

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Regular Meeting of the Board of Directors May 12th, 2021

The regular meeting of the Galveston Central Appraisal District Board of Directors was held Wednesday, May 12th, 2021 at 9850 Emmett F. Lowry Expressway, Suite A, Texas City, Texas.

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

Members absent: Bruce Clawson

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, Appraisal Review Board Chairman Leroy Ellis, Whitley Penn Audit Manager Patrick Simmons and Humberto Gomez

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.

Humberto Gomez stood and stated he was speaking regarding the agenda item 13, comments from the board of directors. He was not aware that the Texas Open Meetings Act allows the board to have a deep discussion on an item in a closed executive session; they can listen to the items but cannot determine a decision while in the executive session because that can lead to a decision that tax payers are not aware of. The Chairman stated we do have a legal right to go into an executive session to discuss matters under certain conditions. Mrs. Johnson stated that she believes Mr. Gomez thinks that the board and chief appraiser comments is included under the executive session and it is not so that discussion will not be in private.

3. Review and Consider Approval of the Audit Report for 2020 as presented by the District's Auditors.

Patrick Simmons stood and stated he is the senior manager representing the Whitley Penn audit today. Mr. Simmons stated that the board should have received the report as well as a 3-page letter that outlines Whitley Penn's responsibilities. Our responsibility is to issue an opinion that the financial amounts are materially correct and can be relied upon by the public. We did not identify any issues or findings that needed to be corrected. On page 1 the opinion is issued as Unmodified, which is the highest level and that's a clean opinion. On page 9 is the balance sheet as of December 31, 2020, there is about \$3 million in unassigned fund balance which is about half a year in expenditures so that's a healthy position to be in. Lastly page 31 shows your pension plan overtime and the district is at 92% which is very healthy and a good position to be in. Mrs. Johnson asked if any of our financial policies specify an amount of what our reserves should be, typically its 3 months of maintenance and operations, is that something that we should consider? Mrs. Curry stated it should be considered and we've always kept 3-4 months in reserve. Mrs. Johnson stated so the total budget divided by 12 times 3-4 months, so were probably above that right now, so we should be refunding the entities do we have a plan to do

this? Mr. Watson stated that will be discussed later on. Mr. Farmer thanked Ms. Curry and Mr. Watson for keeping such a clean report and stated he is glad that we do have some surplus. Mr. Watson thanked Ms. Curry and the board members clapped for her work.

Mr. Brast **MOVED** to accept and approve the 2020 Audit Report. Mr. Farmer **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

4. Review and Consider Approval of the Minutes from the April 14th, 2021 meeting.

There were no changes or comments from the board.

Mr. Farmer **MOVED** to accept and approve the minutes from the April 14th, 2021 board meeting. Mr. Tressler **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

5. Review and Consider Approval of the Financial Report for the period ending April 30th, 2021.

There were no questions or comments from the board.

Mr. Brast **MOVED** to accept and approve the financial report for the period ending April 30th, 2021. Mr. Tressler **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

6. Review and Consider Report of the Taxpayer Liaison Officer for the month of April 2021.

Mr. Franzke stated there were 7 emails for the month of April. Most emails were inquiries of how to submit an online appeal and Mrs. McKinney was able to assist in answering those. There was 1 "atta boy" email for Amanda Balusek's customer service. There was an email from an attorney in Clear Lake that had some square footage discrepancies in several neighborhoods and how this all transpires on our website, I pointed out that there is a video on our website that introduces what the appraisers do and how the process works. There was 1 email that stated our online appeals were unfair, misleading and discriminate, I sent the tax code explanation regarding the online appeals and directed them to the State Comptrollers information to send in a complaint. The Chairman asked Mr. Franzke if there is a way that we can familiarize our customers with the website and how to go a bout navigating it? Mr. Franzke stated that he is not sure, different CADs have websites that are laid out different and throw out information all over the place. Mr. Franzke stated that the attorney email even mentioned that several of her clients didn't even know we had a website. Mr. Farmer asked if the website is listed on the notices and Mr. Watson stated yes, it is listed.

7. Review and Consider Report of the Appraisal Review Board for the month of April 2021.

Mr. Ellis stated the Appraisal Review Board met on April 23, 2021 and a supplemental roll was approved and that they heard 2 formal protests for the 2020 tax year. 2 new ARB members were welcomed and have been informed of their panel assignments. The ARB is ready to kick off the 2021 formal hearings on May 24th, 2021.

8. Review and Consider the Appraisal Staff Report for the month of April 2021.

Mrs. McKinney stated as of May 6th, 2021; 19,646 protests were received and out of those protests 3,150 were settled while the other 2,195 have been scheduled for informal/formal hearings. Since April 14th, 2021, a total of 827 property owners have walked-in and were able to see an appraiser for an informal hearing. Out of the 827 that walked-in, 815 were settled with the Appraisers. The next few months leading up to certification will be busy settling protests, working with agents and groups. Mrs. Johnson stated that because of the Property Value Study, I would think that there is a push for people to go to ARB because any value settled in the ARB the comptroller would have to accept, Mrs. McKinney stated not necessarily, the comptroller will give you the percentage of reduction but they come up with their own value still. Say the PVS comptroller decides the property is worth \$100,000 but the board cut it to \$80,000 they cut their value by 20%. Mrs. Johnson stated so there is a benefit to going to the ARB instead of meeting with an appraiser. Mrs. McKinney stated that she doesn't want it to be seen as a benefit as our staff is doing what they would do in ARB during the in-formals, were going to present the same information during both meetings. The ARB is their own board, they're going to come up with

their own value and make their own decisions. We're going to do the very best we can for all of our property owners whether its informally or at the ARB hearings so it's not an incentive to go to the board.

9. Review and Consider the Staff Attorney Pending Litigation Report for the month of April 2021.

Mr. Perez stated since the meeting last month 11 more cases were settled or closed. As of right now we have not received any 2021 lawsuits, however we do have 1 remaining 2020 case that made it into the 2021 lawsuit filings.

10. CLOSED EXECUTIVE SESSION

At 4:27PM, 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]*

11. RECONVENE IN OPEN SESSION

At 4:44PM, the members of the board reconvened in open session. There was nothing to discuss and the Chairman moved on to the Chiefs report.

12. Chief Appraisers Report

Mr. Watson stated that he and Mrs. Johnson had a tax payer questioning the filing online. I mistakenly told the tax payer that there was a limit of \$500,000 that you can use to submit an online protest. We both looked at the code afterward and in section 41.415 it states that in a county that has a population of 500,000 or more, shall implement a system that allows the property owner to file electronically. The \$500,000 is a limit we set because whenever you get into an online protest, if it is unusual circumstances surrounding the covering of that value then you can set that limit. We may turn around and change that limit because the prices are going up so much that we are going to have to increase that limit. Mrs. Johnson stated she would appreciate discussing this further because it stated an area not a value so how is \$500,000 an area. Mr. Watson stated that we will look into this and review it for next year, Monday is the last day to file a protest and we've only had 2 people that questioned it and they have already submitted a protest.

13. Comments from the Board of Directors

Mrs. Johnson stated it is frustrating when I am out there teaching a class and I try to explain the process to people and I can't because the rules keep changing. I am trying to change that "you people" attitude that the tax payers have and I am going to be that "you people" when their taxes come out this year and were going to have a huge foreclosure issue in this county, probably across the state if this continues to happen. There were no further board comments at this time.

14. Correspondence

There was no correspondence at this time.

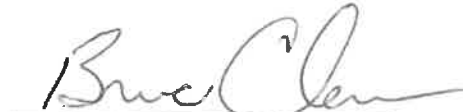
15. Set Date of Next Regular Meeting.

Wednesday: June 09th, 2021 at 4:00PM.

16. Adjournment

The regular business meeting of the Galveston Central Appraisal District Board of Directors was adjourned Wednesday, May 12th, 2021 at 4:54 PM.

Respectfully Submitted,


Bruce Clawson
Secretary

Approved:


Donald Gartman
Chairman