TEXAS DEPARTMENT OF MOTOR VEHICLES BOARD MEETING

Friday, July 26, 2013

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

BOARD MEMBERS:

Johnny Walker, Chair
Laura Ryan, Vice Chair
Robert "Barney" Barnwell, III
Luanne Caraway
Blake Ingram
Raymond Palacios
Victor Rodriguez
Marvin Rush
Joseph Slovacek

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MR. WALKER: Good morning. My name is Johnny Walker. As presiding officer, I'm pleased to welcome you here today to the meeting of the Department of Motor Vehicles.

Before we begin today's meeting, please place all cell phones and other communication devices in a silent mode.

It is now 8:02. I am now calling the meeting for the July 26 meeting of the Board of the Texas Department of Motor Vehicles to order.

Note for the record that the public notice of this meeting, containing all items on the agenda, was filed with the Office of the Secretary of State on July 18, 2013.

This meeting is being held by videoconference call, as authorized under Section 551.127 of the Government Code. Because this is a videoconference call meeting, several board members will be participating by live remote broadcast. Board Member Palacios is participating from El Paso; Board Member Ingram is participating from Dallas; Vice Chairman Ryan and Board Member Slovacek are participating from Houston; and Board Member Rodriguez and myself are here in Austin at the department's headquarters, located at 4000 Jackson Avenue,

1 Building 1, Lone Star Conference Room. The Austin 2 location is open and available to the public. 3 If you wish to address the board during today's 4 meeting, please complete a speaker's card at the 5 registration table in the back. To comment on any agenda 6 item, please complete a yellow card and identify the 7 agenda item that you would like to speak on. If it is not on an agenda item, we will take your comments during the 8 9 public comment portion of this meeting. And now I'd like to have a roll call. Vice 10 11 Chairman Ryan? MS. RYAN: Present. 12 13 MR. WALKER: Board Member Ingram? 14 MR. INGRAM: Present. 15 MR. WALKER: Board Member Palacios? 16 MR. PALACIOS: Here. 17 MR. WALKER: Board Member Rodriguez? 18 MR. RODRIGUEZ: Present. MR. WALKER: Board Member Slovacek? 19 20 MR. SLOVACEK: Here. MR. WALKER: And let the record reflect that I, 21 22 Johnny Walker, am here also. We now have a quorum. 23 Before we begin today's meeting, I'd like to 24 remind all participants that this is a videoconference

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call meeting. Because this meeting is being held by

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videoconference call, there are a few things that will assist in making today's meeting run smoothly. Please identify yourself when speaking; speak clearly; remember that there may be a slight delay, so wait a little bit longer between responses and feedback from somebody else; please do not speak over other people while they are speaking; speakers should be assured to get recognized before speaking; and I will exercise more control than normal, which I'm not sure how I would do that.

With that, I see that we do not have any cards here for the public section of this, so let's get started with the meeting. Let's go to agenda item number 1.

MR. RODRIGUEZ: Number 1, Mr. Chairman?

MR. WALKER: Before we get started, I'd like to tell everybody I think that I'm going to make a few comments for myself here today. This is a brand new thing that the legislature just approved here about two or three months ago, was signed by the governor, so we may very well be the very first agency to ever conduct a meeting on a standard purpose, without it being an emergency, by video teleconferencing, so we're kind of breaking new ground here.

We owe a lot of credit to the people at our organization who have spent all week trying to put this together, and I'd like to recognize those people. Stacy

Steenken is right over here; I've got Eric right over here; Bob Westcott back there in the back; and Tim Thompson and the VTR staff in our regional service centers. I want to thank all you people for putting this together today. I appreciate.

MS. BREWSTER: You said Eric Obermier, we have two Erics.

MR. WALKER: I'm sorry. Eric Herrin back there in the back. I'm sorry.

I'd like to make a few comments on some cleanup housework here. As the chairman, I'm going to discontinue the Administrative Committee, we are disbanding that. The reason is because it really has not been a functioning committee so much, and we needed some help on some of the other committees, so Laura and Joe and Victor will no longer serve on the Administrative Committee. And I've moved some people, and Joe is being moved over to the Finance and Audit Committee. Joe, you're aware of that. Right?

MR. SLOVACEK: Correct. I'm good with that.

MR. WALKER: And Board Member Barnwell is taken off of that so we do not have a quorum there.

I'd like to also announce that on August 1 we have a board liaison. I don't believe I have seen here today, but Terri Tuttle is coming to work for the agency

as a liaison to work between the board members, to do research, and to help us do our job.

Shelly Mellott is, I think, here. There she is right back here in the back. Shelly, we want to welcome you aboard. I know this is the second time we've seen you but we're looking forward to you being here to help us run the agency and to be a team player with the rest of our team. She is going to be overseeing the operations of the Motor Carrier Division, the Motor Vehicle Division, Enforcement, CRD, the Auto Burglary and Theft Division, and the VTR.

So now let's go to item number 2.A.1.

MR. TAYLOR: Good morning, folks. My name is
Jonathan Taylor. I'm the director of the Enterprise
Project Management Office here at the Texas Department of
Motor Vehicles. I'll be going over a request for
additional spending authority on two projects. These are
the same projects that have been in the board books for
some time, and we should all have quite a bit of
familiarity with. This is the headquarters communication
infrastructure project and the regional office
communications project.

MR. RODRIGUEZ: Mr. Chairman, can we take 2.A, all together, 1, 2, 3, because I think he's going to speak to all three of them.

MR. WALKER: That's fine.

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MR. TAYLOR: Sure. These are, again, the same projects we've seen before, I'm just asking for the additional spend authority for them. I would like to point out that these projects, we have the budget for them, we have finally completed the project dependencies for them, we have scoped them out, we have some project estimates but we're not finished with the formal bidding process for any of them. That's for those two projects.

And then the LACE data purification project is funding out of the existing maintenance operation funding over fiscal years '13, '14 and '15. The board, as you know, has had a rule of any expenditures that's over \$200,000 for any project would have to go to the board for approval. I am requesting that approval now for the headquarters communications infrastructure project, regional office communications infrastructure project, and the LACE data purification.

MR. RODRIGUEZ: Question. We have not completed the bidding process on the regional and the LACE, or all three?

MR. TAYLOR: For all three.

MR. RODRIGUEZ: But you want approval so we can encumber right now before the fiscal period ends.

MR. TAYLOR: Yes, I would appreciate that. The

1 agency would need that to move forward on these in any 2 kind of timely manner. 3 MR. RODRIGUEZ: So moved, Mr. Chairman. 4 MS. RYAN: I'd like to add to that motion by 5 Chief Rodriguez, if I may, that we increase the Texas 6 Department of Motor Vehicles spending authority, this is 7 for 2.A.1 and 2.A.2, for the headquarters communications infrastructure and regional office communications 8 9 infrastructure. I also move to authorize the agency's 10 executive director, or her designee, to negotiate and 11 finalize all contracts between the Texas Department of Motor Vehicles and duly selected vendors that are 12 13 necessary to complete the headquarters and regional office 14 communications infrastructure projects. I further move to authorize the agency's executive director to execute the 15 16 contracts, as well as any amendments to the contracts with 17 the approval of the chairman. 18 MR. RODRIGUEZ: I withdraw my motion, Mr. Chairman, and let the vice chair's motion stand. 19 20 MR. WALKER: So we'll withdraw Board Member 21 Rodriguez's motion. We have a motion by Laura Ryan. I 22 need a second. MR. PALACIOS: I second that. Raymond 23

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MR. WALKER: I have a second by Board Member

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Palacios.

1	Palacios. Do we have any discussion?
2	(No response.)
3	MR. WALKER: Since everybody can't see
4	everybody, we're going to have to do a polling of the
5	board members every time we vote. So we have a motion by
6	Board Member Ryan, we have a second by Board Member
7	Palacios. Board members, when I call your name, please
8	state your vote for the record.
9	Vice Chairman Ryan?
10	MS. RYAN: In favor.
11	MR. WALKER: Board Member INgram?
12	MR. INGRAM: For.
13	MR. WALKER: Board Member Palacios?
14	MR. PALACIOS: For.
15	MR. WALKER: Board Member Rodriguez?
16	MR. RODRIGUEZ: For.
17	MR. WALKER: Board Member Slovacek?
18	MR. SLOVACEK: In favor.
19	MR. WALKER: And I, Chairman Walker, vote also
20	yes for the motion. Let the record reflect that there are
21	six votes for and no votes against. Motion carries.
22	Let's move on to the next item.
23	MS. RYAN: Mr. Chairman, I have one additional
24	motion since this was broken up into two, and I apologize,
25	based on the voting structure, but this one is a little

1	different but it addresses the LACE data purification
2	contract. I move to authorize the agency's executive
3	director, or her designee, to negotiate and finalize a
4	contract between the Texas Department of Motor Vehicles
5	and a duly selected vendor regarding the LACE data
6	purification. In addition, I also move to authorizes the
7	agency's executive director to execute the contract, as
8	well as any amendments to the contract, with the approval
9	of the chairman.
10	MR. WALKER: We have a motion by Vice Chairman
11	Ryan. Do we have a second?
12	MR. RODRIGUEZ: Second, Mr. Chairman.
13	MR. INGRAM: I'll second that. Blake Ingram.
14	MR. RODRIGUEZ: Give it to him, that's fine.
15	MR. WALKER: Okay, Mr. Ingram, you have it.
16	Please signify by saying yes or no on this
17	amendment. Vice Chairman Ryan?
18	MS. RYAN: Yes.
19	MR. WALKER: Board Member Ingram?
20	MR. INGRAM: Yes.
21	MR. WALKER: Board Member Palacios?
22	MR. PALACIOS: Yes.
23	MR. WALKER: Board Member Rodriguez?
24	MR. RODRIGUEZ: Yes.
25	MR. WALKER: Board Member Slovacek?
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MR. SLOVACEK: Yes.

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MR. WALKER: And I, Chairman Walker, vote yes also. We have six votes for and no votes against, so the motion passes unanimously.

MR. TAYLOR: Thank you.

MR. WALKER: We're going to move to agenda item B, approval of administrative contracts. Ms. Flores.

MS. FLORES: For the record, my name is Linda Flores. I'm the chief financial officer for the Texas Department of Motor Vehicles. I will be covering contracts, 1, 2, 3, 4 and 5. Eric Obermier will be covering contracts 6, 7, 8, 9 and 10.

Contracts 1 through 5 are administrative contracts that the agency must put in place and our current contracts expire August 31. The first two contracts are related to the production and distribution of our license plates. As you know, we're required to go through the Texas Department of Criminal Justice for the production of our license plates. That contract is the same in value as the current contract, \$17.7 million.

Freight services related to the distribution of our plates, approximately \$1.02 million.

Item number 3 is for digital imaging services for various forms that the agency distributes. That contract is \$3.5 million a year.

1 Number 4 is a new contract for the agency 2 headquarters janitorial services, approximately \$250,000 3 for a two-year term. This is another step in the agency's 4 separation and creating our own infrastructure for 5 facilities maintenance. 6 Item number 5 is an advertising contract. a renewal with Tuerff-Davis EnviroMedia, and that contract 7 is valued at \$1.2 million for a two-year term. 8 9 With that, I'll turn it over to Eric. 10 MR. WALKER: Does anybody have any questions for Ms. Flores before we move on to Mr. Obermier? 11 MR. PALACIOS: I do have a question for Ms. 12 13 Flores. It's Raymond Palacios. 14 Ms. Flores, on the contract for the ABTPA advertising, \$1.2 million, did we rebid this? 15 understand this is a renewal, but did we send out new bids 16 17 for going forward? 18 MS. FLORES: No, sir, we did not. We exercised 19 the option in the current year contract to renew it for 20 another two years. The program, as you are aware, is an advertising program for the program's anti-theft campaign, 21 22 and the program has been very pleased with the performance 23 by this vendor. After the next two years are up, I'm sure

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MR. PALACIOS: Okay. Just seems like an

that the program will go out for bids.

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1 awfully high dollar amount. MR. RODRIGUEZ: The ABTPA Board has asked us to 2 3 exercise this option? 4 MS. FLORES: Yes, sir. The Auto Burglary and 5 Theft Board of Directors has reviewed this contract and is 6 asking for our help in implementing their decision. 7 MR. RODRIGUEZ: The ABTPA Board, as you 8 mentioned right now, is an appointed board by the 9 governor. Is that correct? 10 MS. FLORES: Yes, sir. It's an independent 11 board but it's housed under the Texas Department of Motor Vehicles. 12 13 MR. RODRIGUEZ: So we're really just a pass-14 through for the purposes of their business. 15 MS. FLORES: Yes, sir. 16 MR. RODRIGUEZ: My question is with regard to 17 the janitorial services that's \$250,000 for a two-year 18 period, is that annually or for the entire term? MS. FLORES: It's for the entire term of the 19 20 contract, so on a yearly basis, it's approximately \$125,000, and it covers headquarters Building 1, 5, as 21 22 well as Bull Creek. 23 MR. RODRIGUEZ: Thank you. 24 MR. WALKER: Do we have any other questions of 2.5 Ms. Flores while we have her at the podium?

1 (No response.) 2 MR. WALKER: Thank you, Ms. Flores. Mr. Obermier. 3 4 MR. OBERMIER: Good morning. For the record, 5 my name is Eric Obermier. I'm the chief information 6 officer for the Department of Motor Vehicles. I'll be 7 covering contracts 6 through 10 on the agenda. Items 6 and 7 are both IT staff augmentation 8 9 contracts through vendors available to us through the Texas Department of Information Resources. Number 6 is 10 11 for a data architect who will be spending approximately 50 percent of his time on the RTS refactoring project, as one 12 13 of the critical roles that the DMV was to actually provide 14 that project, and the remainder of the time will be spent on the AMSA effort which is the transition of the servers 15 16 and the applications that we have over in the TxDOT 17 infrastructure over into the DMV management area. 18 Item number 7 is for a programmer who worked on 19 the Motor Carrier Credentialing System program. 20 actually led the design, development and implementation of that application and has been instrumental in all the 21 22 enhancements since then. 23 Stepping back, item number 6, the approximate

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value of that is \$208,000 over the upcoming fiscal year.

MR. WALKER: Excuse me. How much?

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MR. OBERMIER: \$208,000 over the upcoming fiscal year for FY '14.

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Item number 7 would be approximately \$224,000 for the upcoming fiscal year.

Item number 8 is for the web site hosting services for our credit card processing through Texas NICUSA. The approximate value there is \$1.16 million over the upcoming biennium, so it's actually closer to \$592,000 per year. That includes the hosting fees, the transaction fees, county fees and convenience fees for the online credit card processing through the online TxDMV applications where we allow our customers to pay via credit cards. That is also legislatively mandated that we use that.

Item number 9 is the data center services contract through the Texas Department of Information Resources. The approximate value there is \$4.3 million for the upcoming fiscal year. Once again, this is another legislatively mandated contract where most of the appropriated agencies in the State of Texas are actually required to use DIR for the hosting of all of their data center infrastructure, including mainframe, servers, applications and storage.

And lastly, item 10 is for the county tax assessor-collector infrastructure support. The

approximate value of that is \$250,000 for the upcoming 1 fiscal year, and they'll provide onsite maintenance and 2 3 support for all of the hardware that we have at those 4 offices. At over 500 locations we have printers, work 5 stations, some network devices and they actually go onsite 6 within 24 hours to repair any of the issues that we have. 7 MR. WALKER: Question. On item number 10 on the maintenance contracts for the machines at the 8 location, is the \$250,000 a fixed amount of money? 9 MR. OBERMIER: I do not believe so. I would 10 11 have to go back and check that for you. 12 MR. WALKER: So the contract cannot, obviously, 13 exceed the \$250- if we approve \$250- here today, but it 14 could be less than that based on how many times they go to 15 how many locations to fix it? 16 MR. OBERMIER: I believe that is correct. 17 MR. WALKER: I'd say that would be a relevant 18 question to ask here today. Could you find that answer for us? 19 20 MR. OBERMIER: We can get that answer. MR. WALKER: I have another question with 21

MR. WALKER: I have another question with respect to item number 7 and item number 6. The data center contract, number 9, and then we have item number 6 which is also the DIR, it's my understanding. Why would those not be just under one blanket instead of two?

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1 MR. OBERMIER: So they are actually for different kinds of services. Item number 6 is actually 2 3 for a staff augmentation contractor, if you will, whereas, 4 item number 9 is actually for the data center services, so 5 they are two different contracts that are set up through 6 the Department of Information Resources, different types 7 of services. MR. WALKER: Does anybody else have any 8 9 questions for Mr. Obermier? 10 (No response.) 11 MR. WALKER: Okay. So we have a proposal for 12 approval of these ten contracts. Do we have a motion to 13 accept them in their entirety, or do we want to go one by 14 one on the items? 15 MR. RODRIGUEZ: I ask that we consider them as 16 one item, Mr. Chairman. 17 MR. WALKER: So we have a recommendation from 18 Mr. Rodriguez to take them in their entirety. I need a 19 motion for that to accept them. 20 MR. RODRIGUEZ: So moved, Mr. Chairman. MR. WALKER: So we have a motion. I need a 21 22 second to accept and approve the contracts. 23 MR. RODRIGUEZ: I move as follows, Mr. 24 Chairman. I move to authorize the agency's executive 2.5 director, or her designee, to negotiate and finalize all

1	the administrative contracts listed in item 2.B.
2	MS. RYAN: Second.
3	MR. WALKER: So we have a motion to authorize
4	the executive director to move forward and sign the
5	contracts with the authorization and approval of the
6	chairman, we have a second by Ms. Ryan. All in favor
7	signify by vote.
8	Vice Chairman Ryan?
9	MS. RYAN: Yes.
10	MR. WALKER: Board Member Ingram?
11	MR. INGRAM: Yes.
12	MR. WALKER: Board Member Palacios?
13	MR. PALACIOS: Yes.
14	MR. WALKER: Board Member Rodriguez?
15	MR. RODRIGUEZ: Yes, sir.
16	MR. WALKER: Board Member Slovacek?
17	MR. SLOVACEK: Yes.
18	MR. WALKER: And I, Johnny Walker, vote yes
19	also. Let the record reflect that there are six votes for
20	and no votes against. The motion passes unanimously.
21	Randy is not here. Right? Tim, come to the
22	podium, please. We're going to go to item 2.C.
23	MR. THOMPSON: Good morning, Mr. Chairman,
24	members of the board. For the record, my name is Tim
25	Thompson. I serve as the deputy director of the Vehicle

Titles and Registration Division.

The state's specialty plate vendor, My Plates, is requesting approval of five new specialty plate designs. The designs before you are Permian High School, Midland Lee High School, Odessa High School, Indiana University, Southern Methodist University, and then we have a sixth plate that is brought before you that's from the Texas Parks and Wildlife, it's the Save the Ocelot plate. You should have a copy of each of those plates in your briefing books.

The applications for these plates have been reviewed by our staff and have been certified as complete, and the plate designs presented meet all of our agency and legislative requirements. The agency requests your consideration for each of these plates at this time.

MR. WALKER: Tim, are all these plates, with the exception of 6, My Plates proposals?

MR. THOMPSON: Yes, sir. The three high schools and the two university plate are My Plates vendor plates, and this sixth one is from the Texas Parks and Wildlife Department.

MR. WALKER: And the Save the Ocelot has never been a plate before?

MR. THOMPSON: No, sir.

MR. RODRIGUEZ: Question. Are any of these

redesigns?

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MR. THOMPSON: No, sir.

MR. RODRIGUEZ: Question. Number 6, in essence, advertises, basically, a web site. What if somebody wants maybe phone numbers there, or how are we going to handle that in the future?

MR. THOMPSON: I don't know. I don't know that we've given consideration to actually a phone number.

That's the first time I've actually heard that presented, so I've not given that consideration.

MR. RODRIGUEZ: Is there any conflict with advertising? As you know, billboards are regulated in Texas on the highways and they have various reasons for that. But I'm just wondering because we're, in essence, allowing an advertisement take place here on this license plate. The next one comes up and says, you know what, I don't want a web site, I want a phone number or some other stuff, and I realize specialty plates, in essence, they give a high profile to whatever you want, but nonetheless, I'm just wondering where do we draw the line.

MR. THOMPSON: Again, I don't know that we've given consideration, certainly, to any phone numbers like that. It's something that we'll have to get together as a group and make a determination on.

MR. WALKER: So what Rodriguez is saying is

1 that we have never put a web address, so to speak, on the 2 bottom of a plate? 3 MR. THOMPSON: Not that I'm aware of. 4 MR. WALKER: But this is a state plate, it's a 5 Texas agency. 6 MR. THOMPSON: Yes, sir. 7 MR. WALKER: So we have a proposal for six new 8 plates here. I'll make the motion that we accept all six 9 plates. MR. SLOVACEK: Slovacek seconds. 10 MR. WALKER: We have a motion to accept and we 11 12 have a second. Any discussion? 13 MR. PALACIOS: Yes. This is Board Member 14 Palacios. 15 I'd like to follow up on Board Member 16 Rodriguez's comments. I believe we've taken this too far 17 now with these plates. We're making basically these 18 billboards for sale by the State of Texas, and you know, 19 what's next, are we going to start putting 1-800 numbers 20 on this? This, I think, far exceeds the initial reason 21 for these plates, and I won't support any of these. 22 MS. RYAN: This is Laura Ryan. Might I suggest 23 that as we contemplate this particular contract, it's in 24 the ending period, that as we move forward for future

contracts that this go under consideration and maybe some

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1	of these types of things get vetted in that new contract
2	proposal, and I'd ask that the division actually start to
3	create this list of concerns that can be considered in any
4	renewal or new contract.
5	MR. THOMPSON: Yes, ma'am, we'll certainly do
6	that.
7	MR. WALKER: So we have a motion and we have a
8	second to accept them in entirety, but I hear some
9	feedback that there may be some concern about the
10	advertising aspect of one of the license plates. Would it
11	be the preference of the board to take and split that one
12	off and vote on it separately, or do we still want to go
13	forward with it in its entirety?
14	MR. INGRAM: This is Blake Ingram. I would
15	prefer that we just to the entirety.
16	MR. WALKER: So we have a motion and a second.
17	All in favor signify by saying yes.
18	Vice Chairman Ryan, yes or no?
19	MS. RYAN: Yes.
20	MR. WALKER: Board Member Ingram?
21	MR. INGRAM: Yes.
22	MR. WALKER: Board Member Palacios?
23	MR. PALACIOS: No.
24	MR. WALKER: Board Member Rodriguez?
25	MR. RODRIGUEZ: No.

1 MR. WALKER: Board Member Slovacek? 2 MR. SLOVACEK: Yes. 3 MR. WALKER: And I, Chairman Walker, vote yes. 4 Let the record reflect that there are four ayes and there are two nays, and that Board Member Ryan, Board Member 5 6 Slovacek and Board Member Walker voted aye, Board Member 7 Palacios and Board Member Rodriguez voted nay. The motion 8 carries. 9 MR. WALKER: If you'll turn real quick, let's 10 clean up a little bit of business here. If you'll to your 11 tab under 2.D, we've got a proposed calendar for board meetings for 2014. I think this is just for information 12 13 purposes only, I don't think this requires a vote, does 14 it? 15 MS. BREWSTER: No, it doesn't 16 MR. WALKER: We have moved the meetings from 17 Thursdays to Fridays, and we can even maybe move them to 18 eight o'clock. I know Victor would prefer to have them at 19 eight o'clock, and I don't have a problem with that if it 20 speeds up everybody's day, but it might be hard on staff. We'll look at that going forward. But anybody have any 21 22 comments or questions about the calendar for going forward 23 for next year? 24 MR. PALACIOS: I support it.

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MR. WALKER: Okay. Raymond Palacios, speak.

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1 MR. PALACIOS: I'm in favor of the changes. 2 MR. WALKER: Board Member Ingram. 3 MR. INGRAM: I was going to ask what the 4 consensus was with the board. I know you polled the 5 group, I didn't know how it turned out. 6 MR. WALKER: It was about 70 percent for 7 Fridays and I think two people preferred not Fridays. Okay. Let's move n to the next item on the 8 9 agenda which is number 3.A, Bill Harbeson. MR. HARBESON: good morning. My name is Bill 10 harbeson. I'm the direct of the Enforcement Division and 11 interim director of the Motor Vehicle Division for the 12 13 Texas Department of Motor Vehicles. 14 I'm first going to discuss the consent agenda, 15 item 3.A through 3.E. There are before you today 77 16 agreed orders. These are cases where staff has initiated 17 an action and entered a settlement agreement with the 18 respondent and the penalty has been paid by the 19 respondent. Similarly, on the enforcement NOVs, these are 20 minor offenses where we issue a citation in the field, and there's 36 of those, and again, the respondent in those 21 22 cases, our licensee has the penalty. There are 26 motions to dismiss. These are 23 24 cases where we've initiated an action and subsequent to 2.5

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our initiation of the action, the case is going to be

dismissed for various reasons, normally because the respondent is out of business and it's not really cost-effective for the staff and the agency to go forward with the case, or in other cases where we determine after initiating that the respondent is not in violation of the laws that we enforce.

There are Lemon Law settlement and dismissal cases, twelve of them before you where the case was settled before it went off to SOAH or after it went to SOAH but before SOAH actually enters a PFD for you to consider. And there's two franchise cases where a case was initiated and then the parties either enter a settlement between themselves or decide not to pursue the case.

So I'm asking approval of the 77 agreed orders, 36 NOVs, 26 enforcement motions for dismissal, twelve Lemon Law dismissals, and two franchise dismissals.

MR. RODRIGUEZ: Mr. Harbeson, you posted a listing of these cases. Is there any change to the listing as posted?

MR. HARBESON: No, sir.

MR. RODRIGUEZ: Move we approve, Mr. Chairman, 3.A through 3.E, all the cases.

MR. WALKER: We have a motion to accept the consent agenda by Mr. Rodriguez, in its entirety, I

1 believe, here, as presented by staff. 2 MR. PALACIOS: Second. 3 MR. WALKER: We have a second by Board Member 4 Palacios. Any discussion? 5 (No response.) 6 MR. WALKER: I have a question, Bill, real 7 quick, and I've got to clear something up here. And I keep going back to my old book because we have two 8 9 franchise cases in that, and one of them is the motorcycle dealership -- I can't remember the name of it -- Desmo 10 Moto. Is that being included in this item, or is that 11 12 still separate? 13 MR. HARBESON: No, sir. That's not a consent 14 item, that's an actual PFD, or proposal for decision, where the hearing was held, and that will be the next 15 16 agenda item. 17 MR. WALKER: Okay. I wanted to make sure we 18 weren't combining that in. That was what I was trying to 19 clarify. 20 So we have a motion by Mr. Rodriguez, we have a second by Mr. Palacios. Any more discussion? 21 22 (No response.) 23 MR. WALKER: I'm going to a call. All in favor 24 signify by saying yes or nay. 2.5 Vice Chairman Ryan?

1	MS. RYAN: Board Member Ingram?
2	MR. INGRAM: Yes.
3	MR. WALKER: Board Member Palacios?
4	MR. PALACIOS: Yes.
5	MR. WALKER: Board Member Rodriguez?
6	MR. RODRIGUEZ: Yes.
7	MR. WALKER: Board Member Slovacek?
8	MR. SLOVACEK: Yes.
9	MR. WALKER: And Board Member Walker votes yes
10	also. So let the record reflect that the motion carries
11	unanimously.
12	Let's move to the next item, Mr. Harbeson,
13	which is 4.A.
14	MR. HARBESON: 4.A on the agenda is a PFD, a
15	proposal for decision, after a protest was filed. This
16	case involved a motorcycle dealer who was asking to add an
17	additional line. Per the statute, we sent an opportunity
18	to protest, and an existing dealer with that line filed a
19	protest and the case proceeded to the State Office of
20	Administrative Hearings where a hearing was held with both
21	parties participating.
22	Under the applicable statute, the applicant has
23	to demonstrate by a preponderance of the evidence, he has
24	the burden of proving that he should be given this license

in essentially coming into the market with an existing

25

1	licensee. In this particular case, the ALJ looked at the
2	seven factors the statute discusses and found that the
3	applicant did not meet his burden of proof on any of the
4	seven, and therefore, the recommendation from SOAH was
5	that the application not be approved, and we have an order
6	in front of you asking for your approval of that.
7	MR. WALKER: I so move that we accept the
8	motion of staff to follow through with the SOAH
9	recommendation of denial. I need a second.
10	MR. RODRIGUEZ: Second, Mr. Chairman.
11	MR. WALKER: We have a motion by Chairman
12	Walker and a second by Mr. Rodriguez. I need a roll call.
13	Any discussion? Any questions on this particular item?
14	(No response.)
15	MR. WALKER: Vice Chairman Ryan, how do you
16	vote?
17	MS. RYAN: Yes.
18	MR. WALKER: Board Member Ingram?
19	MR. INGRAM: Yes.
20	MR. WALKER: Board Member Palacios?
21	MR. PALACIOS: Yes.
22	MR. WALKER: Board Member Rodriguez?
23	MR. RODRIGUEZ: Yes.
24	MR. WALKER: Board Member Slovacek?
25	MR. SLOVACEK: Yes.

1 MR. WALKER: And I, Chairman Walker, vote yes 2 The motion carries unanimously by consent of all also. 3 the board members. 4 Now let's move on to item number 4.B. 5 MR. HARBESON: Yes, sir. These are cases where 6 the staff, after starting the hearing process, providing a 7 petition and notice of hearing, the respondent does not In other words, we have a default in these 8 9 fourteen cases. And you've been presented with these 10 fourteen cases and proposed orders and we're asking for 11 approval of these fourteen cases where there has been a 12 default by the respondent. 13 MR. WALKER: We have a recommendation by staff. 14 I need a motion. 15 MR. RODRIGUEZ: Default dispositions, Mr. 16 Chairman, I move we approve items 1 through 14 under 4.B. 17 MR. WALKER: The motion is to accept the 18 recommendation of staff on items 1 through 14. I need a second. 19 20 MR. PALACIOS: I'll second. 21 MR. WALKER: We have a recommendation to accept 22 by Board Member Rodriquez and we have a second by Board Member Palacios. I need to call the roll. 23 24 Vice Chairman Ryan?

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MS. RYAN: I have a question. I apologize.

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MR. WALKER: I'm sorry. I apologize. I'm trying to get ahead of myself here. Discussion, Ms. Ryan.

MS. RYAN: That's okay.

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Mr. Harbeson, in the situation where the licenses are revoked, is that strictly an administrative process on our end, or do we actually go and make sure that the location is no longer active?

MR. HARBESON: We will normally go back by that location and make sure that they are out of business.

What happens when we administratively revoke a license is that notice is then sent to all the TACs so they simply are not able to conduct transactions because the TACs will pull up that license, see that it's no longer active and not process the applications for a title transfer.

MS. RYAN: On behalf of that business. But if a title were to be given to a customer, they could still independently get their own title, or do we ensure that they no longer can transact business?

MR. HARBESON: There's actually no assurance that we could ever stop somebody if they wanted to get around the system. They will not be able to get into the auctions to secure vehicles, and they would not be able to get into the TACs to transfer titles, and again, we will put them on our list of drive-bys -- probably not an artful term to use -- when we have an investigator in that

1	area, that will be on his list of visits to make, that
2	location.
3	MS. RYAN: Okay. Thank you.
4	MR. RODRIGUEZ: Don't use drive-bys.
5	MR. HARBESON: Yes, sir.
6	(General laughter.)
7	MR. WALKER: We have a motion and we have a
8	second. Any further discussion?
9	(No response.)
10	MR. WALKER: I'll do a polling of the board.
11	Vice Chairman Ryan?
12	MS. RYAN: Yes.
13	MR. WALKER: Board Member Ingram?
14	MR. INGRAM: Yes.
15	MR. WALKER: Board Member Palacios?
16	MR. PALACIOS: Yes.
17	MR. WALKER: Board Member Rodriguez?
18	MR. RODRIGUEZ: Yes.
19	MR. WALKER: Board Member Slovacek?
20	MR. SLOVACEK: Yes.
21	MR. WALKER: And let the record reflect that I,
22	Chairman Johnny Walker, also vote yes. The motion passes
23	unanimously.
24	Let's move on to item number 5.A, quarterly
25	financial report by Ms. Flores.

MS. FLORES: Again for the record, Linda Flores, chief financial officer.

The quarterly report that was included in your briefing book has been compiled in a new format based on input and feedback received from board members. We went from approximately 26 pages down to seven. We've included a highlight to give you just a snapshot on revenues, expenditures and capital projects and where we believe we will end the year. We've also included, similar to an income statement, revenues and expenditures in one page, and then we've also drilled into the capital projects which is a focus for this agency.

On revenues, on page 109 of your briefing book, the agency has collected approximately a billion two so far through the quarter ending May 31. We believe that we're going to reach our projected revenue of \$1.6 billion. I would like to note or bring your attention to motor vehicle certificates. For revenue collected through May 31, you'll see approximately \$53 million, while our projected revenue for the year is \$57 million. There was a correction that we adjusted for during the quarter to move delinquent title penalty revenue from registration to titles.

So there was just an error, we fixed that error, it was worth \$7 million. So that's why there seems

to be a higher than anticipated revenue collection for certificates, but in reality, it just came from registration fees, we made an adjustment to certificates. For the year, we believe we're going to hit our target of approximately \$57 million. Our projected revenue did not include that difference, so we believe we're going to reach probably another \$6 million during the quarter, I believe. So that was one adjustment I wanted to make sure -- no, we'll bring in about \$15 million for the last quarter of the year. So that particular certificate line item should be closer to \$67 million by the end of the fiscal year.

MR. WALKER: Ms. Flores, would you prefer that we wait till you give your full report to ask questions, or would you like us to ask questions during your report at that particular aspect of it?

 $$\operatorname{MS.}$ FLORES: Let me get through the report and then we can take up questions.

MR. WALKER: Okay.

MS. FLORES: On expenditures, in the middle of the page, we've identified our budget, our expenditures year-to-date, what we believe we're going to project out, and our projected lapse. We've also given you a snapshot of what we left last fiscal year. As you know, the agency is heavily funded with capital projects. A lot of that

lapse is associated with some of the capital items that we know we're not going to be able to carry forward. There is one line item that we are going to carry forward, we've already made that adjustment within this report, and that is for the automation project associated with the RTS project.

On page 110 of the document reflects the deposits to both Fund 1 and Fund 6. Page 111 is the capital expenditure detail by index, and on the right side on page 112 is detail of the automation system detail project that Jonathan reports to the board on a routine basis.

And that is the new format for the financial report, and I'm available to answer any questions.

MR. WALKER: Ms. Flores, in your financial highlights summary, it says that the total revenue deposit for the third quarter is up by 7.4 percent.

MS. FLORES: Yes, sir.

MR. WALKER: When you say deposits, is that the same thing as revenues?

MS. FLORES: Yes, sir. For us, deposits equals collections which equals revenue.

MR. WALKER: So when you're saying in your report that we're going to meet our budget, did we anticipate the 7.4 percent increase in that particular

1 budget projection? 2 MS. FLORES: Yes, sir. 3 MR. WALKER: My next question is we have 61 4 FTEs that are unfilled in the agency. Can you give me an 5 idea of whether that is up or that is down from the prior 6 quarters? 7 MS. FLORES: Let me defer. MS. BREWSTER: Mr. Chairman, for the record, 8 9 Whitney Brewster, executive director. I can refer to that. 10 11 We have steadily made progress in filling 12 vacancies within the agency. We have seen a huge decrease 13 in our vacancies, particularly in the IT Services 14 Division, and we are moving aggressively forward. 15 in FY '12 we were at approximately 79, so we are now at 61 16 and we're continuing to fill those vacancies. 17 MR. WALKER: So the answer is that we have had a reduction in the number of FTEs that we have been 18 carrying on the books. 19 20 MS. BREWSTER: Mr. Chairman, we have the same number of FTEs. 21 22 MR. WALKER: Vacant FTEs. 23 MS. BREWSTER: Vacant FTEs have gone down, yes, 24 sir. 2.5 MS. FLORES: And also, just to kind of point

1 out, we have taken that into consideration, so you will 2 note the total lapse in salaries and wages in FY '12 were 3 almost \$5 million, it's going to be closer to \$3.7- for 4 the current fiscal year, so that kind of meshes with the 5 reduction in those vacancies. 6 MR. RODRIGUEZ: Can you tell me, either one of 7 you, how many separations we had during this fiscal period that we're about ready to wrap up? Do you know how many 8 9 either retirements or resignations or otherwise? 10 MS. FLORES: Sharon Brewer, the Human Resources 11 director, is here. She may have that information readily 12 available. 13 MR. RODRIGUEZ: All I'm asking is when they 14 leave, some of them may have some substantial payouts of 15 some of the leave, and my question is this: Are those 16 payouts coming from the money that is basically left over 17 from vacancies, or is it a budgeted item? 18 MS. FLORES: It is not a budgeted item, it is 19 paid out of the other personnel costs, and so that's where 20 you're going to see some of those charges. We normally don't budget for that because we don't really know what 21 22 that number is going to be. 23 MR. RODRIGUEZ: So your under expense may not

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MS. FLORES: No, sir, but a large majority of

necessarily equate to the number of vacancies you have.

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it will.

2 MR. RODRIGUEZ: Okay.

MR. WALKER: Wouldn't we have an estimate in our financial ledger that would show our liabilities for earned vacation and sick leave that has accrued?

MS. FLORES: Yes, sir. In the annual financial report, the end of the year, we identify what that value is, and I believe last fiscal year it was approximately a million. But I don't reflect it as an expenditure, it's a liability in the future.

MR. WALKER: Okay. So it is stated on our appropriation.

MS. FLORES: Yes, sir.

MR. WALKER: I have one other question about the expenditures being up by about 27 percent from this period last year, and I'm not real sure I've got a total grasp on that. I know that some of that has to do with taking back some of the expenditures from TxDOT and I think that Oversize/Overweight has been here long enough that that should have been absorbed in already, so why are those costs up by 27 percent?

MS. FLORES: With all the activity that we've been working on for the capital projects, we've brought on some help through staff augmentation, you're going to see our costs going up closer to what our budget is.

1	MR. WALKER: But it's still within the budgeted
2	realm.
3	MS. FLORES: Oh, absolutely, yes, sir.
4	MR. WALKER: Do we have any other discussion?
5	MR. INGRAM: I have one comment. This is Board
6	Member Ingram. I'd like to just say thank you to Ms.
7	Flores. I found the financial statements to be much
8	easier to read, and I know it took some work, and I
9	appreciate it very much.
10	MR. WALKER: I'll second that, Ms. Flores.
11	MS. FLORES: Thank you.
12	MR. WALKER: You and your staff have done a
13	great job of consolidating and getting it down to a
14	manageable size.
15	MS. FLORES: We appreciate it. Thank you.
16	MR. WALKER: Okay. I need a motion to accept.
17	Just a briefing, we don't need to accept it.
18	Let's move on to item 5.B. Ms. Flores.
19	MS. FLORES: Thank you, Chairman.
20	Board members, this is a presentation of the
21	agency's operating budget for both fiscal years '14 and
22	'15. The agency's operating budget is the end result of
23	all of the agency's hard work when it came to our
24	appropriations. As you know, we presented our
25	appropriations request to the legislature. The request

was approximately \$328.4 million, and during the appropriations process, we received \$298.7 million, a difference of approximately \$26.1 million. We were able to maintain our full-time equivalent number of 763 full-time staff.

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The major items that were funded through the appropriations process was continued funding for the automation project, \$23.4 million. We received funding for a new integrated financial system, \$5.1 million, that is managed by the Comptroller's staff. We also received regional office security funding of \$800,000.

Things that were not funded include new money to complete our moves projects, our motor vehicle enterprise system project, some enhancements that had been identified through the business process analysis. We had an additional request, over \$3 million, for ABTPA grants to local law enforcement entities, we had a \$2 million exceptional item request for a federal grant in the Motor Carrier Division that was not funded. We had also requested approximately \$800,000 for new vehicles, nine replacement, as well as 15 brand new cars. This also was not funded. We actually only received one car for \$27,500, because it exceeded the state standard for mileage at 150,000 miles.

You should have in your briefing notebook a

slide deck, if you will, a hard copy of a power point presentation, so I'd like to turn your focus to slide number 3. It is the agency's approved appropriations by goal and strategy. This is a major shift in how the agency is funded. We went from approximately five strategies and two goals to what you have before you, ten strategies and three goals where we've identified for the agency our vision, our purpose to carry out the state's mission and vision for this agency.

Our primary goal is to optimize services and systems, with a focus towards customer service. We also have a goal to protect our public, and then our last goal is indirect administration for the agency, the agency's overhead. Those strategies for the next biennium total \$324,859,719.

Slide number 4 is just another look at how those dollars -- I'm sorry -- that was our request. Slide number 4 is how we were actually approved for the next biennium by strategy, and it's a reflection of those things that I identified as being not funded, primarily capital.

Slide number 5 takes it to another level. This is at the agency's organizational level by division, and we've identified the new divisions in our organization.

It includes the Enterprise Project Management Office,

that's a brand new division, as well as a reorg between Finance and Administrative Services. We've combined those two functions into one division.

We've also laid out the capital projects that are approved for the next biennium. We have several new ones, as I mentioned. The Centralized Accounting and Payroll/Personnel System, that's new, as well as a Commercial Vehicle Information System, CVISN, project. And then regional office security and regional office remodeling, and we've identified all of the dollars there for you.

We continue to have the automation project, although it's at a lower level of funding, as well as data center consolidation. I would like to make a note on data center consolidation. While we were appropriated approximately \$6.1 million a year, there is a provision in the bak of the Appropriations Act that reduces that appropriation by \$2 million a year, so bottom line, we're only going to have about \$4 million per year to host our servers at the data center, as Eric mentioned.

Some of the major capital projects that were funded also include \$11 million for technology upgrades at the counties, so that was slightly lower than what we currently have. We have approximately \$12 million this biennium a year, and so they've appropriated \$11

million -- I'm sorry -- it's \$12 million for the biennium, bow it's down to \$11 million for the counties. And that's, again, Eric had a contract on maintenance, we have \$11 million for hardware, software and that type of putting out new equipment at the counties, and we had a major refresh, if you'll recall, this current biennium.

On slide number 7, we identified four pieces of legislation that have a major impact to the agency. House Bill 1692 returns the Lemon Law case hearings to the agency. One of the contracts in the back of the operating document refers to a contract with SOAH. The current contract is approximately \$650,000 a year. Because those cases are coming back to the agency, we believe that that contract cost is going to be lower or be substantially reduced to approximately \$200,000 a year.

MS. BREWSTER: Mr. Chairman, if I might.

MR. WALKER: Yes.

MS. BREWSTER: For HB 1692, just to clarify, it's Lemon Law and warranty performance cases, both of those, and then it adds the requirement of mediation for all cases.

MS. FLORES: From an operational standpoint, we are looking for space for that new staff. We believe it will take five full-time staff members, two judges, two paralegals, and administrative support to carry on. The

1	agency is absorbing all of those costs, there is no new
2	funding for that.
3	MR. WALKER: So that's been appropriated in our
4	budget request, or not?
5	MS. FLORES: Yes and no. It's not new funding
6	which means that we have to find the funds from within our
7	approved budget.
8	MR. WALKER: So I thought I heard you say
9	\$200,000, but that cannot be correct.
10	MS. FLORES: It's for the SOAH contract with
11	the other agency where they will continue to still have
12	some activities associated with our program.
13	MR. WALKER: So we're still going to be
14	spending some money over at SOAH?
15	MS. FLORES: Yes, sir, correct.
16	MR. WALKER: And what cases are going to be
17	heard by SOAH.
18	MS. BREWSTER: For the record, Whitney
19	Brewster. Those would be franchise cases.
20	MR. WALKER: So the franchise cases are still
21	going to be heard by SOAH, and we anticipate about a
22	\$200,000 biennium expense?
23	MS. FLORES: A year.
24	MR. WALKER: Yearly expense.
25	MS. BREWSTER: Yes, sir.

1 MR. WALKER: And what is the cost going to be 2 to staff and position these five people here, the judges 3 and so forth. Do we have an anticipated cost and where 4 that money is going to come from at this point? 5 MS. FLORES: We're still working on the cost. 6 I have not seen all of the proposals on the classification 7 types for all of these personnel, so we haven't really developed that cost projection. 8 9 MS. BREWSTER: We have estimates. 10 Flores said, we have not finalized the specific positions 11 yet in order to give you a more definitive number at this 12 time. 13 MR. WALKER: Well, we would have been paying 14 SOAH to perform the service for us, so we don't have that 15 expenditure anymore. Correct? 16 MS. BREWSTER: Yes, sir. 17 MR. WALKER: And Mr. Kuntz, I may have to bring 18 you in on this, or I can wait till your report comes up, 19 but is there a concern that we're not going to have enough 20 money to fund this particular legislative requirement, or is it going to be pretty much a balance? 21 22 MS. FLORES: From my perspective, Chairman? 23 MR. WALKER: Yes. You're the money lady. I believe that we're going to have 24 MS. FLORES:

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enough to cover the cost.

1 MR. WALKER: I'll put my faith in you. 2 MS. FLORES: I'll find the money. The good 3 news is we have the money, the bad news is it might come 4 from our division. 5 MR. RODRIGUEZ: When the whole idea was 6 proposed, Mr. Chairman, I think that was the idea, to 7 bring this function to the department and staff it from within. 8 9 MR. WALKER: You may proceed. 10 MS. FLORES: Thank you. House Bill 2202 --11 MR. PALACIOS: Chairman Walker? 12 13 MR. WALKER: Yes, sir. 14 MR. PALACIOS: Raymond Palacios. I have a 15 question, it's not so much a financial question but more 16 of a procedural question regarding HB 1692. Once the 17 Lemon Law and warranty performance cases are transferred 18 back to DMV, currently as it stands now, as you know, the 19 DMV Board, under certain situations, has the authority and 20 responsibility to review cases once a decision has been rendered by an ALJ. Now, going forward, once these cases 21 22 are transferred to DMV, what will the board's role be in, 23 I guess, hearing these cases that are subject to review. 24 MR. WALKER: I can answer your question because

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I've asked the same question already. At that point in

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time, once we bring SOAH in house, the board is totally no longer required or allowed to hear warranty or Lemon Law cases. They will totally be heard, even a contested case will go back to the presiding judge within the house here, and from that point, if they wanted to file beyond that particular level, it would go straight to the district courthouse, is my understanding.

MR. PALACIOS: Okay. Thank you.

MR. WALKER: Ms. Flores.

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MS. FLORES: House Bill 2202 was a significant piece of legislation that creates a TxDMV Fund, a dedicated account. This would allow the board to establish a process and handling fee, and so that will probably be before the board at some time in the near future to consider how to fund the agency's operations.

House Bill 2305 relates to motor vehicle inspections. It requires the Texas Department of Public Safety and the DMV to consolidate to a single registration sticker. We had an interim study, and Jeremiah Kuntz presented that study to the board, to identify the benefits and the process for consolidating to one sticker.

House Bill 2741 is the agency's clean-up bill, and it's something that occurs on a routine basis during legislative sessions.

Slide 8 refers to the agency's anticipated

contracts for the next fiscal year. They're located on pages 17 through 27 in the detail report in your board document book. We anticipate twelve statutorily required contracts, we anticipate executing 179 contracts required by the agency in performing its operations. And we've identified that the agency currently has ten contracts over \$200,000, 23 contracts between \$100,000 and \$200,000, and 146 contracts under \$100,000.

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The largest contract that we are currently working on that was recently executed was the RTS refactoring contract. As you know, we have moved forward on that. We are obligating approximately \$14 million before the end of the fiscal year, and we anticipate carrying forward \$15 million into FY '14 as we work on that major system upgrade.

And with that, I conclude my presentation and I'll be happy to answer any questions.

MR. WALKER: Thank you very much, Ms. Flores.

Do we have any questions at this point of Ms. Flores on her update of the appropriations report and the financial report?

(No response.)

MR. WALKER: Thank you very much, Linda. You did an outstanding job, as usual.

MS. FLORES: Thank you, sir.

MS. BREWSTER: Mr. Chairman, if I could just add one thing. Whitney Brewster, executive director.

At this point, this is a briefing for the board, but in the next board meeting we will request adoption of the '14-15 operating budget, just that clarification.

MR. WALKER: Will it be the same as presented today?

MS. BREWSTER: Unless there is feedback from the board.

MR. WALKER: Mr. Kuntz, you may approach.

MR. KUNTZ: Good morning. Jeremiah Kuntz, director of Government and Strategic Communications. I'm here today to give you a briefing on the 83rd Legislative Session and all of the activities that occurred that relate to the Department of Motor Vehicles and the statutes that govern our operations.

All of you know that the session began on January 8 and there were about 6,182 bills filed this session, that's bills as well as resolutions, constitutional amendments, if you will. We in the Government and Strategic Communications Division tracked approximately 654 bills that we saw that could potentially have an impact on the agency or that had a direct impact on the agency.

I want to thank all of the staff members that worked during this legislative session. We actually had regular meetings on Friday, all the division directors, as well as staff members that attended as liaisons for their divisions. They all provided very good insight and input into our process for analyzing all of those bills, and I think that we had a very productive session this session because of that. The General Counsel's Office also did a fantastic job at assisting us, helping us with drafting amendments for members that had requested changes to bills, and helping to analyze all the different bills that were being considered.

After all the dust settled and the session was over, there were approximately 50 bills that passed that have a direct impact on the agency that will require some kind of implementation activities. Those activities range from changing our technology systems, adopting rules, creating new processes and procedures, updating manuals, forms and all of those kinds of things. It will also include updating our web site and making sure that the public is informed about the different things that are going on within the agency.

We've also provided 22 bills in the final report that you will see that were provided for informational purposes. That's just to give you an idea

about other things that were going on within the state that were adopted by the legislature that don't have a direct impact on us but potentially had impacts on all state agencies or were setting policy for the state.

I'll do a quick recap. Ms. Flores covered some of the stuff that I was going to cover and so I'll try and skip over those kinds of things. In your board packet you should have a report that we've prepared for you. That report is broken down by topics. We've tried to consolidate all of the major issues into topics so that you can get a snapshot of each of our program areas and the different programs that we administer about what changed in all of those.

We will also have a more robust report that we are still finalizing at this time that will identify all of the implementation activities, the roles and responsibilities of the divisions and the personnel that will be implementing those pieces of legislation. We'll be providing that to you in the coming months. That's still under review right now. We're still trying to make sure that all those dates and implementation activities are accurate.

Ms. Flores already covered the budget so I won't rehash that. We did have some board recommendations that we offered to the legislature as operational

efficiency changes for the legislature to consider. There were four bills that those were all put into. The first bill was HB 2741, that is what was known as our clean-up bill. It was approximately 50 pages or so, and it ran the gamut on all of our programs. It had information and changes on all the different programs that we administer, Motor Carrier, Vehicle Titles and Registration, Enforcement, as well as Motor Vehicle. That bill did pass. We are in the stages of implementation on that. There were multiple implementation dates, effective dates in that bill, some of which had an immediate effect and others that have a delayed effect that will be implemented later on.

Those changes include things like clean-up to our definitions to our different programs that we administer. There were also a lot of motor carrier issues. I know, Chairman Walker, you are very aware that there were some motor carrier issues that were identified in that bill, some new permits for timber and concrete trucks. There were also some changes to enforcement of the oversize/overweight permitting, and so we will be working with industry to help assist us in implementing those provisions.

There are some changes that have occurred relating to shippers of goods, and so we'll be actively

working with the industry, TMTA, as well as shippers, to try and come up with a good procedure and policy on how to implement those provisions, those new enforcement actions. Those enforcement actions are basically the way that the statute now reads will mirror what is done on all of our motor carrier enforcement activities where the Enforcement Division would have the ability to go in and audit the books of a shipper. We'll be looking at that closely.

On the motor vehicle dealer and manufacturer licensing side of things, we had some clean-up that was in that bill as well, changing some definitions, cleaning up some statutes and cross-references. We've also adopted a new minimum license refund of \$10 for the licensees. We did not have a minimum dollar threshold in there before; now there's a minimum dollar threshold so that before it was costing us more money than the refunds or credits needed to be, and so now we'll have a minimum refund amount of \$10. Anything less than that would be credited to any licensee that has a license with us that overpaid for any reason.

There were also a couple of issues dealing with licensees that have military status, people that are coming off of active duty military service or their spouses. These provisions apply to all licensees in the state, and basically require states to give credit for any

license requirements that they had during active duty, so if they had some educational requirements that they performed during active duty, we're required to give credit to those services.

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For sunset, we're up for sunset in 2019, that did not change, however, what the Sunset Commission will look at was amended. They are now required to look at occupational licensing services and give those a more indepth look to see if they are providing a meaningful public interest or whether they provide the least restrictive form of regulation that will adequate protect the public interest. That's something that we will watch as we get closer to sunset in 2019 but it will not have an impact on us at this time.

On the motor vehicle dealer enforcement side of things, we had HB 1692 which we just discussed which transfers Lemon Law and warranty performance cases from the State Office of Administrative Hearings back to the Department of Motor Vehicles. It will not transfer, as was discussed, those dealer protest cases; the franchise cases will continue to be administered by SOAH. It also required, as Ms. Brewster alluded to, us to do mediation on all cases, Lemon Law, warranty performance, as well as dealer protest franchise cases.

There were also changes made dealing with

curbstoning. These were not in 1692 but in a separate bill, that bill was 2690. That bill was meant to crack down on curbstoners. It allows the agency to affix to the windshield of any vehicle that is being offered for sale by a curbstoner a notice to law enforcement that that vehicle may be towed. It gives law enforcement the ability to tow those vehicles and remove them from the public right of way or from wherever they're located.

On the vehicle titling and registration side of things, there were a lot of changes made to our provisions dealing with the titling and registration of vehicles.

There was a change to the survivors provisions that are on the title. We also made a lot of clarifications on bonded title provisions. We require the lien on the title to be more than ten years old and the person to be in possession of the vehicle that is applying for a bonded title.

Another substantial change that was made deals with trailers under 4,000 pounds. We now have the authority to issue a title to a trailer that's under 4,000 pounds, where we did not before. It is not a requirement for a title to be issued but it allows counties to title those trailers where the owner is interested in having an ownership document on that vehicle. We are also required, through another bill, to conduct a study on the titling of trailers that are under 4,000 pounds, all trailers. We

will be conducting that study with stakeholders to offer recommendations to the legislature on the best way to handle the titling of the trailers in the State of Texas.

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There were some changes also made on the titling dealing with branded titles. These are titles that are marked as salvage or non-repairable. There used to be jurisdiction in the municipal courts for them to change that brand and issue an order back to the county to issue a clean title. That is now removed, the municipal courts do not have that authority that is granted in the county courts as well as in the district courts, so those courts no longer have jurisdiction to issue orders on title branding.

There was also a change on the registration renewal notice dealing with the Glenda Dawson donation. Right now we have two donation blocks on our registration renewal notice, one for the veterans, the other one is for the Parks and Wildlife Department. We are required when we update our form to add another donation box for a Glenda Dawson donation.

MR. WALKER: What is that?

MR. KUNTZ: It is for the organ donation. It goes to fund their marketing and public awareness of that organization.

The other major issue, and I know Ms. Flores

alluded to this a little bit, that was adopted by the legislature, and this was in House Bill 2305, had to do with consolidating the registration and inspection stickers to a single sticker, being the registration sticker. We have a long implementation period on this. The effective date of that bill, when it finally goes into effect, will be March 1 of 2015.

We have multiple milestones between now and then where we're required to adopt rules, the Department of Public Safety is also required to adopt rules, and we are required to get our systems to talk to one another, our automation systems. We are still very much in the early stages of trying to set that up with those other organizations, but we will be working on the policies and procedures that surround how we do that. We will also have a major public awareness campaign with those agencies to educate the public about the new requirements and how they are to get an inspection and a registration.

must inspect your vehicle no more than 90 days prior to registration. Dealers will have 180 days prior to the sale of the vehicle to get the vehicle inspected, and basically the way that I believe it will work is there will be a registration block that is in place so that someone may not proceed with registration until the

inspection has been completed. That is needed in order to issue that sticker because that sticker represents both inspection and registration.

That will take a large undertaking by the agency. Obviously, Ms. Flores was alluding to our activities that we'll be ramping up in order to handle that, and I anticipate that we'll have a lot of activities and updates for the board going forward.

On the fee side of the house, there is a late title transfer penalty fee that prior to the 83rd Session accrued at \$25 per month, it was uncapped. We received a lot of complaints from constituents that had vehicles that potentially had a value less than the penalty, and we had a cap that was placed on that penalty of \$250 so that penalty will no longer run up once it hits \$250. And that is for somebody who has not transferred title when they purchased a vehicle.

We also have a couple of counties that were authorized to charge the local \$10 county road and bridge fee. All of the counties have the authority to charge a \$10 fee for the country road and bridge program, there's also what is known as a transportation mobility fee that can be added on top of that. Currently Hidalgo and Cameron counties are the only two counties that can do that. That was expanded to El Paso, Webb and Bexar. And

then there was also another bill that allowed Cameron County, who already had the authority to charge that \$10, for them to take their \$10 up to \$20 with voter approval. So there could be some potential increases in the registration fee in certain counties.

The other major piece of legislation that Ms.

Flores talked about was on our legislative agenda, and that was House Bill 2202. That bill dealt with creating the department's fund. It also allows the department to create different types of deputies and set their compensation levels, as well as the counties' compensation levels. It also created a processing and handling fee that all of those compensations would be paid out of, so the agency's operational funds would be paid out of that, as well as the counties and their deputies.

So we will be looking at that over the next biennium. I would anticipate we'll have an extensive study to look at the costs that the counties incur in processing titles and registration and make a recommendation on how that fee should be structured to make sure that we're covering all of the costs of us as well as the counties.

There are some new license plates that were adopted, in your report there's a list of those. Most of them are military plates. We also had a Foundation School

Program plate and then we had two redesigns, one for the State Official plate and the other for the Capitol plate. There were also changes in the different parking privileges that some of those military plates enjoy, and so they have expanded parking privileges for certain plates, and those would be the World War II Veteran license plates.

There were a few changes on golf carts. There are certain counties that can issue license plates for golf carts. The board was given the authority to charge a license plate fee not to exceed \$10.

There were also some changes to the disabled placard program. The changes that were identified here will allow people that are receiving treatment that are not Texas residents to apply for a temporary disabled parking placard, hanging placard, if you will, while they're being treated within the state. There were also some changes regarding the destroying of those placards. If a placard has been seized by law enforcement, law enforcement can now destroy those rather than submit those back to the department.

The other changes that were in the report dealt with our human resources, our employee pay and benefits.

There were some changes that will affect the employees in their retirement. There was an increase in pay that was

given in the budget of 1 percent in 2014 and then I believe it goes up to 2 percent in 2015. There were also some changes on the benefits that are received for employees. Really, the main change is that the contribution level has gone up or will go up in a stairstepped approach, and the agency's are also required to pay in a portion into the retirement system out of their appropriation, so it's not just an off-book appropriation that's handled by the state, agencies will have a share in paying the contribution.

Obviously, we're having our board meeting by video teleconference today. There was a bill that passed that had an immediate effective date that allowed us to have this board meeting today. It allows agencies to not have a quorum in one location. A lot of the agencies previously could perform these video teleconferences but they had to have a quorum in one location. We're no longer required to have a quorum in one location and may establish quorum by video teleconference.

Based on how well this meeting has been going today, we will report back to the legislature that we appreciate the ability to do this and that we've had success in getting a video teleconference board meeting.

With that, I'm going to entertain questions, and that completes my report.

MR. WALKER: Do we have any questions of Jeremiah?

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 $$\operatorname{MR.\ PALACIOS:}\$ This is Board Member Palacios. I have a question for Mr. Kuntz.

Good morning, Mr. Kuntz. Can you elaborate a little bit more on the new types, classifications of deputies compared to what we have now. I know we already have deputies in El Paso County, so what is this new classification that we're looking at?

MR. KUNTZ: Under current law, there are two classifications of deputies. The first is what we refer to as a limited service deputy. Those are like your grocery stores. I know here in Austin we've got H-E-B as our limited service deputies. They are limited in that they can only process registration renewals, they cannot do title work or initial registrations. You must have a renewal notice in order to utilize those services.

There are also full-service deputies. Those are an extension of the county and generally what we have are title service companies that are deputized by the county. Those entities may perform any function that the county can perform, they can do initial registration, title work, registration renewals, print duplicate receipts, all of those kinds of activities.

They are currently compensated, for limited

service deputies, \$1 per registration renewal, and for full-service deputies it is \$5 per registration renewal. What the statute did is it repealed those two sections of code and it replaced it with a new section of code that basically states that the board has the authority to create new types of deputies, set their duties and obligations, require bond requirements, as well as set their compensation levels.

The board has discretion over what types of deputies it would like to create. I know that there's been interest from the dealer community to create a new classification for a dealer deputy. That's something that could be considered. Basically, you're not limited, if you want to create different types of deputies and set different types of duties for them, you have the authority to do so through board rule.

The one provision that I will say is that all of those deputies, there is a transition period that's listed in the back of that bill and basically that transition language states that until the board adopts in rule the new types of deputies, the existing deputies will continue to operate as they have and be compensated in the way that they are currently being compensated. So you're not required to take action on that immediately, but once you do, the deputies that you create would replace the

1 deputies that are currently in statute. 2 MR. PALACIOS: Thank you, Mr. Kuntz. 3 I also have a question regarding the 4 curbstoning legislation. Try to walk me through this. 5 Which entity actually has purview over the enforcement? 6 Is this something the police department, I quess if they 7 see a vehicle that's curbstoned, would they automatically have the authority to tow it, or do they have to wait for 8 9 a DMV staff member to, I guess, tag it? MR. KUNTZ: There would be a notification 10 11 placed on the windshield, and once that notification is placed on the windshield, law enforcement would be able to 12 13 remove the vehicle by towing it. 14 MR. PALACIOS: Okay. So it would be a DMV 15 staff member that would place that notification on the 16 windshield? 17 MR. KUNTZ: Yes, sir, one of our Enforcement 18 Division employees. 19 MR. INGRAM: Could it also be a police officer 20 that placed it on the vehicle? This is Board Member 21 Ingram? 22 MR. KUNTZ: Yes, sir. As long as the notice is 23 placed on the vehicle, the vehicle may be removed. 24 Because a curbstoner is not a licensee of the department,

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we don't have authority to take administrative actions

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1 against them. Our administrative actions that Enforcement 2 has, they have the ability to find existing licensees, 3 revoke, suspend a license. Because there's no license, 4 there's limited actions that can be taken against them. 5 MR. INGRAM: So to clarify, though, there is 6 actually no need for a DMV Enforcement agent, it's really 7 a police officer can do the entire thing. Is that a correct statement? 8 9 MR. KUNTZ: Yes, sir. Our engagement in that 10 bill, our ability in that bill is for us to affix that notice if we see vehicles that are in violation, but law 11 12 enforcement obviously has the same authority. 13 MR. WALKER: How do you know a car is being 14 curbsided or whether it's just put there by a public citizen? 15 16 MR. KUNTZ: I'm going to defer to Mr. Harbeson 17 to answer those kinds of questions. 18 MR. WALKER: I mean, I understand curbsiding 19 but I don't understand how you would know my car from Mr. 20 Palacios placing a car over there. 21 MR. HARBESON: Yes. Bill Harbeson, director of 22 Enforcement. I was fortunate to work with the TIADA on this 23 24 bill, and your question came up during the legislative 25 session. The statute provides that upon determination or

probable cause -- that is, there are going to have to be facts out there, you're going to have a history of this particular seller. Either law enforcement, the agency, or the statute provides for local code enforcement would be on the site and they would look up and determine whose vehicle that is from the plates, the VIN. They would do the research on whose vehicle this is, and normally what you're going to have is a telephone number, you're going to call this guy up and say: Is this your car out there? He said, No, I sold this five years ago to so-and-so.

So the statute provides you're going to have to have facts there on the site for law enforcement, local code enforcement or one of our employees to come to the conclusion that this is a curbstoned vehicle. And then the notice goes on. I should note also that the statute provides that if the seller shows up while the officer is there under the two hours, he may still order the vehicle towed if this person cannot prove he's the legitimate owner or they're representing a legitimate owner other than by consignment -- in other words, he's not doing it as a business deal.

MR. WALKER: How much activity is there out there going on in curbsiding?

MR. HARBESON: I can't give you exact numbers, but a lot of it depends on the communities. We have some

communities who have taken a very aggressive stance and have declared this to be a public nuisance and have every successful programs. I think the association's intention here was to provide this tool to every law enforcement agency out there so they would at least have a tool to address this problem. It depends really on the community where you're going to see the activity. We have some communities where curbstoners probably outnumber our legitimate licensed dealers.

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And the real danger of this, of course, is that oftentimes there's a problem with the title, oftentimes we have no title or it's a stolen vehicle, and in almost all of the cases we have the consumer in some way hurt by this transaction. We want these consumers buying from our licensed legitimate dealers, not from these people on the street. We have a lot of problems with salvage vehicles being sold in this manner, and then the consumer ends up with a vehicle that's really unusable.

MR. WALKER: So this sticker has to be applied by a DMV Enforcement person, that's the only person that can do that?

MR. HARBESON: No, sir. The statute provides three options: the law enforcement officer, the code enforcement officer because we have some communities that have the resources to have people that engage in these

1 activities as far as looking for illegal sales, or our 2 employee. The initial draft just had peace officers, and 3 during discussions it was expanded to provide for these 4 additional people to be able to put the notice on the 5 vehicle. Only the law enforcement peace officer is authorized to order the tow. 6 7 MR. WALKER: So if Bill Harbeson takes his 8 wife's car to the Walmart parking lot and gets Walmart's 9 permission to put it for sale at the street curb out 10 there, that's a legal function. Correct? 11 MR. HARBESON: Well, I may have a problem with 12 Walmart. 13 MR. RODRIGUEZ: Private property changes all of 14 this discussion, so just kind of heads up on that. 15 MR. WALKER: So it has to be on public 16 property? 17 MR. HARBESON: It normally is, but you could 18 have, for instance, Walmart file a complaint saying 19 somebody is parking a car illegally for sale on my lot. 20 And again, some of the cities actually have codes that

MR. RODRIGUEZ: If it's on private property, like I said, private property changes all of this.

Walmart doesn't need to comply with anything, they can just have that car towed off its property, we don't want

address vehicles on private property.

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it here, it's gone. So private property changes that discussion entirely, just for the benefit of this right here.

MR. HARBESON: The chief is absolutely correct. Walmart can just say, if they have proper postings under state law, just tow it.

MR. WALKER: But if Walmart gave you permission to put the car there.

MR. HARBESON: Well, let's just move it to the private or public street. Next scenario, again, the officer, code enforcement or our employee would have to establish facts to determine that this vehicle is the subject of an illegal sale. So they would have to prove up or at least have facts available before the tow is ordered that the vehicle is not — in other words, they would call me, using the plate or whatever information they have, and say: Is this your car out here and are you offering it for sale? And if I say yes, well, I'm then not engaged in illegal activities, I'm not engaged in business as a dealer without a license.

It's kind of a tough threshold and the legislature wanted it that way so we wouldn't be towing your or my vehicle or my grandmother's vehicle. So again, there has to be a probable cause that a crime is being committed, that is the illegal act of a dealer and this

1 vehicle is the subject of that act. MR. PALACIOS: Mr. Harbeson? 2 3 MR. HARBESON: Yes, sir. 4 MR. PALACIOS: Raymond Palacios. How many of 5 your district offices actually have Enforcement personnel that could assist with this? I'm here in El Paso and we 6 7 don't have any here. MR. HARBESON: My closest investigator to you, 8 9 sir, is in Fort Stockton and he spends ever other week in 10 El Paso, that's his principal duty. And we're just 11 waiting for his wife to finish her career so we can move him into El Paso. But he was born and raised in El Paso. 12 13 But we have investigators in the Fort Worth 14 area, Houston, two offices, San Antonio, Lubbock and 15 Pharr, we have two investigators down in the Valley in the 16 Pharr office. 17 MR. PALACIOS: Okay. Thank you. 18 MR. HARBESON: Yes, sir. 19 MR. WALKER: I have a question. Why would we 20 have an investigator in Fort Stockton, Texas. 21 MR. HARBESON: That was the arrangement we made 22 with Investigator Villalobos because his wife was 23 finishing her career. He is a retired Texas Ranger and 24 she was finishing a career in Fort Stockton, and he works 2.5 out of the TxDOT office there and covers that part of the

state, but the view is eventually he's going to be moving
actually into El Paso. It's as good as we could get as
far as getting a good investigator close to El Paso.
MR. WALKER: That's a lot of traveling to do.
MR. RODRIGUEZ: Isn't El Paso a suburb of Fort
Stockton?
(General laughter.)
MR. HARBESON: You're absolutely right. We
considered that.
If there's no more questions, I'll turn this
back to Jeremiah.
MR. KUNTZ: I'm available for any more
questions.
MR. WALKER: Do we have any further questions
of Mr. Kuntz?
MR. INGRAM: I have one question. This is
Blake Ingram.
Mr. Kuntz, on the legislation to combine the
stickers, for the dealers for that matter, even, I
guess, a private citizen do they count the clock
let's just use dealers, is it 180 days to the time of sale
or to the time of transfer.
MR. KUNTZ: The bill says to time of sale.
MR. INGRAM: Time of sale. Thank you.
MR. WALKER: Mr. Palacios, do you have another

1 question? 2 MR. PALACIOS: No, I don't. MR. WALKER: Mr. Kuntz, I think that we are 3 4 through with you. Thank you very much. That was a very 5 informative report and I appreciate it. 6 MR. KUNTZ: Thank you very much. 7 MR. WALKER: And now we will listen to Ms. Brewster give us an executive director report. 8 9 MS. BREWSTER: Mr. Chairman, for the record, Whitney Brewster, executive director. 10 11 I just wanted to inform the board that the agency is working closely with TxDOT on our FY '14 12 13 interagency agreement. We presented a proposal to TxDOT 14 and received just yesterday their redlined version back and we will be looking at that closely, and we anticipate 15 16 having the FY '14 interagency agreement before the board 17 for consideration in the next board meeting. And that's 18 all I have, sir. 19 MR. WALKER: When does our MOU expire that we 20 currently have with them. MS. BREWSTER: The date is through the end of 21 22 the fiscal year, so August 31. 23 MR. WALKER: Is it August or September? 24 MS. BREWSTER: August 31. The agreement will

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remain in place until we adopt the new agreement, so it is

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through August 31 but TxDOT will continue to provide us support until we have a new agreement in place.

And I'm happy to answer any questions?

MR. WALKER: Anybody have any questions of Ms.

Brewster?

(No response.)

MR. WALKER: If not, I think that brings us kind of to the end of our meeting here, our agenda. I have a couple of other things I'd like to put up and clarify. I don't have an anticipation of having an August board meeting. I think that we've got most of the items done that we needed to get done, so we're going to take a break in August and stay at home and enjoy the heat. And the other thing is that our next board meeting is going to be September 12, and prior to that board meeting, I would anticipate that our Finance and Audit Committee is going to meet in order to prepare and have an operating budget proposal ready for us. Mr. Palacios?

MR. PALACIOS: That is correct, in addition to reviewing the audit plan for 2014.

MR. WALKER: Yes. And Ms. Ryan, I would anticipate prior to that meeting that we will also have a Project and Operations update on how the projects are going at that point in time, so your committee probably will be meeting?

1	MS. RYAN: Yes. This is Laura Ryan. We'll
2	plan to meet.
3	MR. WALKER: Thank you.
4	And I don't guess we have any public comments
5	that have come forward during today's meeting, so nobody
6	to address the board. Is that correct?
7	MS. STEENKEN: Correct.
8	MR. INGRAM: Chairman Walker, did you say the
9	date was the 12th or the 13th of September?
10	MR. WALKER: I said the 12th.
11	MR. INGRAM: That's a Thursday. Right?
12	MR. WALKER: That is correct.
13	MR. INGRAM: Okay.
14	MR. WALKER: Any other questions or comments
15	before we wind this thing down today?
16	MR. PALACIOS: Chairman Walker, Ms. Brewster,
17	I'd just like to acknowledge and thank the DMV and TxDOT
18	staff members here in El Paso, Mr. James Jessar, Jerry
19	Bustillos and Nancy Herrera, for their hospitality here.
20	They've done a great job of setting this videoconference
21	up here in El Paso and they've given me a lot of food and
22	drink here. I might just hang around here for a while.
23	They've done a great job.
24	MR. RODRIGUEZ: That's just not right.
25	(General laughter.)

MS. RYAN: We would second the support we received in Houston, so thank you very much.

MR. WALKER: Well, I think this was a pleasant surprise that it worked as well as it did. I think that we did not lose one connection back there, guys. Thank you very much. You did a wonderful job today.

(Applause.)

MR. WALKER: We were always concerned about whether we lost connectivity because we were going to have to stop the meeting and wait until we gained it back, and it could have taken anywhere from a minute to five minutes to do that. Absolutely it went without a hitch today and I would anticipate in the future that we will do more of this. I don't think it's something we're going to do on a regular basis, but I think that we can sparingly put this into our schedule for the year at some point in time.

I know when I took the job, the governor told me that this mechanism was going to be out there and that we should use that in order to avoid a lot of travel for the board members.

I'd like to thank TxDOT for all their support at all the locations out there that helped us and rendered their facilities available to us so that we could use their facilities and to use their equipment. Without their support we wouldn't have been able to do this or we

1	would have to have gone out and bought some of this
2	equipment. So it's just been a great success and thank
3	everybody that was an integral part of putting this thing
4	together.
5	With that, I'd like to entertain a motion to
6	adjourn.
7	MR. RODRIGUEZ: So moved, Mr. Chairman.
8	MR. WALKER: I have a motion to adjourn from
9	Mr. Rodriguez. I need a second.
10	MS. RYAN: Second. This is Laura Ryan.
11	MR. WALKER: So we have a second from Ms. Ryan.
12	We do not need an executive session, there's no need for
13	that today. So we have a motion from Vice Chair Ryan. I
14	have to poll the board, so how do you vote, Ms. Ryan?
15	MS. RYAN: Yes.
16	MR. WALKER: Mr. Ingram?
17	MR. INGRAM: Yes.
18	MR. WALKER: Mr. Palacios?
19	MR. PALACIOS: Yes.
20	MR. WALKER: Mr. Rodriguez?
21	MR. RODRIGUEZ: Yes.
22	MR. WALKER: Mr. Slovacek?
23	MR. SLOVACEK: Yes.
24	MR. WALKER: And I also vote to adjourn. With
25	that, we have a unanimous decision to adjourn. Unless

there's any further business, we are adjourned as of 9:52,
so actually this is probably a record time for a board
meeting, one hour and 52 minutes.

Thank you very much, everybody, for coming.

(Whereupon, at 9:52 a.m., the meeting was

6 concluded.)

<u>CERTIFICATE</u>

MEETING OF: TxDMV Board

LOCATION: Austin, Texas

DATE: July 26, 2013

I do hereby certify that the foregoing pages, numbers 1 through 80, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

 /s/ Nancy H. King 08/01/2013 (Transcriber) (Date)

On the Record Reporting 3636 Executive Ctr Dr., G-22 Austin, Texas 78731