that staff try to do everything they can before and during the event, and it is a very major, crowded event. Chairman Steen thanked Captain Jauregui and Lieutenant Christina Guerra for their efforts with the Fiesta events.

Chairman Steen asked Captain Jauregui to discuss his career with the agency. Captain Jauregui discussed his almost 25 years of service with the agency. He has been in San Antonio for almost 10 years. Chairman Steen noted the sacrifices made when staff move around the state during their careers with the agency and thanked him for his sacrifice.

The Commissioners expressed appreciation to the entire Region V team.

WORKFLOW MANAGER UPDATE

Chairman Steen called upon Sherry Cook, Director of Information Resources. Ms. Cook reported that staff continue to work on enhancements and improvements of the Workflow Manager application, with the goal of having Workflow Manager as the main source for managing their daily work. She briefly reviewed specific enhancements and reported that all enhancements are communicated to staff in a timely manner through bulletins. Following the Information Resources Division audit survey, a survey will be sent out to staff on the Workflow Manager application. Chairman Steen asked Ms. Cook what she thought overall with the application; Ms. Cook responded that overall, the Workflow Manager application is working well. The Commissioners expressed appreciation for the work that IRD has done on the Workflow Manager.

FUTURE COMMISSION MEETING DATES: DISCUSSION, COMMENT, AND POSSIBLE VOTE

Chairman Steen stated that with Renee Johnston, Executive Assistant, not in attendance, the Commissioners would defer determination of future dates, with the exception of the June meeting, until the next meeting. **Chairman Steen called for a motion for the next meeting to be held June 28, 2007. Commissioner Cuevas so moved, and Commissioner Madden seconded.**

The motion carried, and Chairman Steen announced that the next meeting would be June 28, 2007.

PUBLIC COMMENT

As no one registered or expressed a desire to provide public comment, Chairman Steen began the announcement for the executive session.

EXECUTIVE SESSION

Chairman Steen announced that the regular open session of the Texas Alcoholic Beverage Commission would be recessed, the time being 11:47 a.m., May 31, 2007, and an executive session would be held to consult with Legal Counsel regarding pending and anticipated litigation against the agency and to discuss the duties, responsibilities, and evaluation of the Administrator, pursuant to Texas Government Code, §§551.071 and 551.074.

Chairman Steen announced that the Texas Alcoholic Beverage Commission had concluded its executive session and was in open session, the date being May 31, 2007, and the time, 2:06 p.m. No final action, decision, or vote was made in the executive session.

ADJOURNMENT

Chairman Steen called for a motion to adjourn. Commissioner Madden so moved, and Commissioner Cuevas seconded. The motion carried, and Chairman Steen announced that the meeting was adjourned.

Attachment 1

Training Update

Training Update May 31, 2007



Training Responsibilities

- **Track and maintain employee training records**
- **Develop and/or facilitate training classes**
- **Coordinate and track division specific training**



Training Division Accomplishments

- **Expanded regional training opportunities**
- **Developed/facilitated optional career development classes**
- **Coordinated agent trainee academy**
- **Completed TCLEOSE audit**



2007 In-Service Training Classes

- **Dealing with Difficult Guests (Customer Service)**
- **Ethics**
- **Sexual Harassment/EEO**
- **Enforcement Operations and Fire Inspections**
- **Team Work and Meeting Skills**
- **Marketing Practices/Licensing Processing**



2007 Supervisory/Management Training

- **Leadership Roles**
- **Policies and Procedures**
- **Ethics**
- **Sexual Harassment/EEO**
- **Performance Management**
- **Disciplinary Action Process**



Optional Career Development Training

- **Microsoft Office Computer classes**
- **Interviewing and Hiring class**
- **Background Investigations class**



Training Statistics

- ◆ **158 on-line classes completed**
- ◆ **211 training classes provided to TABC employees**
- ◆ **455 employees have attended in-service training**



Future Training Plans

- **Offer online computer training**
- **Identify additional management training opportunities**
- **Explore additional topics that support core training**

Attachment 2

Region V Update



San Antonio Compliance Region

"Behind the Scenes"

Dan Hoover



Customer Service

- Processing of License and Permit Applications**
 - Distribution of Personnel**
- 

Fiesta 2007

**Goal was to increase
contact with temporary
permittees in an effort to
reduce TABC violations**

Ports of Entry

- Goals**
- Customer Service**
- Audits**
- Relationship w/Federal Agencies**

San Antonio Enforcement Region

"Behind the Scenes"

Ricardo Jauregui

Spring Break and Fiesta 2007 Special Events

- **Very big annual events**
- **Need our complete attention
and participation**

What did we do behind the scenes prior to addressing these Special Events?

We developed a planning process!

Defined

- ✓ Purpose**
- ✓ Objective**
- ✓ Approach**

Planned

- ✓ **Meetings with Internal Personnel**
- ✓ **Determine Needed Resources**
- ✓ **Staffing**
- ✓ **Scheduling**
- ✓ **Communication**
- ✓ **Meetings with External People**

And after we planned...

We went to work!

Agents

- ✓ **Patrolled Public Access Areas**
- ✓ **Inspected Licensed Locations**
- ✓ **Cited or Arrested Violators**
- ✓ **Conducted Special Operations**
- ✓ **Assisted and Teamed up with Local Law Enforcement**

Supervisors

- ✓ **Monitored Agents Work and Reported Stats through Chain of Command**
- ✓ **Visited with Local Law Enforcement and Municipal and JP Court Judges**
- ✓ **Visited with Permittees and Licensees**
- ✓ **Addressed Marketing Practices Issues**

Compliance Personnel

- ✓ **Assisted with Marketing Practices**
- ✓ **Issued Numerous Temporary Permits**

Results

Spring Break

- ✓ **1649 Citations issued**
- ✓ **40 Minor Sting attempts/3 sold**
- ✓ **Two fatalities**
- ✓ **No Personnel Complaints**

Fiesta

- ✓ **331 Citations issued**
- ✓ **15 Minor Sting attempts/3 sold**
- ✓ **No Personnel Complaints**

Success

- ✔ **TABC (Agents, Supervisors, Compliance Personnel)**
- ✔ **South Padre Island PD**
- ✔ **Port Isabel PD**
- ✔ **Cameron County Sheriffs Office**
- ✔ **Cameron County Constable Pct 1**
- ✔ **Cameron County Parks Police**
- ✔ **DPS**
- ✔ **MADD**
- ✔ **Circles of San Antonio Community Coalition**
- ✔ **Bexar County DWI Task Force**
- ✔ **San Antonio PD**



CERTIFICATION

REGULAR COMMISSION MEETING

10:00 a.m. – May 31, 2007

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 May 31, 2007.

Alan Steen
Administrator

Sworn and subscribed before me this the 13th day of June 2007.

Renee G. Johnston
Notary in and for Travis County

