



COMMISSION MEETING MINUTES
July 19, 2004

The Commissioners of the Texas Alcoholic Beverage Commission met in Regular Session on Monday, July 19, 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

Carolyn Beck, Public Information Officer,
Executive

Lou Bright, General Counsel, Executive

Loretta Doty, Director, Human Resources
Division

Buck Fuller, Director, Compliance Division

David Garza, Director, Homeland Security,
Executive

Christina Guerra, Lieutenant, San Antonio
Enforcement

Amy Harrison, Director, Licensing 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 Division

James "Sam" Smelser, Chief of Enforcement

Garry Sitz, Director, Information Resources
Division
Gloria Villaseñor, Administrative Assistant,
Enforcement/Grants

GUESTS PRESENT:

Winn Atkins, State Government Relations
Director, Diageo
Sherrilee Demmer, Trauma Outcomes Manager,
Wilford Hall Medical Center
Rick Donley, President, Beer Alliance of Texas
Susan Douglass, Administrative Director, Child
Health and Safety Awareness, University
Health System
Alan Gray, Licensed Beverage Distributors, Inc.
Stacy Gunkel, Policy Analyst, Office of
Lieutenant Governor
Muriel Lanford, Trauma Program Director,
Baptist Health System
Fred Marosko, Texas Package Stores
Association
Lindsay Meche, Representing Republic
Beverage
Christian Ninaud, Policy Analyst, Sunset
Advisory Commission
Valerie Onyett, Analyst, Legislative Budget Board
Michelle Price, Director, South Texas Injury
Prevention and Research Center
Alfonso Royal, III, Analyst, Legislative Budget
Board
Robert Sparks, Executive Director, Licensed
Beverage Distributors, Inc.
Tom Spilman, Vice President, Wholesale Beer
Distributors of Texas
Ted Thomas, Vice President, Glazers
Distributors
Julie Wright, Bexar County District Attorney's
Office
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 JUNE 28, 2004, COMMISSION MEETING MINUTES

Chairman Steen called for a motion to approve the TABC meeting minutes of June 28, 2004. **Commissioner Madden moved that the Commission approve the minutes of the June 28, 2004, meeting. Chairman Steen seconded the motion. The motion carried.**

ADMINISTRATOR'S REPORT

Chairman Steen called upon Administrator Alan Steen to provide the Administrator's Report. Administrator Steen discussed the following areas, noting that the report would be shorter than usual because of the shortened length of time since the last Commission meeting:

FranklinCovey Training

FranklinCovey conducted two training programs—*The Four Disciplines of Execution* and *Seven Habits of Highly Effective Managers*—at Headquarters for 40 TABC managers from across the state. Both training sessions were well received by staff. Also, FranklinCovey will conduct a training program on *Building Trust* at TABC's summer conference scheduled the second week of August. Mr. Steen explained that the conference will involve over 80 staff statewide to discuss TABC's future strategic direction.

Sunset and Audit Activities

Sunset activities and audit activities are continuing well as planned.

New Staff

Administrator Steen introduced Michael Hernandez, TABC's new Training Coordinator in the Human Resources Division. Mr. Hernandez came from the Texas Department of Transportation's training division. Administrator Steen introduced David Garza, TABC's new Chief of Homeland Security. Mr. Garza came from the Attorney General's Office and as a Travis County Municipal Court Judge. The Commissioners welcomed Messrs. Hernandez and Garza.

Chairman Steen requested that Administrator Steen arrange for a report at the August Commission meeting on TABC's top 10 or 15 major contracts, including whether the Administrator or his designee signed them. Chairman Steen also requested that a procedure be established with regard to signature authority to include General Counsel approval as to legal form of the contract and financial staff approval as to the financial content of the contract. Administrator Steen stated that this would be reported at the August Commission meeting.

"SHATTERED DREAMS"

Chairman Steen called upon Lieutenant Tina Guerra to provide an update on “Shattered Dreams.”

Lieutenant Guerra thanked the Commissioners and Executive staff for the opportunity to provide an update on “Shattered Dreams,” a program for the prevention of underage drinking and drunk driving. She introduced colleagues of the Texas Shattered Dreams Coalition: Muriel Lanford, Trauma Program Director for the Baptist Health System in San Antonio; Susan Douglass, Administrative Director, Child Health and Safety Awareness, University Health System; Sherrilee Demmer, Trauma Outcomes Manager, Wilford Home Medical Center; Julie Wright, Bexar County District Attorney’s Office and Deputy Chief Criminal Trial Division; and Michelle Price, Director of the South Texas Injury Prevention and Research Center affiliated with the University of Texas Health Science Center at San Antonio. Chairman Steen asked that a round of applause be given to these individuals for their efforts in the program.

Lieutenant Guerra and the other members of the Texas Shattered Dreams Coalition provided a presentation on various aspects of the program (Attachment 1), including its history, key partners, and the program’s essential components:

- Parent-Student Workshop
- Living Dead
- Crash Simulation
- Youth Retreat-Parent Retreat
- Mock Memorial Assembly
- Student and Parent Support
- Mock Trial-Sentencing
- Reinforcement/Follow-up Activities

Preliminary findings of the program among students:

- 83% believe that peers will be less likely to drive after drinking.
- 88% said they are more likely to talk to friends about the risks of drinking and driving.

Preliminary findings of the program among parents:

- Increase in zero tolerance knowledge.
- Increase in the importance of parent/teen communication.
- Awareness in legal consequences for adults.

Chairman Steen stated that he had discussed the Shattered Dreams project with Joseph Califano, the President and Founder of Center for Addiction and Substance Abuse (CASA) in New York. Mr. Califano suggested the possibility of funding a study on the impact of the Shattered Dreams project.

Chairman Steen inquired about the letter that is to be developed for his signature to request funding from CASA for an impact study.

Chairman Steen and Commissioner Madden commended the group on their efforts on the project. Chairman Steen called for another round of applause to recognize the Coalition members.

TECHNOLOGY TRANSFORMATION UPDATE

Chairman Steen called upon Garry Sitz, Director of Information Resources Division.

Mr. Sitz provided an update on TABC's technology transformation (Attachment 2), reporting on the following projects that are in progress:

- Licensing, Enforcement, and Compliance System (Versa)
- Human Resources Information System
- Imaging
- Investigative Database Analysis

Both Commissioners commended Mr. Sitz, recognizing that TABC would be on the leading edge of technology among state agencies.

LEGISLATIVE APPROPRIATIONS REQUEST FOR 2006-2007 BIENNIUM

Administrator Steen explained that Jeannene Fox was out of the office and that he would present the proposed legislative appropriations request (LAR) for the 2006-2007 biennium.

Administrator Steen reviewed the LAR information (Attachment 3), explaining in detail the five percent budget cut mandate. He reviewed the Exceptional Items Request, including the restoration of the five percent budget cut. The Exceptional Items include:

- Restoration of 16 agents plus equipment and vehicles to the base budget;
- Restoration of the Homeland Security Director's position and operating costs;
- Restoration of other positions and operating costs;
- Compliance Officer reclassification;
- Career enhancement for tenured employees;
- Enforcement career ladder;
- Ports of Entry tax collection automation; and
- Excise tax automation.

Commissioner Madden stated that there did not appear to be a request in the LAR for an increase in the administrator's salary. She urged that the increase—perhaps a 10% increase based on performance—be included in the LAR, especially based on the history of the last four years, in which the request had been omitted. Chairman Steen asked if the salary increase request had to be decided by the Commissioners at that time. Administrator Steen responded that it did not and that there would be opportunity to include it at a later time. Chairman Steen expressed his reluctance to deal with the matter at that time, stating that he was not sure he agreed with Ms. Madden. He stated he did not know if a salary increase request would be appropriate in view of the budget cuts and the state budget situation. Commissioner Madden explained that the LAR discussion was preliminary and that the LAR agenda topic started the process. Administrator Steen clarified that the final document is due to the legislative leadership by August 13, 2004, and that there would be plenty of opportunity to add or change the request.

Commissioner Madden moved that the Commission approve the proposed Legislative Appropriations Request (LAR) for the 2006-2007 biennium as presented as a start to the LAR process. Chairman Steen asked if the Commissioners were approving the LAR; Administrator Steen clarified that the Commissioners were only approving the basic format of the LAR. Chairman Steen asked if the final version would be presented to the Commissioners. Administrator Steen stated that it could be presented; however, the Commission would not be meeting before the August 13 deadline. Administrator Steen added that the numbers were not set in stone; while the basic parts of the LAR would probably not change, the numbers within each individual section could change. Commissioner Madden asked if the Commissioners could add the administrator's salary increase to the LAR before August 13; Administrator Steen responded affirmatively. Chairman Steen and staff members discussed the amount of surcharges TABC could collect from the industry based upon its appropriations. It was clarified that TABC can collect at least the amount of appropriations plus direct costs, meaning that TABC can collect more in surcharges than its appropriations. **Chairman Steen asked if there was any additional discussion; hearing none, he asked all in favor to say "aye." The motion carried, and Chairman Steen stated that the request had been approved.**

PROPOSED AMENDMENT TO RULE 16 TEXAS ADMINISTRATIVE CODE §45.117(C), RELATING TO ADVERTISING SPECIALTIES

Chairman Steen called upon General Counsel Lou Bright to discuss the proposed amendment relating to advertising specialties.

General Counsel Bright reviewed the proposed amendment (Attachment 4), which would change the \$87 limit to \$101 for the total cost of all advertising

specialties furnished to a retailer. Under the proposal, the total cost cannot exceed \$101 per brand per calendar year. Mr. Bright explained that the increase was based on the growth of the consumer price index.

Chairman Steen asked if anyone wished to provide comment on the proposed rule. Hearing none, he called for a motion. Commissioner Madden moved that the Commission approve the publication of the proposed amendment to Rule 16, Teas Administrative Code, Section 45.117(c)(2), relating to advertising specialties. Chairman Steen seconded the motion. The motion carried.

PUBLIC COMMENT

Chairman Steen stated that he had been informed that no one had registered for public comment. He asked if anyone wished to provide comment; hearing none, Chairman Steen moved to the next section of the agenda.

EXECUTIVE SESSION

Chairman Steen announced that he would handle the next part of the agenda—regarding the evaluation of the Administrator—in regular open session, rather than in executive session, based on advice of Counsel.

Chairman Steen stated that Commissioner Madden has filled out a TABC employee performance plan and evaluation form for the Administrator's annual evaluation. Chairman Steen will combine his input with that of Commissioner Madden. The results of the evaluation will be presented to Administrator Steen at the August Commission meeting. Chairman Steen stated his belief that the generic employee evaluation form was not a meaningful way to generate constructive dialogue on how the Administrator can take his job performance to a higher level. **Chairman Steen suggested that Administrator Steen do the following in preparation for the evaluation process:**

- **List the essential functional elements of his position;**
- **List the essential attributes and skills needed to do his job well;**
- **Include an up-to-date and brief job description;**
- **Focusing on the essential functions of his position, list the essential attributes needed to do his job well, and his job description, prepare a brief self-assessment of his performance including a list of his three greatest strengths and two most important challenges;**
- **List three professional goals that will help him in his position; and**
- **Tell the Commissioners how they can assist in the performance of his duties.**

Chairman Steen requested Ms. Madden also look at the Administrator's job performance with the above in mind.

Chairman Steen asked General Counsel Bright if there were any updates since his last litigation report. Mr. Bright stated that there were no updates since his last report.

NEXT MEETING

Chairman Steen stated that Commissioner Madden requested that the August 23 Commission meeting be changed. **It was agreed that the next Commission meeting will be held on August 16, 2004.**

ADJOURNMENT

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