

**CHAIR**

Robert D. Thomas

**COMMISSIONERS**

William D. Darby

Patti Jones

Mike Novak

Jack W. Perry

Betty Reinbeck

**EXECUTIVE DIRECTOR**

Harvey Hilderbran

**TEXAS FACILITIES COMMISSION**

Minutes No. 81: Minutes of the March 23, 2016 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 23, 2016, commencing at 10:00 a.m. Chairman Thomas presided, and Commissioners Novak, Reinbeck, and Perry were also present. Commissioner Jones and Darby were absent.

**I. Call to Order.**

Chair Thomas called the meeting to order at 10:03 a.m.

**II. Service Awards**

The following employees were recognized for their state service by the Commission.

Melvin Noble	Twenty five years (Risk Management, Key Controls)
John Valencia	Thirty five years (Planning and Real Estate Management, Grounds and Landscaping)
Tony Ontiveros	Twenty years (Facilities and Design Construction, Minor Construction)
Ken Hulin	Thirty years (Planning and Real Estate Management, Facilities Maintenance)

The following employee retired and was recognized for his state service by the Commission.

Stephen Huber	Twenty seven years (Planning and Real Estate Management, Space Planning)
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**III. Approval of the minutes from the February 17, 2016 Open Meeting.**

The Commission voted unanimously to approve the minutes from the previous meetings with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Perry.

**IV. Public Comment.**

There was no public comment.

**V. Program Presentations.****1. Texas School for the Deaf Master Plan.**

Mr. Peter Maass, Deputy Executive Director of the Planning and Real Estate Management Division, gave a presentation on the Texas School for the Deaf master planning process.

**2. Overview of TFC Energy Management.**

This agenda item was passed and will be presented at the April meeting.

**VI. Award of Lease Recommendations and Summaries.**

**Leases and/or Amendments Pending Execution with Commencement Date on or after March 23, 2016.**

**Replacement Leases**

- I. Lease #303-7-20527 – Health and Human Services Commission/Department of Aging and Disability Services: Pasadena, TX:**

The Commission voted unanimously to approve the above leases with a motion to approve made by Commissioner Novak and a second to approve the motion made by Commissioner Perry.

**VII. Consideration and possible action to approve a construction contract amendment for TFC's 2012-13 statewide deferred maintenance for Indoor Air Quality Repairs, Project No. 12-027-6424.**

The Commission voted unanimously to approve a construction contract amendment for TD Industries, Inc. in the amount of \$9,309.00 for TFC's 2012-13 statewide deferred maintenance for Indoor Air Quality Repairs, Project No. 12-027-6424 in Austin, Texas, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Perry.

**VIII. Consideration and possible action to approve a construction manager-at-risk contract amendment for TFC's 2014-15 mechanical system improvements, repairs, and retrofits for the Robert E. Johnson Building, Project No. 14-004-6454; the William P Clements, Jr. Building, Project No. 14-006-6456; the DSHS Old Plant, Project No. 14-008-6458; and the Robert D. Moreton Building, Project No. 14-019-4107, in Austin, Texas.**

The Commission voted unanimously to approve a construction manager-at-risk contract for Balfour Beatty Construction, LLC, in the amount of \$1,269,200.00 for TFC's 2014-15 mechanical system improvements, repairs, and retrofits for the Robert E. Johnson Building, Project No. 14-004-6454; the William P Clements, Jr. Building, Project No. 14-006-6456; the DSHS Old Plant, Project No. 14-008-6458; and the Robert D. Moreton Building, Project No. 14-019-4107, in Austin, Texas, with a motion made by Commissioner Perry and a second to approve the motion made by Commissioner Novak.

**IX. Consideration and possible action to adopt the 2016 Texas Capitol Complex Master Plan, Project No. 15-018-0805 in Austin, Texas.**

The Commission voted unanimously to adopt the 2016 Texas Capitol Complex Master Plan, Project No. 15-018-0805 in Austin, Texas, with a motion made by Commissioner Reinbeck and a second to approve the motion made by Commissioner Novak.

**X. Consideration and possible action to approve publication of notices in the Texas Register concerning completion of agency rule review related to Texas Administrative Code, Title 1, Part 5, Chapter 111, Administration, by readoption with amendments and concurrent publication of proposed rule amendments for public comment.**

The Commission voted unanimously to approve the staff recommendation to close the rule review of Texas Administrative Code, Title 1, Part 5, Chapter 111, by readoption, with amendments to amend Chapter 111 and to publish notice of the amendments and new rule for public comment in the Texas Register, with a motion made by Commissioner Perry and a second to approve the motion made by Commissioner Reinbeck.

**XI. Consideration and possible action to adopt the amendment to Texas Administrative Code, Title 1, Part 5, Chapter 116, Property Management Division, Section 116.3, Maintenance, Repairs, and Modifications, and to approve publication of the adopted rule in the Texas Register.**

The Commission voted unanimously to approve the staff recommendation to adopt the proposed rule amendment to Section 116.3 of Title 1, Part 5, Chapter 116 of the Texas Administrative Code and to publish notice of the adopted rule in the Texas Register, with a motion made by Commissioner Novak and a second to approve the motion made by Commissioner Perry.

**XII. Consideration and possible action to approve publication of notices in the Texas Register concerning completion of agency rule review related to Texas Administrative Code, Title 1, Part 5, Chapter 126, State Surplus and Salvage Property, by readoption with amendments and concurrent publication of proposed rule amendments for public comment.**

The Commission voted unanimously to approve the staff recommendation to close the rule review of Texas Administrative Code, Title 1, Part 5, Chapter 126, by readopting Chapter 126 with amendments and to publish in the Texas Register public notice of the adopted rule review and the proposed amendment for public comment, with a motion made by Commissioner Perry and a second to approve the motion made by Commissioner Reinbeck.

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

Mr. Harvey Hilderbran, Executive Director, provided an update on the solicitation status of the master architect and construction manager agent contracts and that staff plans to bring both contracts for approval at the June Commission meeting. Mr. Hilderbran also informed the Commission that TPFA is scheduled to give final approval on TFC's revenue bonds on April 7<sup>th</sup> followed by a Bond Review Board final approval on April 19<sup>th</sup> and the 28<sup>th</sup>; all three meetings are public meetings. In addition, Mr. Hilderbran informed the Commission that substantial progress has been made on the HR audit implementation regarding updating all job descriptions and reinstituting annual evaluations of employees.

Mr. Hilderbran also informed the Commission that the latest quarterly report due to the Joint Oversight Committee on Government Facilities has been turned in and the next meeting is scheduled for June. The House Appropriations Committee has as interim charge to evaluate deferred maintenance and the physical plant needs of State buildings and to evaluate the appropriate funding mechanism and timing that should be used to address ongoing maintenance needs. The Committee expects to hold a hearing on the interim charge in late July.

Lastly, all TFC employees are registered for the required contract manager training class and should all be certified by June.

**XIV. Report from the Commission Work Groups.**

**1. Report on the Energy Management and Water Conservation Program.**

Commissioner Novak informed the Commission that the Energy Work Group met on Tuesday March 22, 2016, and heard a presentation by the firm that was selected to perform an energy savings performance contract. The commissioner also informed the Commission that he is very pleased with the progress the agency is making on energy efficiency, that it is building a good foundation for the energy program and that it is starting to seeing measurable results. Commissioner Novak also discussed the challenges of funding for cost avoidance.

**XV. Report from the Chief Financial Officer on the monthly financial report update.**

Mr. Bill Monroe, Chief Financial Officer, made a presentation on the monthly financial report including the agency forecast, operating expense report, year to date budget adjustments, cost recovery programs results of operations, the revenue forecast, and the financial transactions and appropriations not included in the operating budget.

**XVI. Monthly Status Report from the Director of Internal Audit:**

- a. Discussion of the Review of Building Access, Project # 20160102.
- b. Review and discussion of the Internal Audit Activities Report for the quarter ending February 29, 2016.

Ms. Amanda Jenami, Director of Internal Audit, provided a report Review and discussion of the Internal Audit Activities Report for the quarter ending February 29, 2016. Discussion on Item a. was done in Executive Session.

**XVII. Discussion of Commission organization, policies, procedures and new initiatives.**

There was no discussion on this item.

**XVIII. Consideration and possible action to approve a merit increase for the Director of Internal Audit.**

No action was taken on this item.

**XIX. Discussion of access to records and systems by Internal Audit staff.**

The Commission had a discussion on the access to records and systems by Internal Audit staff and directed to the Executive Director to work with the Director of Internal Audit and the Director of Human Resources on the proper access to personnel systems.

**XX. Recess into CLOSED session, if necessary, pursuant to Texas Government Code Chapter 551 for the following purposes:**

Chair Thomas recessed the meeting to convene in Executive Session at 11:48 a.m.

- 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 The duties, roles, and responsibilities as Commissioners of the Texas Facilities Commission, Section 551.074.
- c. The deliberation regarding purchase, exchange, lease, or value of real property, Section 551.072.
- d. 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.
- e. Any matters identified in this agenda where the Commissioners seek the advice of their attorney, Section 551.071.
- f. The deliberation regarding a security audit, Section 551.076.

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

Chair Thomas reconvened the meeting at 2:32 p.m.

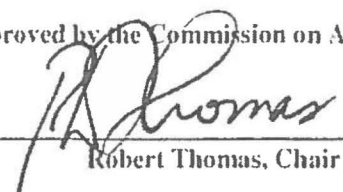
**XXII. Adjournment.**

Chair Thomas adjourned the meeting at 3:15 p.m.

Reviewed and Submitted:

By:   
Roy Molina, General Counsel

Approved by the Commission on April 20, 2016.

By:   
Robert Thomas, Chair