

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Regular Meeting of the Board of Directors June 9th, 2021

The regular meeting of the Galveston Central Appraisal District Board of Directors was held Wednesday, June 09th, 2021 at 9850 Emmett F. Lowry Expressway, Suite A, Texas City, Texas.

Members present: Donald Gartman
Bruce Clawson
Tom Farmer
Chad Tressler
Scott Brast
Cheryl Johnson; Ex Officio Member

Others present: Chief Appraiser Tommy Watson, Director of Finance & Administration Bertha Curry, Executive Assistant Lauren Frame, Deputy Chief Appraiser Krystal McKinney, In house Staff Attorney Nick Perez, Taxpayer Liaison Officer Norman Franzke and Appraisal Review Board Chairman Leroy Ellis.

1. OPEN SESSION

With a quorum present, Chairman, Donald Gartman called the meeting to order at 4:00 PM. He stated that the meeting had been duly called and the public meeting notice was properly posted in accordance with the Open Meetings Act, Texas Government Code; Chapter 551. He asked the attendees to join in the Pledge to the Flag of the United States, followed by the Pledge to the Texas Flag.

2. Welcome Guests and Comments from the Public.

There were no comments at this time.

3. Review and Consider Approval of the Minutes from the May 12th, 2021 meeting.

There were no changes or comments.

Mr. Brast **MOVED** to accept and approve the minutes from the May 12th, 2021 board meeting. Mr. Tressler **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

4. Review and Consider Approval of the Financial Report for the period ending May 31st, 2021.

There were no questions or comments from the board.

Mr. Tressler **MOVED** to accept and approve the financial report for the period ending May 31st, 2021. Mr. Clawson **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

5. Review and Consider Report of the Taxpayer Liaison Officer for the month of May 2021.

Mr. Franzke stated 9 emails were received during the month of May and there were some other emails he was copied in on but they did not need any action on his part. Mr. Franzke stated he met with Mr. Watson and Mr. Stephenson regarding a couple changes to the CAD website and stated they worked out a way to bring attention to the video showing what it is the appraisers do for the CAD and the other was to include a dropdown link that lists the eligibility information for the online appeals for the property owners to read. Mrs. Johnson stated it was mentioned to her that the online appeal does not give the option to file for unequal value or market value and wanted to be clear that it does give that option, Mrs. McKinney stated it only gives those 2 options on the online appeal.

6. Review and Consider Report of the Appraisal Review Board for the month of May 2021.

Mr. Ellis stated the Appraisal Review Board met on May 28th, 2021 and 15 late protest hearings were denied while 1 was granted. There were no supplemental rolls to approve at that time. The Board heard 432 formal protests during the month of May 2021.

7. Review and Consider the Appraisal Staff Report for the month of May 2021.

Mrs. McKinney stated the appraisal department is busy working on settling the residential, business personal property and commercial protests. As of today, June 09, 2021 there are a total of 56,000+ protests that have been received. Out of the 6,051 online protests, 2,142 have been settled and closed while 377 were rejected and 548 have current offers pending. Mrs. Johnson thanked Krystal for the online statistics and asked when the industrial protests will be heard, Mr. Watson stated the hearings will be held June 28th and July 12th. Mr. Watson added that the online appeals are not done during the business day, the appraisers are in the office by 6:30AM and leaving well after 7/7:30PM to get these online appeals completed.

8. Review and Consider the Staff Attorney Pending Litigation Report for the month of May 2021.

Mr. Perez stated that out of the 2020 lawsuits filed we are 2/3 of the way through them and everything so far is in the discovery process and has some sort of end date scheduled. 20 cases have motions pending, and almost all of those were filed by the CAD. 1 case for 2021 was filed and a discovery was sent. We did receive notice that one of the high value properties intends to appeal but at this time we have not received anything.

9. CLOSED EXECUTIVE SESSION

At **4:15PM**, Chairman Gartman announced the board's adjournment into closed executive session called in accordance with Chapter 551.074 of the Texas Government Code.

❖ *Section 551.074 [Pending Litigation]*

10. RECONVENE IN OPEN SESSION

At **4:18PM**, the members of the board reconvened in open session. There was nothing to discuss and the Chairman moved on to the Chiefs report.

11. Consider and Approve the 2021 Budget Amendment.

The Chairman announced the board has reconvened in an open session and under the open meetings act; section 551.074, the board discussed the legal fees and our budget. Mr. Clawson read in Resolution 1-2021 to amend the 2021 approved budget increasing the budgeted legal fees from \$600,000 to \$958,799. Mrs. Johnson asked what this amendment process will be, Mr. Watson stated the amendment will take the excess funds of \$358,799 from the 2020 budget and add it to the 2021 legal fees line item to make it that \$958,799. After we amend the budget, we then will mail out a letter to all the entities and they have 30 days to approve or disapprove and after that 30-day period we can spend that money. For it to be disapproved it will have to be disapproved by a majority of the taxing entities and if they do not respond it will be accepted.

Mr. Clawson **MOVED** to approve the 2021 Budget Amendment. Mr. Farmer **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

12. Consider and Approve Adopting the Reserves Policy.

Mr. Watson stated that this resolution concerns the reserve funds that the district has in excess which is currently \$3 million. We do not have a policy so we are going to adopt a policy today to keep those funds because there will be circumstances where we will need the funds. Mrs. Johnson asked that the likelihood of risks is addressed because we've never had a reserves policy and stated that she is asking the board to reconsider a policy of 3 months instead of 6 months, because at 6 months it makes the

reserves over \$3.2 million and I've never known the CAD to spend that much before. Mr. Watson stated what he wants to do today is pass this resolution for this year and next year we will come in with a new resolution for 4 months. Mr. Clawson asked the Chairman if the board can revisit this policy in 6 months opposed to a year and discuss it further, as it will help get a better idea of what we will need. The Chairman asked that the motion be read in. Mr. Perez stated the proposed policy would amend the portion of the board policy dealing with the approval of the CAD budget and add a paragraph below the adopting procedures for budget approval. Which will read as follows; The board of directors shall require the Chief Appraiser to maintain, within the CAD budget, a reserve fund, for operation of the appraisal office. The amount of the reserve fund shall be equal to six (6) months of the total annual budget for the applicable year. Mr. Clawson stated the only thing he would add is that we will revisit this in a few months and Mr. Tressler stated he doesn't think that is something we can put into the language of the policy but we can attach an action to it stating that we will revisit this in a few months.

Mr. Clawson **MOVED** to approve Adopting the Reserves Policy as is. Mr. Brast **SECONDED** the motion. The motion **PASSED UNANIMOUSLY**.

13. Chief Appraisers Report

Mr. Watson stated there are 56,000 protests this year and that is the most the CAD has received, last year it was 51,000 which was the most then. We are running through them quite a bit and I do not think we will have any issues certifying by July 20th. The Chairman asked if there is a possibility of some of those protests turning into lawsuits as well and Mr. Watson stated yes some of those will turn into lawsuits. Another thing Mr. Watson brought up was the funds that were put into the Texas Term in August of 2019 and as of today it's only earned \$3,162 and we need to look into doing something with this. Ms. Curry stated as of 2019 the daily yield of Texas Term was 1.92 and as of today it is at 0.03. We would like to put it into the money market since it is paying 0.50 and will make more money. The Chairman asked if the boards authorization was needed and said if not to go ahead. This completed the Chiefs report.

14. Comments from the Board of Directors

There were no comments at this time from the board.

15. Correspondence

There was no correspondence at this time.


16. Set Date of Next Regular Meeting.

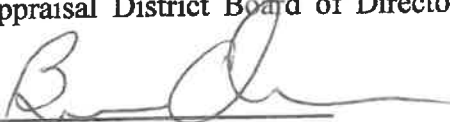
Wednesday: July 14th, 2021 at 4:00PM.

17. Adjournment

The regular business meeting of the Galveston Central Appraisal District Board of Directors was adjourned Wednesday, June 09th, 2021 at 4:45PM.

Respectfully Submitted,

Approved: 
Donald Gartman
Chairman


Bruce Clawson
Secretary