

EXECUTIVE DIRECTOR
Edward L. Johnson



Texas Facilities Commission

CHAIR
Betty Reinbeck

COMMISSIONERS
Malcolm E. Beckendorff
William D. Darby
Virginia Hermosa
Victor E. Leal
Barkley J. Stuart

Minutes No. 12 Minutes of the October 15, 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, August 20, 2008, commencing at 10:00 a.m. The following were present, and Chair Reinbeck presided:

Members Present

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| Betty Reinbeck | Chair |
| Malcolm E. Beckendorff | Commissioner |
| Derek Darby | Commissioner |
| Victor Leal | Commissioner |
| Virginia Hermosa | Commissioner |
| Barkley Stuart | Commissioner |

Staff Present

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| Edward Johnson | Executive Director |
| Kay Molina | General Counsel |
| Mark Scott | Director, Internal Audit |
| Stephen Thomas | Deputy Executive Director, Administration |
| Luis Arellano | Chief Financial Officer |
| Gregg Werkenthin | Deputy Executive Director, Space Management & State Leasing Services |
| Jamie Barrington | Director, Facilities Management Division |
| Bill Bonham | Deputy Executive Director, Facilities Design & Construction |
| Susan Maldonado | Legal Services Division |
| Crystal Nelson | Legal Services Division |
| Lisa Calem-Lindstrom | Legal Services Division |
| Tiffany Harry | Legal Services Division |
| Kristy Fierro | Internal Audit |
| Mike Blackwell | Publications & Media |
| Jorge Ramirez | Director, Energy Management & Plant Operations |
| Mark Trott | Facilities Design & Construction |
| John Goodrich | Internal Procurement |
| Myra Beer | Internal Procurement |
| Marti Walsh | Facilities Design & Construction |

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| Dennis Petras | Facilities Design & Construction |
| John Raff | Facilities Design & Construction |
| Carl Roell | Facilities Design & Construction |
| Lisa Birchfield | Facilities Management |
| Karl Oberlander | Facilities Design & Construction |
| David Mascorow | Facilities Design & Construction |
| Kelsey Peeler | Executive Administration |
| Ashley Holt | Leasing |
| Lisa Hardin | Executive Administration |
| James Woods | Facilities Design & Construction |
| Taquita Nelson | Facilities Design & Construction |
| Mike Greene | Facilities Design & Construction |
| Toby Marks | Facilities Management |
| Sarah English | Facilities Design & Construction |
| Eva Dechene | Records Management |
| Catherine Camp | Human Resources |
| Tommy Oates | Risk Management & Safety |
| Luis Green | Facilities Management |
| Nelson Thompson | Facilities Management |
| David Carlton | Facilities Design & Construction |
| Tharuna Khilathi | Facilities Design & Construction |

Guests

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|----------------|---|
| Bill Daugherty | Texas School for the Blind & Visually Impaired (TSBVI) |
| John Daude | Texas School for the Blind & Visually Impaired (TSBVI) |
| David Ancira | Texas Comptroller of Public Accounts (CPA) |
| Matt Allen | Walton Construction |
| Jim Brown | Satterfield & Pontikes Construction, Inc. |
| Trevor Brown | Satterfield & Pontikes Construction, Inc. Legislative Budget Board |

I. Call to Order. Chair Reinbeck called the meeting to order.

II. Presentation of Service Awards.

| | |
|-----------------|--|
| Frank Cruz III | Five Years (Minor Construction) |
| Colin Gresham | Five Years (Internal Procurement) |
| Toby Marks | Five Years (Building Management & Tenant Services) |
| Taquita Nelson | Five Years (Building Management & Tenant Services) |
| Carl Roell | Five Years (Maintenance & Plant Operations) |
| Nelson Thompson | Ten Years (Maintenance & Plant Operations) |
| Luis Green | Fifteen Years (Maintenance & Plant Operations) |

Chair Reinbeck introduced the new Commissioner Derek Darby to the other Commissioners and staff and welcomed him to the Texas Facilities Commission.

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

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

IV. Election of Vice Chair.

Commissioner Beckendorff nominated Commissioner Leal to continue to serve the Commission in the capacity of Vice Chair. Commissioner Stuart made a second to approve the nomination and the Commission unanimously voted to approve the nomination.

V. Public Comment. There were no public comments.

VI. Award of Lease Recommendations and Summaries.

Extensions

1. #10610 – Health and Human Services Commission: Austin, TX.
2. #20191 – Soil and Water Conservation Board: Temple, TX.

Renewals

3. #1131 – Department of Family and Protective Services: Granbury, TX.
4. #7104 – Health and Human Services Commission: Houston, TX.
5. #9179 – Health and Human Services Commission/Department of Aging and Disability Services/Department of Family and Protective Services: Carrizo Springs, TX.
6. #10245 – Health and Human Services Commission/Department of State Health Services: Falfurrias, TX.
7. #9785 – Department of Assistive and Rehabilitative Services: Alvin, TX.
8. #6374 – Health and Human Services Commission: Baytown, TX.
9. #9389 – Health and Human Services Commission: Schertz, TX.
10. #10410 – Health and Human Services Commission: San Diego, TX.
11. #10364 – Health and Human Services Commission/Department of Family and Protective Services/Department of Assistive and Rehabilitative Services: Beeville, TX.

Add Space

12. #9172 – Department of Assistive and Rehabilitative Services/Department of Family and Protective Services: Sherman, TX.
13. #10631 – Department of Aging and Disability Services/Department of Assistive Rehabilitative Services/Department of Family and Protective Services/Health and Human Services Commission: Abilene, TX.
14. #9643 – Department of Assistive and Rehabilitative Services: McKinney, TX.
15. #8516 – Department of Family and Protective Services/Health and Human Services Commission: Grand Prairie, TX.
16. #10289 – Health and Human Services Commission: Austin, TX.
17. #303-8-10985 – Department of Family and Protective Services: McAllen, TX.

New Leases

18. #20210 – Department of Public Safety: Fort Worth, TX.
19. #20211 – Health and Human Services Commission/Department of Family and Protective Services: Columbus, TX.

20. #20209 – Department of Family and Protective Services: Houston, TX.
21. #303-8-10871 – Health and Human Services Commission: Levelland, TX.
22. #303-8-11691 – Department of Family and Protective Services: Athens, TX.
23. #303-8-10683 – Department of Family and Protective Services: Lubbock, TX.

The Commission unanimously voted to approve the above leases and/or amendments with the motion to approve made by Commissioner Stuart and a second to approve the motion made by Commissioner Beckendorff.

- VII. Consideration and possible action to approve a construction contract award for the Texas School for the Blind and Visually Impaired Main Instructional Building and Public Square Buildings, Project No. 06-006H-0771, Austin, Texas.** Project Manager Karl Oberlander gave the Commissioners a project status update and provided a few drawings of the overall project. The Commission unanimously voted to approve the award of a construction contract to Walton Construction in the amount of \$28,991,000 for the Texas School for the Blind and Visually Impaired Instructional Building and Public Square Buildings, Project No. 06-006H-0771, Austin, Texas, with a motion made by Commissioner Stuart and a second to approve the motion made by Commissioner Beckendorff.
- VIII. Consideration and possible action to approve a construction manager-at-risk contract award for the Texas Department of Public Safety Houston Crime Laboratory, Project No. 08-007-0405, Houston, Texas.** Dennis Petras gave the Commissioners a brief status update on the current project. The Commission unanimously voted to approve the award of a construction manager-at-risk contract award to Satterfield & Pontikes Construction Inc. in the amount of \$1,096,360 for the Texas Department of Public Safety Houston Crime Lab, Project No. 08-007-0405, Houston, Texas, with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Darby.
- IX. Consideration and possible action to approve publication of notices in the Texas Register concerning completion of agency rule review of Title 1, Chapter 126 (Texas Facilities Commission; Surplus and Salvage Property Programs) 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 notices in the Texas Register concerning completion of agency rule review of Title 1, Chapter 126 (Texas Facilities Commission; Surplus and Salvage Property Programs) of the Texas Administrative Code by readoption with amendment and proposed rule amendments for public comment with a motion made by Commissioner Hermosa and a second to approve the motion made by Commissioner Darby.
- X. Consideration and possible action to propose new rule, Texas Administrative Code, Title 1, Section 116.14, entitled "Vending Machines; Mandatory Energy-Savings Devices," and to approve publication of the proposed rule in the Texas Register.** The Commission unanimously voted to approve the publication of a notice in the Texas Register proposing a new rule on vending machines to be designated as Texas Administrative Code, Title I, Part 5, Section 116.14 with a motion made by Commissioner Darby and a second to approve the motion made by Commissioner Stuart.

XI. Consideration and possible action to adopt administrative policies for the Texas Facilities Commission. The Commission discussed the following administrative policies covering meeting procedures and real estate transactions:

- I.a. Procedure For Executive Session.
- I.b. Procedure For Public Comment.
- II.a. Leasing Agreements.
- II.b. Easements, License Agreements, And Joint-Use Agreements For The Use Of State Property.
- II.c. Delegation Of Approval Of Certain Real Estate Transactions.
- II.d. Review Of Unsolicited Proposals.

The commission unanimously voted to approve these policies effective immediately with a motion made by Commissioner Beckendorff and a second to approve the motion made by Commissioner Stuart.

XII. Consideration and possible action to approve the FY 2009 Internal Audit Annual Plan. The Commission voted unanimously to approve the FY 2009 Internal Audit Annual Plan presented by Mark Scott with a motion made by Commissioner Leal and a second to approve the motion made by Commissioner Beckendorff.

XIII. Report from the Executive Director and executive staff on facilities design and construction projects, facilities leasing, facilities operations and maintenance, and energy management.

Division of Energy Management: Executive Director Edward Johnson introduced the new Director of Energy Management Plant Operations, Jorge Ramirez, and Mr. Ramirez gave a brief presentation regarding the division and its plans to take the agency to the next level of energy efficiency with respect to operations, maintenance, and construction, and to implement energy procurement strategies. Mr. Ramirez and his staff plan to help identify and implement practical ways of managing resources with a commitment to continuous improvement.

Facilities Design & Construction (FDC): Bill Bonham gave a status update for facilities design and construction regarding staffing and space issues. Mr. Bonham stated that it was the goal of the division to have a full staff of 45 or 50 total FDC employees by the 1st of next year including additional engineers, architects and field staff. Edward Johnson then gave a brief update on the status of the Governor's Mansion. Mr. Johnson stated that the project is nearing the end of the stabilization phase and that upon completion of this phase, Commission involvement should end and the State Preservation Board will continue with all restoration efforts.

Facilities Management Division (FMD): Jamie Barrington updated the Commissioners on the impact of Hurricane Ike and the minor damage to a few State properties in the Houston area. In addition, Mr. Barrington reported the following: (i) there has been an 18% increase in work orders from 2007 to date; (ii) 92% of the Fire Marshall Report deficiencies have been corrected; (iii) the Minor Construction division has completed 649 projects this fiscal year; and (iv) there has been a definite decrease in complaints from tenants.

Leasing: Gregg Werkenthin recognized Lease Officer, Bob Bugnand, for his efforts in Hurricane Ike damage assessment and updated the Commission on the leases impacted by the hurricane in the affected areas.

- XIV. FY 2008 Administration Briefing from the Deputy Executive Director for Administration.** Stephen Thomas gave a brief summary from FY 2008 that included: (i) workforce injury numbers have stabilized; (ii) the severity of injuries has been dramatically reduced; and (iii) the majority of vacancies in the agency are for the skilled craft positions in the Facilities Management Division and professional positions in Facilities Design & Construction. Mr. Thomas also provided a brief summary of the FY 2009 Administrative Initiatives and upcoming goals and introduced the Administration Division Program Managers.
- XV. Report from the Chief Financial Officer on the monthly financial report update.** Luis Arellano provided the monthly financial report including the agency forecast, monthly operating expenditures, year-to-date budget adjustments, cost recovery program results, revenue forecast, and a list of financial transactions that are not included in the operating budget. Regarding the Federal Surplus Program, Mr. Arellano reported that the Program has donated about \$2.4 million dollars of Federal government surplus property such as generators, camping equipment, and first aid kits, among other items, in order to help those in need due to Hurricane Ike. As with prior months, the projected budget shortfall for September is due to utility costs and the data consolidation project.
- XVI. Monthly Status Report from Internal Auditor, Mark Scott.** Mark Scott gave the Commissioners a brief update on the current audit reports and management letters that were distributed with the Commission meeting materials. Mr. Scott informed the Commissioners that there are no external audits at this time.
- XVII. Recess into CLOSED session, if necessary, pursuant to the Texas Government Code under Chapter 551 for the following purposes:**
- A. Pending and potential litigation, Section 551.071.**
 - B. The Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of the Executive Director and Executive Management Staff, 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.**

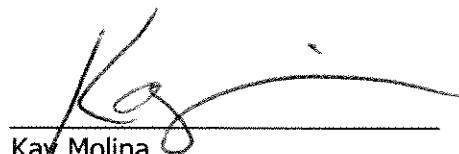
Chair Reinbeck recessed the meeting at 11:57 a.m. for the Commissioners to convene in Executive Session.

XVIII. Reconvene in open meeting and consider action on matters discussed in Executive Session. Chair Reinbeck reconvened the meeting at 1:04 p.m.

XIX. Consideration and possible action, if necessary, on any issue discussed during Executive Session. No action was taken.

Adjournment. Chair Reinbeck adjourned the meeting at 1:41 p.m.

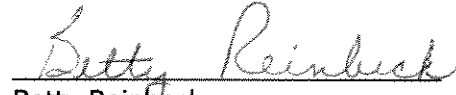
Reviewed and
Submitted by:



Kay Molina
General Counsel

Approved by the Commission on the 17th day of December, 2008.

By:



Betty Reinbeck
Chair