

TEXAS ALCOHOLIC BEVERAGE COMMISSION  
COMMISSION MEETING  
MONDAY, NOVEMBER 25, 2002

The Texas Alcoholic Beverage Commission met on this date at 5806 Mesa Drive, Suite 185, Austin, Texas. Members present: John T. Steen, Jr., Chairman; Gail Madden and Kel Seliger, Members. Staff present: Rolando Garza, Administrator; Jeannene Fox, Acting Assistant Administrator; Lou Bright, General Counsel; Greg Hamilton, Chief of Enforcement; Denise Hudson, Director of Resource Management; Andrea Luna, Planner; Jim Johnson, Director of Information Resources and Vivian Rowe, Director of Human Resources. Present to receive certificates of service: Rodney Allee, Odessa; Roland Garza, Richmond; Timothy Heidtman, El Paso; Felton Pete, Houston; Felton White, Victoria; Steve Carlson, Austin; Rebecca Regalado, McAllen and Delbert Wise, Odessa. Visitors included: Glen Garey, Texas Restaurant Association; Tom Spilman, Wholesale Beer Distributors of Texas; Russell Gregorczyk, Jansen & Gregorczyk; Fred Marokso, Texas Package Stores Association; Robert Sparks, Licensed Beverage Distributors, Inc. and Logan Spence, Governor's Office.

The agenda follows:

1:30 p.m. - Call to order.

1. Recognition of employees with 20 or more years of service.
2. Approval of minutes of October 28, 2002 meeting; discussion, comment, possible vote.
3. Administrator's report:
  - a. discussion of staff reports;
  - b. recognitions of achievement;
  - c. discussion of management controls; and
  - d. ethics update.
4. Fiscal stewardship of agency; discussion, comment, possible vote.
5. Approval of the Internal Audit Report of Human Resource Systems and Controls; discussion, comment, possible vote.
6. Consider proposed new 16 TAC Chapter 32 (§§32.1 - 32.43) as published in 27 TexReg 9918-9925 on October 25, 2002; discussion, comment, possible vote. (Grant Administration)
7. Public comment.

Announcement of executive session:

8. The commission may go into executive session to consult with legal counsel pursuant to Texas Government Code, §551.071, regarding:
  - a. item number 6 of this agenda;
  - b. pending litigation;
  - c. ethical obligations under Government Code, Chapter 572; and
  - d. employee complaint of sexual harassment and any necessary and appropriate prompt and remedial action.

Continue open meeting

9. Take action, including a vote if appropriate, on topics listed for discussion under

10 executive session.  
Adjourn

The meeting was called to order at 1:31 p.m. by Chairman Steen.

MR. STEEN: I'm going to call the meeting of the Texas Alcoholic Beverage Commission to order. We want to begin with the recognition of employees with 20 or more years of service. I notice we have a good number in the enforcement area. Chief Hamilton, do you want to take the lead?

MR. HAMILTON: I certainly will.

The first agent that we have is Agent Rod Allee. Rod joined the commission on November 15, 1982 as an Agent I in our Baytown Office. During his tenure with the agency, Rodney has been stationed in numerous locations, including El Paso and Odessa. I would also like to note that we have his captain here, Joel Moreno. Congratulations on 20 years.

COMMISSION MEMBERS: Congratulations.

MR. ALLEE: Thank you.

MR. HAMILTON: Our next agent is Roland Garza - not to be confused with Rolando Garza. He is out of our Richmond outpost, and he joined the commission on November 15, 1982. During his tenure with the agency, Roland has been stationed in several locations, including Houston, San Angelo, Dallas and Galveston. I'd like to also recognize his captain, David Ferrero, and his lieutenant, Charlie Jalufka. Congratulations.

COMMISSION MEMBERS: Congratulations.

MR. GARZA: Thank you.

MR. HAMILTON: The next individual is not here today, but I would like for it to go on record. Edra Hart, currently a secretary in our Houston office, joined the commission on November 1, 1982 as a Clerk II in our Baytown office. During her career with the TABC, Ms. Hart has continually been recognized as a hardworking individual. She is a valued employee whose supervisors continuously commend her for her consistent and professional work ethic.

MR. STEEN: Please pass on to her our congratulations and appreciation.

MR. HAMILTON: I will.

The next individual is Timothy Heidtman out of El Paso. He has brought his family. Please introduce them and bring them forward.

MR. HEIDTMAN: This is my daughter, Desirae Heidtman. My namesake, Timmy Heidtman, and my beautiful wife of 14 years, Ruth Heidtman.

MR. HAMILTON: Agent Heidtman has been with the agency since 1982. He began in our Beaumont office as an Agent I. During his career with the agency, Agent Heidtman has continuously produced quality work in a consistent and timely manner. He is well liked and highly respected among the local law enforcement officials, as well as citizens in the community. Congratulations.

COMMISSION MEMBERS: Congratulations.

MR. HEIDTMAN: Thank you.

MR. HAMILTON: His supervisor is Joel Moreno.

The next individual is Felton Pete. He is an agent in our Houston office. He joined the agency on September 13, 1982 as a Clerk III in the administrative services division in Austin. In February 1984, Felton was promoted to Agent I and transferred to our Houston office. A true asset to the commission, Agent Pete continues to produce at the highest level of performance and has excelled at every position he has held with the agency. Congratulations.

COMMISSION MEMBERS: Congratulations.

MR. PETE: Thank you.

MR. HAMILTON: The next individual is Felton White, an agent out of Victoria. He joined the commission on November 15, 1982 as an Agent I in our Galveston office. Agent White is a reliable and dedicated employee who has contributed to the agency's work for 20 years. He always represents himself to the public in a courteous and professional manner. Congratulations.

COMMISSION MEMBERS: Congratulations.

MR. WHITE: Thank you.

MR. HAMILTON: The next individual was not able to attend today. It's Captain John Cullers and he is located in our Lubbock office. He joined the agency on September 15, 1977 as an Inspector I in Corpus Christi. Prior to joining the TABC, Captain Cullers was a member of the Wichita Falls Police Department. During his tenure with the commission, Captain Cullers has been stationed in several cities, including Abilene, Austin, Lubbock, Galveston and Odessa. We congratulate him on 25 years of service, and I will send your regards.

MR. GARZA: Mr. Chairman, if I could, at the risk of embarrassing the captain, he sent me an e-mail over the weekend and he wrote, "As you know, current events taking place in the Lubbock district office are both important and time sensitive at the present. I want to tell you that I am as proud to be a part of the TABC team today as I was 25 years ago." That speaks volumes of the fact that he has work to do that is timely; he would love to be here to accept the award from you, but he's a man dedicated to his job. I just want that in the record.

MR. STEEN: Thank you.

MR. HAMILTON: The next is Agent Delbert Wise. He has been with the agency since 1977. He just recently moved to the Granbury outpost. He will be working in our Dallas/Fort Worth region. A native of Wichita Falls, Delbert grew up in Bluff Dale, Texas. Prior to joining the TABC, Agent Wise worked as a police officer in Stephenville. He has his wife, Janice, here also. Congratulations.

COMMISSION MEMBERS: Congratulations.

MR. WISE: Thank you.

MR. HAMILTON: We have one more out of the enforcement division. Rebecca Regalado is an administrative technician in the agency's McAllen office. A member of the TABC since October 3, 1977, Rebecca has also worked as a stenographer and a secretary with the agency. Also, her captain, Richard Jauregui, is here. Congratulations.

COMMISSION MEMBERS: Congratulations.

MS. REGALADO: Thank you.

MS. FOX: Today, we have Steve Carlson who is the supervisor of support and quality control in our compliance department. Steve has been with us since November 15, 1977. His job title is a little bit of a misnomer

because Steve is really the nuts and bolts of the compliance department, and he keeps everything going and takes care of everybody's problem and makes sure everything is working. He has a bachelor's and a master's from Southwest Texas and we are very fortunate to have him with us. Congratulations on 25 wonderful years of service.

COMMISSION MEMBERS: Congratulations.

MR. CARLSON: Thank you.

MS. FOX: We did have three other members to be recognized today who unfortunately are not able to be with us.

Mary Kirby, an administrative technician in our Dallas office, joined the commission on October 4, 1982, as a secretary in our Dallas office. She is always very diligent in all her duties and we congratulate her on her 20 years of service.

Brian Guenther was unable to be here today. He has family business that he has to attend to. He is currently the director of our licensing department here at headquarters. He began his career with us 25 years ago as an agent. He served as an agent for several years and promoted into a position in licensing. He stayed in that position for a number of years and went back to the field to work as an agent in San Angelo. He stayed there a number of years and has had various positions in licensing since then. We congratulate him on 25 years with the TABC and over 30 years with the state as a whole.

The last one we have today is John Dale who is a compliance officer in San Antonio. He has been with the agency for over 30 years and has been in Corpus Christi, Dallas and the Austin office. He always does quality work and we expect no less of him. We send congratulations to him.

MR. STEEN: Would you make a point of conveying our congratulations and thanks to each one of them?

MS. FOX: Yes.

MR. STEEN: Thank you.

Those of you that we've honored, you are welcome to stay for the meeting. On the other hand, if you've got something else to do, we will understand. Thank you so much.

Our next item is the approval of the minutes of the October 28, 2002 meeting.

MS. MADDEN: I move approval.

MR. SELIGER: Second.

MR. STEEN: Since I wasn't there, I won't vote on this. All in favor, say aye.

MS. MADDEN: Aye.

MR. SELIGER: Aye.

MR. STEEN: Motion carries. I would like to take a moment to thank Ms. Madden for chairing the meeting. I read the minutes and she did a great job. I appreciate your leadership. Thank you for all your work in organizing the meeting and the events surrounding it.

MS. MADDEN: Thank you.

MR. STEEN: Next, we move to the administrator's report. Mr. Garza?

MR. GARZA: Mr. Chairman and Members, since we are in the process of introducing staff, I'd like to introduce one who doesn't have much longevity, but we hope he will certainly build toward that longevity and develop a career here with the TABC. I'm going to ask Jim Johnson to come forward.

He has come to us from the private sector. He was hired last week as the director of the information resources department. He's got both a bachelor's and a master's degree in computer information technology. His most recent stint was in the private sector, a company called Datum Incorporated. He has some extensive background in computers and software design and engineering. He began his career in this area in the air force.

We are pleased to have him. He's had about a week here with us to meet the staff and get an idea of where we are going with our re-engineering, and we look forward to him providing much needed leadership and guidance in that direction as we get to going downtown and trying to sell a very key element of our exceptional item request which is the M204 revamp.

MR. STEEN: I don't want to put you on the spot, but any impressions or anything you want to tell us about?

MR. JOHNSON: I'm really excited to be here. I would offer to you that it's a privilege to lead a first-rate IT team and it's a real privilege to be in government service again. When I left federal service, after retiring from the air force, I didn't imagine that I would be serving the state that I enlisted in. I am glad to be here and am looking forward to the challenge.

MR. STEEN: Thank you.

MR. GARZA: By way of some housekeeping items, the commission is scheduled to meet December 23<sup>rd</sup>. We've had some conversations about moving that meeting up, and so I would lay out before you the date that has come clear on everybody's calendar which is December the 17<sup>th</sup>, Mr. Chairman. If that is something the commission would like to address at this point, you can direct staff and we will prepare the necessary agenda to have you come to Austin and meet on December 17<sup>th</sup>.

MR. STEEN: Is that a good date?

MR. SELIGER: That's okay with me.

MS. MADDEN: That's fine.

MR. GARZA: With respect to your January meeting that is scheduled at this point for the 27<sup>th</sup>, we've had some conversations about perhaps getting you in here earlier. We are looking at Monday, January 13<sup>th</sup>, the day before the legislative session convenes downtown. It will give you an opportunity to go down and meet with some members and perhaps talk about our legislative package at that time. That's something that staff will lay out for your consideration, that the January 27<sup>th</sup> meeting be moved up to January 13<sup>th</sup>.

MS. MADDEN: We would meet in the morning or in the afternoon or what?

MR. GARZA: You would meet at the regular time at one thirty on Monday and, if you like, you can stay over and attend the opening ceremonies on Tuesday the 14<sup>th</sup>.

MS. MADDEN: All right.

MR. SELIGER: Sounds good to me.

MR. STEEN: We can talk about it in December, too, to finalize it.

MR. GARZA: The other item that I would bring to your attention centers on the fact that

Mr. Gregorczyk will be here shortly to talk to you about the HR audit. Another important audit that he and his colleagues will undertake is an audit review of our licensing process, the application procedures, how to come up with a way to reduce some of our licensing error rates. Within that audit will be some components, some objectives, that will look at possible automation opportunities within the licensing process, web based technology, to see if it hooks into the Texas On-line project, which is a Department of Information Resources project to try to automate as many state services as possible so they will be more user friendly along the lines of e-commerce and e-business. So, that's one of the components his audit will undertake.

We've done a survey that's going to be sent out statewide to our employees that are involved in the licensing process. The team, I believe, envisions going out to the field and visiting some selected offices during December and actually talking to our employees and getting their input in terms of their work, how they do their job and any suggestions or input they have with respect to improving the process.

I know, Mr. Chairman, in the past you've expressed an interest. I have spoken with you, Mr. Seliger, in terms of this whole audit and, hopefully, we will be able to come to the table in January with a report that will identify some possible areas.

Ms. Fox and Mr. Guenther, in January as part of our regular monthly activity report, will address some of the projects and some of the efforts they have got on the way now with respect to automation - imaging, microfilming and things of that nature. Hopefully, these two will hook up in tandem, and we will be able to give the board a pretty good report on where we are in terms of the whole process of licensing.

MR. STEEN: I had also mentioned to you and, of course, since I can't talk to them directly except in a meeting, I was hoping that Mr. Seliger could help us with this, with your private sector experience in running a big business. If you could stay in contact with them, your ideas and input would be much appreciated.

MR. SELIGER: I will do that. Thank you.

MR. GARZA: We will bring you an update of this audit at your December meeting.

Two other things. As you know, the agency, since 1995, has presented an award that we entitled the *Bert Ford for Sheriff Award*. It is something that Administrator Bailey started. It's named after a former administrator

of this agency who served as the administrator from 1936 to 1947. I believe he was the second administrator in this agency's history. Bert Ford spoke highly of the importance of partnering and collaborating between law enforcement agencies. So, every year since 1995, this agency has solicited nominations from employees across the state for sheriffs who have exhibited that spirit of collaboration and partnership with TABC.

This year's recipient is going to be Sheriff Mark Gilliam from Aransas County in Rockport. I believe the presentation will be made December the 9<sup>th</sup> before the county commissioners. When I spoke to the sheriff last week, his words to me were that "his feet haven't touched the ground since being notified that he would be this year's recipient." I hope that the award and the work that we do in this area continues to enhance the working relationship that this agency develops with other law enforcement groups such as Sheriff Gilliam's office.

MR. STEEN: Do we need to take action?

MR. GARZA: No, sir. I just bring that up as a point of information. We will do a press release. We will go down there and present it during the county commissioners' meeting. The sheriff will show up. The nominating staff and Lieutenant Chris Champion will come down there. Mannon Mints, who is a retired member of the staff who still helps us out with the *Bert Ford Award*, will be there. It's just an opportunity for us to thank publicly the sheriff in his own domain for the support that he gives our agents day in and day out.

MR. STEEN: When are you doing this?

MR. GARZA: December 9<sup>th</sup>. I believe it's on the county commissioners' agenda for nine a.m.

MR. STEEN: Are we giving it, the commissioners? Shouldn't we vote on it? It seems like we should. Lou?

MR. BRIGHT: You certainly can if you want to, Mr. Steen. I think it is something we can do in the normal course of events without formal action from the commission.

MR. STEEN: We don't sign the certificate?

MR. BRIGHT: No, sir, I don't think so.

MR. GARZA: No, sir, that certificate is usually signed by the administrator and the chief

of enforcement.

MS. MADDEN: Is this the award that the name of it was going to be changed?

MR. GARZA: No, that is the agency's annual employee of the year award. In recognition and honor of all the service that Allan Shivers has done for this agency, we have changed that to the *Allan Shivers Award for Excellence in Public Service*. Those awards are, in fact, presented by you all to employees here, and those are done in January.

This *Bert Ford Award for a Sheriff* is something that Mr. Bailey had developed and we started doing it back in '95, recognizing an outstanding sheriff across the state, their work with our folks.

MR. STEEN: Mr. Garza, where are you on your administrator's report? Are you just through with 3(b), is that what you just concluded?

MR. GARZA: I think I'm still under general discussion, Mr. Chairman.

MR. STEEN: I was talking with Ms. Madden and she is going to have to leave early. We've got an executive session. I was going to suggest that perhaps if you agree, we could take the executive session out of order and go ahead and do that now so that Ms. Madden can participate.

MR. SELIGER: That's great.

MS. MADDEN: That's fine.

MR. STEEN: Is that all right?

MR. GARZA: That's fine.

MR. STEEN: We can just pick up where you left off.

The commission will now go into executive session to consult with legal counsel pursuant to Texas Government Code, Section 551.071, regarding pending litigation, ethical obligations under the Government Code, Chapter 572 and employee complaint of sexual harassment and any necessary and appropriate prompt and remedial action.

The commission convened in executive session at 2:00 p.m. and reconvened in open meeting at 3:23 p.m.

MR. STEEN: The commission meeting of November 25, 2002 is now back in open session. During executive session no votes were taken, no final decisions

were made.

Ms. Madden apologizes. She had to catch a four o'clock plane, so she left during our executive session.

I guess we will pick back up, Mr. Garza, where you left off under the administrator's report.

MR. GARZA: One, is the press conference on the Fetal Alcohol Syndrome/Fetal Alcohol Effect has been scheduled for December 12<sup>th</sup> in San Antonio. I know you have played a big role in getting this information to First Lady Perry and she will be the keynote speaker at that press conference.

MR. STEEN: Her office picked the date and the location. They wanted to do it in San Antonio.

MR. GARZA: We will be in contact with her office with respect to logistics and the press release but, certainly, I wanted to bring that to the attention of Mr. Seliger and Ms. Madden in the event you have time on your schedule to attend that press conference.

MR. SELIGER: The date again, please?

MR. GARZA: Ten o'clock on December 12<sup>th</sup> in San Antonio. The location has not yet been determined. We certainly extend an invitation to any and all members from the industry to join us. I know they have been supportive and have placed information regarding this campaign in their trade association publications.

MR. STEEN: Mr. Garza, the thought is to do that at a restaurant?

MR. GARZA: Yes, sir.

MR. STEEN: Okay.

MR. GARZA: The last item, Mr. Chairman, we have had some conversations, you and I as well as my broaching the subject with the other commission members, of an annual report. The last report was done by this agency in 2000. We've had some conversations among staff about the possibility of updating that and putting out a publication.

These are samples of some other agencies' which we have got our hands on through the work of Ms. Hudson and some of her staff. I just wanted to bring that up as a discussion piece for you all to provide myself and other members of the staff with some direction as to what is your will with

respect to us putting together a publication of this nature and having it readied by the opening of the session on January 14, 2003.

The last time the agency did this publication, I believe we printed about 1,000 of them and we spent roughly 1,900 dollars. I think I told the chairman, because of our staffing currently, I'd have to defer a project like this and try to bring in somebody from the outside to help with the preparatory work and the publication. We would probably look at getting it printed through an inter-agency contract with the Department of Health, or somebody like that, depending on their availability and the turnaround time.

MR. STEEN: Have you talked to Mr. Garza about this?

MR. SELIGER: Yes. I've looked at the samples he has of various agency reports.

MR. STEEN: I was looking at some of the others that are obviously more expensive than the one we did. What did you say those cost?

MR. GARZA: I would venture, Mr. Chairman, just from my past experience in working with annual reports, that if you are looking at a publication like this, it would run you between 5,000 and 7,500 dollars.

MR. STEEN: That's the printing cost and does that include the outside help?

MR. GARZA: The total project. We wouldn't be looking at producing a massive quantity again in terms of distribution.

MR. STEEN: I'd really like to have something like that. I think it would help us in the session.

MR. SELIGER: I think so, too. I think sort of a summary, because we get the monthly reports and we sort of know what's going on when it comes to that, and what we are looking to present is factual, empirical information. I kind of like the lower price deal just because it's a lower price and, in the end, the information is going to be the same.

MR. GARZA: Some of these are undoubtedly a far greater quality in terms of their layout and the graphics and the printing process. I will note that the Texas Parks and Wildlife, the copy that's here before you, this is not printed at state expense. They have a foundation that allows them to do this great work, and that's not something that's available to us at this point. We would have to delve into our budget to do that but, most certainly, if it's the will of the commission for us to explore the production of a publication that is not quite to the degree of the four-color process with fancy binding and

die cuts and all these other elements that Parks uses, but certainly something a little bit more presentable, we would look to give that a shot.

MR. STEEN: I think because of the time line - and I wish Ms. Madden was here - I'd like to say go forward with that. I don't know if we need formal action or if we can take formal action today on it.

MR. GARZA: If it's your will, then I will say, Mr. Chairman, we need to move on that right after people come back from the Thanksgiving holiday.

MR. STEEN: Can we just give him the general direction?

MR. BRIGHT: I think that's entirely appropriate, Mr. Chairman, for him to understand what your interest is and to go out and produce the kind of information you need to make a decision at your next meeting.

MR. STEEN: If we are trying to get it done before the session starts, that's...

MR. GARZA: We would need to be well started on this project by the time you come back to town on December 17<sup>th</sup>.

MR. SELIGER: In terms of factual information, we know precisely what factual information will go in it, and I think that ought to be collated and in some form already laid out by then.

MR. GARZA: I think the contents will be pretty much driven by what we did last time and what most of these reports have, which is a recap of the highlights from when we last talked about our performance in this publication and bring us up-to-date. It would be roughly from September of 2000 to the current time and highlight some of the agency's accomplishments, whether it's in licensing or compliance, the ports of entry program, enforcement, fiscal affairs and any other area we wish to bring before the reading audience, as to things we would want to draw attention to.

MR. STEEN: We were talking earlier about the Texas Parks and Wildlife Foundation. I just happened to be meeting this morning with the president of that foundation. Would you look into what that is and if it's something...if Parks and Wildlife has something like that, can we do something like that for our agency? I assume it's a nonprofit group that's really apart from the agency that then is able to raise funds and do things to assist the agency.

MR. GARZA: I will talk to the agency director tomorrow morning at a breakfast that we gather the last Tuesday of the month for and he usually attends. So, I will visit with him about getting some background information on the

foundation.

MR. STEEN: They've got a really high quality report.

MR. SELIGER: It is beautiful.

MR. STEEN: Somebody might say you are spending state money on it, but if you flip to the back of it, it says, "Not printed at state expense." It's done by the foundation.

MR. GARZA: That's all I have. I believe that we would like to defer - at the risk of hurting Mr. Bright's feelings - defer his presentation to your December meeting.

MR. STEEN: I think that's a good idea. Ms. Madden had to leave and we've had some things come up that have taken a good bit of time.

MR. GARZA: I know she would want to be in on that, and I know Lou had indicated to me he wouldn't want to do it twice.

That's all I have.

MR. STEEN: The next item is fiscal stewardship of the agency. Is that Ms. Hudson?

MS. HUDSON: Yes. We provided information for you this time on our teleconferencing project. We received some money from the Comptroller's Office through a SECO grant which has enabled us to purchase some equipment that allows us to do teleconferencing between four locations at a time. We have saved quite a bit of travel money and man hours on travelling by being able to use that equipment.

The other thing that we took a look at, and provided you information on, was claims and judgments. Most of those in the workers' comp area are from injuries due to accidents, contact with communicable diseases or strains from on the job duties.

We also looked at our HUB numbers. Through the efforts of the field offices for the last quarter, our numbers are up with regards to commodity purchases. We are at 35 percent and we have exceeded the state goal of 12 percent there.

MR. STEEN: Any questions?

MR. SELIGER: None.

MR. STEEN: Thank you, Ms. Hudson.

MS. HUDSON: You're welcome.

MR. STEEN: The next item is the approval of the Internal Audit Report of Human Resource Systems and Controls.

MR. GREGORCZYK: I will try to be brief since your meeting is running a little longer. This was actually our last audit for the last fiscal year. We finished most of the field work in August and issued a draft report, but it took us four or five weeks to work through the report with the staff and then we missed your meeting in September.

The purpose of this audit was really to look at the human resource policies to make sure that they are in compliance with all relevant statutes, look at the human resource operations of that unit and essentially to make sure the human resource policies are being followed in actual practice.

Briefly, I will say that we didn't find any problems with the policies. We did have some suggestions. We use a guide produced by the State Auditor's Office, and they have all kinds of recommendations about what goes in your policy manual. Certainly, you could change your policy manual ad infinitum and probably never get it quite right, but we did have some suggestions and some language clarification which staff has indicated they will look at at the next update.

We looked at the recruitment and selection process. We didn't find any problems or issues there at all. The classification compensation system, we had no suggestions there. We did look at the employee performance appraisal process. It appears to be effective, but it's not based on what we call specific job requirements. It's more based on things like knowledge of the job, quality of work, etcetera. Many of the agencies have moved toward a more measurable, very specific job requirements and their appraisals are based upon that so we have a recommendation there. We looked at the training program and...

MR. STEEN: Where is that recommendation? What page is that on?

MR. GREGORCZYK: The recommendations are on page four. I'm on page three right now. I'm just kind of giving you the highlights of our results.

MR. STEEN: The one that you just talked about, where is that?

MR. GREGORCZYK: It's bullet two on page four. I don't know if your pages are numbered like mine, but in my report, it is page four. "The Human Resources

Department should develop a performance appraisal manual which could be used..." - I'm sorry, that's not it.

MR. STEEN: It's the next one. "The Human Resources Department should investigate the employee appraisals system used by other state agencies and make a recommendation to management regarding implementation of a performance appraisal process that is based on specific requirements of the job."

MR. GREGORCZYK: The management response to that is that the State Auditor's Office is developing an appraisal system and they think it's going to be one they are going to share with all agencies, at least on a pilot basis - is that right, Vivian?

MS. ROWE: Yes.

MR. GREGORCZYK: And they want to wait and see what the State Auditor's Office recommends before they attempt to address this issue. I don't know what the time line is on that as far as the State Auditor's Office.

MS. ROWE: They don't have one.

MR. STEEN: I thought the same thing about the forms that we use, that we could really improve upon those. I hope we will.

MR. GREGORCZYK: The trend for most of the agencies that I look at is toward more very measurable, very specific things that you can measure and weigh versus what the commission uses right now.

MR. STEEN: The form that we use, where did that come from?

MR. GARZA: I think that form, Mr. Chairman, was developed back in 1992. It was a combination of taking a look at other agency's.

MR. STEEN: Then it's our own form? It's not a state form?

MR. GARZA: It's not a State Auditor's Office adopted form. Pretty much, every agency over the course of the years, has developed its own performance appraisal system.

MR. STEEN: Thank you.

MR. GREGORCZYK: Let me talk about some of the other recommendations. Again, as I already mentioned, we had some, what I would call, clarifications to the policy manual. I believe the response was if there is anything legally that

we need to do, we will make those changes but, otherwise, we will look at them at our next revision. We did recommend that since you have field offices all over the state that your guidelines on how to do a performance appraisal probably ought to be accessible through some kind of training manual and guideline and probably on the web site so that supervisors will have a resource when they get ready to do those appraisals.

Your time accounting system is good but it's pretty labor intensive, so we suggested that perhaps you should look at some other options. There is a particular product that some of the agencies have gone to. It's a product call People Soft, and we suggested that the fiscal services department at least investigate that. I think it is a fairly expensive piece of software, but we thought probably that's something that could be looked at. We didn't find any problems with it but, like I say, it's very labor intensive.

A very minor finding, there is a requirement that certain things not be put in your personnel files or that you keep separate personnel files. I think probably through oversight, more than anything else, one of the things you are not supposed to put in there are photographs, and we had some personnel files that had the driver's license with the photograph. I don't think HR ever thought that was a problem, but things like that, we thought they should go back and double check the personnel files.

I guess in a nutshell, we felt like things are in very good shape, really. These are all fairly minor recommendations. I do suspect that the recommendation with respect to the performance appraisal is the one I would consider is the one most significant in my opinion. Overall, we certainly didn't have any problems. I will be glad to respond to any questions.

MR. STEEN: Mr. Seliger, any questions?

MR. SELIGER: I have no questions at all. Thank you.

MR. STEEN: Ms. Rowe, do you have any comments?

MS. ROWE: No, sir. I'm fairly well pleased with it. I knew it would go okay, so I have no problem with it.

MR. STEEN: The unique thing we do is we have to evaluate our administrator, so we encountered that form that we are using. It's the same one you use for everybody. Is it called the Employee Evaluation Form?

MS. ROWE: Right. Our response to that was that the auditor's office is working on one that they might pilot statewide. We thought it was not time management wise effective for us to go off on one vein when they were working on

something else.

MR. STEEN: If you could address that because we thought that form was so generic it really didn't...don't you agree, Mr. Seliger, that it wasn't really that helpful to us?

MR. SELIGER: I felt it was pretty generic. Will we be required to use such form if the state prepares one for all agencies?

MS. ROWE: That hasn't come out. My understanding is they might decide that would be something that we could utilize and maybe tailor it or tweak it to allow for our internal things that we wanted to capture.

MR. SELIGER: Okay.

MS. ROWE: They had a similar problem. There are so many state agencies doing different things so they were trying to get us all on one page and one line.

MR. STEEN: You are going to monitor that closely?

MS. ROWE: Yes.

MR. STEEN: Good. Thank you.

MS. ROWE: I spoke with them a couple of weeks ago, after you brought that up, to see where they were. They are just saying they are still working on it.

MR. STEEN: Thank you. Any other questions?

MR. SELIGER: I don't have any.

MR. STEEN: Thank you very much.

MR. GREGORCZYK: We are, as Mr. Garza said, we've been working about a month now on this licensing audit, and we will hopefully have something by the end of December for your January meeting. I'm hoping that's what we will do.

MR. STEEN: Thank you very much.

The next item is to consider new proposed 16 TAC Chapter 32, Sections 32.1 to 32.43, as published in *27 Texas Register*, pages 9918-9925 on October 25, 2002. It deals with grant administration.

MR. GARZA: Mr. Chairman, we have Ms. Andrea Morrozoff Luna here who is our grant's administrator and our planner, and she will be laying that out for us.

MS. LUNA: Like you said, this was published on October 25, 2002 and there were no public comments received. I did have another internal review of the proposed rules and, as you can see, there are some amendments made to a couple of the sections. It's not qualitative. It's just to clarify what we want to the subgrantees. With the further internal review, I feel that these rules are pretty clear now. There were no public comments, and these rules are necessary as we need them to govern the administration of federal passthrough grants through the Office of Juvenile Justice and Delinquency Prevention. We recommend you adopt the proposed rules with these amendments.

MR. STEEN: Any questions?

MR. SELIGER: Mr. Chairman, if there are no further questions, I move the passage of the proposed rules with changes as noted.

MR. STEEN: I second. Any further discussion? All in favor, say aye.

MR. SELIGER: Aye.

MR. STEEN: Aye. Motion carries.

The next item on the agenda is public comment. I have no cards up here. Any public comment? Hearing none, we move to the last item on the agenda - take action, including a vote if appropriate on topics listed for discussion under executive session.

MR. SELIGER: Mr. Chairman, under item nine, I move that the commission counsel be directed to take such prompt and remedial action as described in item eight, paragraph (d).

MR. STEEN: Second. Any discussion? All in favor, say aye.

MR. SELIGER: Aye.

MR. STEEN: Aye. Motion carries.

Do I hear a motion to adjourn?

MR. SELIGER: So moved.

MR. STEEN: Second. The meeting is adjourned.

The meeting adjourned at 3:42 p.m.