

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Board of Directors

WORKSHOP and PUBLIC HEARING

August 18, 2021

The Board of Directors of the Galveston Central Appraisal District convened for a Workshop at 2:00 PM and was followed immediately with a Public Hearing on Wednesday, August 18, 2021, at 9850 Emmett F. Lowry Expressway, Ste. A. Texas City, Texas to review and discuss the District's Proposed 2022 Operating Budget.

Members present: Don Gartman
Bruce Clawson
Scott Brast
Chad Tressler
Cheryl E. Johnson, member ex officio

Members absent: Tom Farmer

Guests in Attendance: Chief Appraiser Tommy Watson, Deputy Chief Appraiser Krystal McKinney, Executive Assistant Lauren Frame, Director of Finance and Administration Bertha Curry, GCAD Staff Attorney Nick Perez, and Adams, City Manager of Santa Fe.

WORKSHOP

1. OPEN SESSION

With a quorum present, Chairman Don Gartman called the workshop to order at 2:00 PM. The meeting had been duly called. The public meeting notices for the workshop, public hearing and regular meeting were properly posted in accordance with the Open Meetings Act; Texas Government Code: Chapter 551.

2. Welcome Guests

The Chairman welcomed the guests and stated that if anyone would like to speak, they will be given the opportunity to do so at the public hearing.

3. Review and Discuss Galveston Central Appraisal District's Proposed 2022 Operating Budget.

The Chairman asked the board if there were any items they would like to discuss and Mr. Brast asked if Mr. Watson would like to make any remarks. Mr. Watson stated yes and began by saying that the salaries went up by an increase of 7% and that is with adding 3 new employees next year plus the merit raises. The insurance went up 12% and that is because once we reached 50 employees, we were not considered a small business any longer so the prices went up. Mr. Tressler asked if the health insurance has the same benefits every year for the employees and Mr. Watson stated yes and that to cut some costs, we increased the insurance deductible to \$4,000. The Chairman stated he noticed the Appraisal Review Board expenses went up 19%, Mr. Watson stated that we continue to have more protests each year so the ARB expenses will continue to go up as well as the postage due to the mail out of the hearing notices and board orders. The Chairman moved on to the legal fees and Mr. Watson stated we

had 160 lawsuits for 2020 and so far for 2021 we have 50+ suits already filed. What we are doing different this year from last year since we have Nick here now is, as soon as those suits come in Nick is filing an answer so that we are not having to go to the attorneys out of office as much and if we do get the lawsuits that he cannot handle then we will send those out. The Chairman stated he wants to try and settle the lawsuits in house as quickly and as possible as we can to see a lot more of these lawsuits dissolve. Mr. Perez stated he is working with the outside council and Mr. Watson to devise some strategies to expedite these cases. Mr. Clawson stated to his understanding the cases that are already in the system with the outside council should trickle out with Mr. Perez filing answers and these should diminish over time. Mr. Clawson stated we're getting hammered with the cost of the outside council charging us per minute so anything we can do to handle this in house would benefit us. Mrs. Johnson asked if we are winning any lawsuits because all the ones in 2020 that were settled, we lost. Mr. Watson stated those suits were settled in house and Mrs. Johnson asked if we should stop sending the lesser dollar amount suits to the outer council and handle them ourselves to have an impact on lowering the legal fees. Mr. Watson stated that even with the in-house attorney we will still have cases that will need an expert for an appraisal so we will still have money going to an outside source.

4. Adjournment

The Chairman called the meeting to adjourn and the workshop concluded at 2:23 PM.

PUBLIC HEARING

1. OPEN SESSION

At 2:24 PM, the board reconvened for a Public Hearing concerning the District's Proposed 2022 Operating Budget.

2. Review and Discuss Galveston Central Appraisal District's Proposed 2022 Operating Budget

The Chairman began by stating that the board discussed this during the workshop and opened up the floor to the public.

3. Comments from the Public.

Santa Fe City Manager, Glen Adams stated he is here representing his citizens that are being hit with a 14% increase. We would rather see the leftover money go towards training the appraisers so that they can have the accuracy that we would rather have in the appraisals. Mr. Adams stated he would love for an appraiser to actually come and look at his house, but right now there is no faith or trust that the appraisers are actually doing what they need to be doing, so the City of Santa Fe is stating that maybe some of that \$400,000 needs to go towards training. This is all said to state that City of Santa Fe is asking that the money go towards training the appraisers instead of towards legal fees and that it is advertised to the community so that they know what is being done. Mr. Watson stated we received a letter from the Mayor of Santa Fe, Jason Tabor, and the Chairman read it into record. The letter stated that the City of Santa Fe recommends not amending the 2021 budget and that the CAD returns to money to the cities so that they can support their citizens. The Chairman asked Mr. Watson to explain the situation the CAD is in with the State of Texas and what it is they require from us. Mr. Watson stated the Comptroller sends an appraiser out every other year and they perform a review of what we do to see what percentage of market value we are appraising property at, we are required by law to be at least at 95% market value, if we fall below that for more than a 2-year period than the schools could lose their funding. The CAD collects sales information all year long to make sure we are within that 5%. The appraisers don't go out to every single property every year, we don't have the

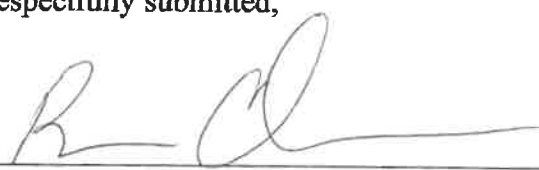
man power for that, what we do is we will go out to the subdivisions and if a permit is taken out or anything has been added we go out and look at those things. The appraisers will go out, measure a house and add it to the tax rolls. When we get ready to send out notices the appraisers are analyzing sales by subdivisions and if we have a number of sales in a subdivision that show the percentage at 90% then we will go up that 5% to get us to where we need to be. So, there is more than just one (1) person looking at that piece of property, you have the appraiser out looking at the ground of that property, but you have several people in the office that go through sales and analyzing it then it goes to the Deputy Chief and Chief Appraiser to make sure that the schools are not going to lose any funding. We've been in trouble with the State for the schools for a number of years because the State feels we are too low on values. The CAD will protest the Comptroller's findings just like the property owners protest their values. Mr. Franzke stated even though citizens complain and the public notices go out about the tax rate hearings, over the years he has not seen more than a handful of people in attendance at these hearings when these entities either raise the tax rates or lower it a penny or two then hide behind the CAD appraisals because they bring in so much income. Mrs. Johnson stated that we may not see so many people show up to the tax hearings now because of the new taxation database. That if the government entities, like Galveston County are entering their proposed tax rates than people can pull up their accounts to see their estimated taxes and immediately give input in an email. Mr. Adams asked when the state evaluates the values the CAD sets and Mr. Watson stated once we get through with our hearings and set our values then the Comptroller comes in late in the year and will determine where we are at percentage wise. Mrs. Johnson stated HB.148 will increase the margin of error for the Property Value Study; we got that through the House with 131 votes, they wouldn't hear it on the Senate side, but what we're trying to do now is get Senator Taylor to file in public education on the Senate side so that when the Democrats do come back it will pass through and the House can wave it through and that will increase that margin error 10% and take the pressure valves off the CAD, that will be the solution. Mr. Watson stated as far as training our appraisers, anybody new that we bring in has to go through 5 years' worth of training that is put on by the Comptroller's office and they have so many classes as well as 2 different level exams that they have to take and pass to be an RPA and after that is attained, they still have classes afterwards to get re-certified every year, so all of our appraisers are well qualified in this district.

4. Adjournment

Chairman Gartman stated that with no further questions or comments to be heard he would like a motion to adjourn the public hearing.

At 2:55 PM, Mr. Clawson **MOVED** to adjourn the Public Hearing. Mr. Brast **SECONDED** the motion. The motion **PASSED UNANIMOUSLY**.

Respectfully submitted,



Bruce Clawson
Secretary

Approved:

A handwritten signature in cursive script, appearing to read "Don Gartman", written over a horizontal line.

Don Gartman
Chairman