

EXECUTIVE DIRECTOR
Edward L. Johnson



Texas Facilities Commission

CHAIR
Betty Reinbeck

COMMISSIONERS
Malcolm E. Beckendorff
James S. Duncan
Virginia Hermosa
Victor E. Leal
Barkley J. Stuart

Minutes No. 7 Minutes of the March 19, 2008, Public Meeting of the Texas Facilities Commission in Austin, Travis County, Texas.

After providing notice as required by the Texas Open Meetings Act, the Texas Facilities Commission held an open meeting at the Central Services Building, 1711 San Jacinto Boulevard, in Conference Room 402, Austin, Texas, on Wednesday, March 19, 2008, commencing at 10:00 a.m. The following were present, and Chair Reinbeck presided:

Members Present

Betty Reinbeck	Chair
Malcolm E. Beckendorff	Commissioner
James S. Duncan	Commissioner
Virginia Hermosa	Commissioner (Arrived at 10:20 a.m.)
Barkley J. Stuart	Commissioner

Members Absent

Victor Leal	Commissioner
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Staff Present

Edward Johnson	Executive Director
Kay Molina	General Counsel
Mark Scott	Director, Internal Audit
Patricia Perme	Internal Audit
Kristy Wheeler	Internal Audit
Luis Arellano	Chief Financial Officer
Stephen Thomas	Deputy Executive Director for Administration
Gregg Werkenthin	Deputy Executive Director for Space Management
James Barrington	Director, Facilities Management Division
David Mascorro	Facilities Management Division
Richard Ehlert	Procurement Manager/HUB Coordinator
Mark Widaski	Director, Facilities Design and Construction
Susan Maldonado	Legal Services Division
Lisa Calem-Lindström	Legal Services Division
Crystal Nelson	Legal Services Division
Mike Blackwell	Marketing

Mark Trott	Facilities Design & Construction
Ashley Holt	Leasing Division
Courtney Lamza	Executive Administration
Kristen Blank	Executive Administration
Stacy Viator	Fiscal
Amy Schoenfeld	Fiscal
Rico Gamino	Records Management
Eva Dechene	Records Management
Jose Capurro	Grounds Maintenance
Victor Green	Maintenance
Darrell Woodard	Maintenance
Donnice Estrada	Maintenance
Jefferson Ransom	Maintenance

Guests

Lissa Adams	Jamail & Smith
David Ancira	Texas Comptroller of Public Accounts (CPA)
Carl Blake	Texas Comptroller of Public Accounts (CPA)
Christina Bryant	TIBH Industries Inc.

I. Call to Order.

Chair Reinbeck called the meeting to order and introduced and welcomed the newest Commissioner, Malcolm E. Beckendorff of Katy, Texas, to the Texas Facilities Commission.

I. Presentation of Service Awards.

Service awards were presented to the following TFC employees:

Victor Green	Fifteen Years of Service (Maintenance)
Darrell Woodard	Ten Years of Service (Maintenance)
Jefferson Ransom	Ten Years of Service (Maintenance)
Rico Gamino	Five Years of Service (Records Management)
Jose Capurro	Five Years of Service (Grounds Maintenance)
Donnice Estrada	Five Years of Service (Maintenance)

III. Approval of the Minutes from the February 20, 2008 Open Meeting.

The Commission voted unanimously to approve the minutes from the previous meeting with a motion made by Commissioner Stuart and a second to approve the motion made by Commissioner Duncan.

IV. Public Comment.

There were no public comments.

V. Award of Lease Recommendations and Summaries.

A. (1). Leases and/or Amendments Pending Execution with Commencement Date on or after March 19, 2008.

Renewals

1. #6874 – Health and Human Services Commission/Department of Family and Protective Services: Bryan, TX.
2. #20079 – Department of Assistive and Rehabilitative Services: Arlington, TX.
3. #1058 – Department of Assistive and Rehabilitative Services: Athens, TX.
4. #8743 – Department of Family and Protective Services: Longview, TX.
5. #10371 – Office of the Attorney General: El Paso, TX.
6. #1110 – Texas Commission on Environmental Quality: Abilene, TX.
7. #1376 – Department of Family and Protective Services: Arlington, TX.
8. #7429 – Health and Human Services Commission: Dallas, TX.
9. #8073 – Health and Human Services Commission: Weslaco, TX.
10. #10186 – Health and Human Services Commission/Department of Family and Protective Services: Kingsville, TX.

Add Space

11. #10280 – Health and Human Services Commission/Department of Family and Protective Services: Dallas, TX.
12. #7707 – Texas Department of Agriculture: San Antonio, TX.
13. #10289 – Office of the Attorney General: Austin, TX.

New Leases

14. #20182 – Texas Parks and Wildlife Department: College Station, TX.
15. #303-8-10736 – Department of Family and Protective Services: Brownsville, TX.

(2). Leases and/or Amendments Pending Execution with Commencement Date before March 19, 2008.

Renewals

1. #9084 – Health and Human Services Commission: Amarillo, TX.

Gregg Werkenthin highlighted lease renewal Item #4 (8743) regarding the renewal of a lease for the Department of Family and Protective Services in Longview. Mr. Werkenthin noted that although the agency has 69 FTE's the lease only allocates 62 parking spaces. However, most of the agency's FTE's work in the field and, therefore, the agency is comfortable with the allocation.

Mr. Werkenthin also highlighted Items #8 (7429) lease renewal and #11 (10280) renewal with add space. Although both of the lease properties are on Ledbetter Drive in Dallas, Texas, there is a disparity in the market rate. The lease properties are separated by IH-35 in two different

parts of town with a 3 to 4 mile distance between the properties and the difference in rate represents the submarket for different areas of Dallas.

Chair Reinbeck requested that Mr. Werkenthin brief Commissioner Beckendorff on the history behind the Health and Human Services Commission leases and Mr. Werkenthin provided a brief history on HHSC leases as requested.

The Commission unanimously voted to approve the above leases and/or amendments with the motion to approve made by Commissioner Duncan and a second to approve the motion made by Commissioner Beckendorff. Commissioner Hermosa was not present for the vote.

VI. Consideration and action to approve publication of notices in the *Texas Register* concerning completion of agency rule review of Title 1, Chapter 122 (Texas Facilities Commission; Facilities Space Planning) of the Texas Administrative Code by readoption with amendment and proposed rule amendments for public comment.

The Commission unanimously voted to approve the publication of the notices in the *Texas Register* concerning completion of agency rule review of Title 1, Chapter 122 (Texas Facilities Commission; Facilities Space Planning) of the Texas Administrative Code by readoption with amendment and proposed rule amendments for public comment, with the motion to approve made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Stuart.

VII. Consideration and possible action to adopt administrative policies for the Texas Facilities Commission.

Chair Reinbeck began the discussion on this agenda item by stating that it was her intent that the Commission discuss the policies at this meeting and vote on this item at the next scheduled meeting. Thereafter, the Commission discussed the policies with the focus of the discussion on the policies regarding the scheduling of Commission meetings and the dollar amounts for delegated authority to the executive director to execute contracts.

VIII(A). Status report from Internal Auditor, Mark Scott.

Mark Scott gave a brief overview of the agency's internal audit program to the Commission. Mr. Scott outlined the laws related to the internal controls over the safeguarding of assets, financial reporting, and compliance as well as the standards in which audit work is completed. In addition, he discussed how the agency creates its annual audit plan including examples from the FY 2008 Audit Plan, the issuance of audit reports and what is included in such reports, and recent external audits that have been conducted at the Commission by outside agencies.

VIII(B). Report from the Executive Director and executive staff on facilities design and construction projects, facilities leasing, and facilities operations and maintenance.

Executive Summaries

Edward Johnson stated that the agency has unprecedented volumes of work and expectations from client agencies. He noted that 4 years ago, the agency had \$6.4 million of deferred

maintenance funding and the current funding level is \$82 million, \$64 million of which is pure deferred maintenance outside of the Stephen F. Austin Building renovation. Additionally, it was noted that the Texas Department of Public Safety has 12 new projects equaling \$200 million of work. Finally, Mr. Johnson noted that the agency is working with the Texas School for the Blind and the Visually Impaired (TSBVI) to design and construct the next phases of the master plan for the TSBVI campus equaling \$62 million of work.

Gregg Werkenthin provided a brief monthly status report regarding facilities leasing and the program. Regarding site visits of lease spaces, Chair Reinbeck informed the new commissioners that the agency's regional lease officers conduct site visits of leased space to ensure that the accommodations are clean and safe for the employees of our client agencies.

Mark Widaski answered questions regarding projects included in the Monthly Facilities Design and Construction Status Reports. It was noted that significant archeological issues have delayed the DPS Waco Texas Rangers Headquarters project. In answering questions on the Texas School for the Blind and Visually Impaired project, Mr. Widaski confirmed that 60% of the design phase for the project has been completed. Chair Reinbeck directed staff to provide the new commissioners the information detailing the phases of the project that had been presented to the Commission at a previous meeting.

James Barrington presented the Monthly Facilities Maintenance Division Status Reports. He informed the Commissioners that there were no significant developments since the last Commission meeting, but made note that the updated chart in this month's report includes a chart using the BOMA standards. It was noted that BOMA standards are used in order to have a standard for comparisons, but private industry standards are not a perfect fit for state-owned property management.

IX. Report from the Chief Financial Officer on the January 2008 Financial Report.

Luis Arellano presented a brief financial update to the Commissioners. Mr. Arellano informed the Commissioners that as of the end of the month the agency had 305 FTEs. In addition, he reported a shortfall in the utility budget and noted that the agency reports shortfalls monthly to the LBB. Mr. Arellano informed the Commissioners that the agency has outsourced a custodial contract but that no reduction of work force was necessary due to retirements and employees that have been redeployed to other properties. Finally, Mr. Arellano informed the Commissioners that \$3.6 million was transferred to the state treasury through parking fees and the state surplus property program.

X. Recess into CLOSED session pursuant to the Texas Government Code under Chapter 551 for the following purposes:

A. Pending and potential litigation, Section 551.071.

B. Personnel matters, Section 551.074.

C. The duties, roles, and responsibilities as Commissioners of the Texas Facilities Commission, Section 551.074.

D. The deliberation regarding purchase, exchange, lease, or value of real property, Section 551.072

E. All matters identified in this agenda where the commission votes unanimously that deliberation in an open meeting of business and financial issues relating to a contract being negotiated would have a detrimental effect of the position of the State in negotiations with a third person and in which the General Counsel has issued a determination in writing, Section 551.0726.

F. Any matters identified in this agenda where the Commissioners seek the advice of their attorney, Section 551.071.

Chair Reinbeck recessed the meeting at 1:01 PM for the Commissioners to convene in Executive Session.

XI. Reconvene in open meeting and consider action on matters discussed in Executive Session.

Chair Reinbeck reconvened the meeting at 2:49 PM.


XII. Consideration and possible action, if necessary, on any issue discussed during Executive Session.

No action was taken.

XIII. Adjournment.

Chair Reinbeck adjourned the meeting at 2:50 p.m.


Reviewed and
Submitted by:



Kay Mojna
General Counsel

Approved by the Commission on the 16th day of April, 2008.

By:



Betty Reinbeck
Chair