

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Regular Meeting of the Board of Directors September 8th, 2021

The regular meeting of the Galveston Central Appraisal District Board of Directors was held Wednesday, September 8th, 2021 at 9850 Emmett F. Lowry Expressway, Suite A, Texas City, Texas.

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

Members Absent: Thomas Farmer

Others present: Chief Appraiser Tommy Watson, Deputy Chief Appraiser Krystal McKinney, Director of Finance & Administration Bertha Curry, Executive Assistant Lauren Frame, Staff Attorney Nick Perez, Taxpayer Liaison Officer Norman Franzke and Texas Arbitrator Robert Nuzum.

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. The Chairman then asked for the attendees to join him in a moment of silence for the 13 military men and women who were recently killed in Afghanistan.

2. Welcome Guests and Comments from the Public.

There were no comments at this time.

3. Review and Consider Approval of the Board Workshop/Public Hearing Minutes from the August 18th, 2021 meeting.

Mr. Clawson **MOVED** to accept and approve the minutes as is. Mr. Brast **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

4. Review and Consider Approval of the Minutes from the August 18th, 2021 regular meeting.

Mr. Clawson **MOVED** to accept and approve the minutes as is. Mr. Tressler **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

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

There were not questions or comments at this time.

Mr. Brast **MOVED** to approve the financial report ending August 31st, 2021. Mr. Clawson **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

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

Mr. Watson explained to the board that Mr. Ellis is in the hospital due to a blood clot and infection in his lungs. The Chairman stated the Appraisal Review Board did not meet for the month of August and moved onto the next agenda item.

7. Review and Consider Report of the Taxpayer Liaison Officer for the month of August 2021 with Additional Commentary by Texas Attorney and Arbitrator, Robert Nuzum, (Arbitrator ID Number: 32072533105).

The Chairman stated that the board is here to listen and not to debate any issues and to please keep that in mind while any comments are made. He then stated we will hear from Mr. Franzke first then Mr. Perez and Mr. Nuzum. Mr. Franzke began by stating he will start with his regular monthly report on the month of August; there were 6 emails received, 2 were complaint emails and 1 of them was an email complaint to the comptroller that we were copied in on, then we had 3 inquiry emails regarding homesteads and disabled veteran's exemptions as well as 1 compliment email on a Mr. Tony Martin, that stated Mr. Martin was an asset to GCAD; all of these were resolved other than the one I will report on next if there are no questions from the board regarding this regular monthly report.

Mr. Franzke then went into the next report regarding two hand delivered and lengthy complaints from Mr. Robert Nuzum that are against a GCAD employee. The complainant has requested the TPLO and the GCAD Board investigate and evaluate the employees' illegal, inappropriate, unauthorized, and outrageous behavior that conflicts with the standards of normal employee behavior and impose the appropriate sanctions including the consideration in termination of the said GCAD employee. The complainant also accuses the GCAD employees' actions of violating section 7.702 of the GCAD policy and personnel manual, the complaint goes a step further by adding accusations of criminal conduct, perjury and unauthorized recording of a meeting. Mr. Franzke stated also attached to the first complaint are two written affidavits from the GCAD employee that were filed with the Texas Comptrollers office in an attempt to remove the complainant from the Texas Comptrollers Arbitrator Registry. Mr. Franzke stated that he wanted to make clear that he has not listened to any audio recordings associated with this complaint or had any verbal communications with the complainant nor has he conducted any interviews of the GCAD employee in question. These complaints are above and beyond the usual inquires, comments or normal procedure complaints that we typically receive from Galveston County property owners. Mr. Franzke states he strongly disagrees with the TPLO job description stated in the second complaint, section 6.052 of the Texas Property Tax Code does not require investigative responsibilities into alleged criminal behavior on a part of any property owner or GCAD employee, in his opinion those venues should be left to law enforcement or courts at law so due to the serious accusations in the complaint along with the attached exhibits I respectfully decline from the official conclusion as to the alleged actions of the said GCAD employee. Finally, it is my understanding that the personnel termination issues at GCAD are under the jurisdiction of the Chief Appraiser, so I appreciate your time and attention but this will conclude my report of the complaints.

Mr. Perez stated he is just here to give a little more background into the nature of the complaint we just heard from Mr. Franzke; earlier this year the district participated in 2 arbitrations heard by 1 arbitrator. The appraiser representing the district at the hearings recorded the state hearings in accordance with the comptroller rule 9.4261H. During these arbitrations the district perceived acts taken by the Arbitrator to be improper under the Texas Comptrollers Rules of Governing Arbitrations. Accordingly, the district filed 2 complaints against the Arbitrator with the Texas Comptroller citing the violations of the Texas Administrative Code, which houses the Comptrollers rules. In the first complaint, the district is serving that the Arbitrator violated Comptroller Rule 9.4261G in so much that the district contended that the arbitrator gathered outside evidence in preparation for the hearing and failed to render a decision based solely on the evidence at the hearing as required by the Comptrollers Rules. In the second complaint, the district asserted that the Arbitrator violated numerous Comptroller Rules as well as his own hearing procedures. Said violations are asserted because one, the Arbitrator, after proper

notification ejected the districts Staff Attorney from the hearing, two, attempted to prevent the appraiser from recording the hearing as is right under 4261G, three, refused to accuse himself from the arbitration considering there was an active investigation by the Comptroller pending the first complaint of this file and four, conducted himself in an unprofessional manner. As evidence of the complaints the district submitted exchanges of communication via email between the Arbitration parties and the Arbitrator, audio recordings of the hearings and 3 affidavits by the Appraiser representing the district and the Staff Attorney. As a result of the complaints filled with the Comptroller's office, the Comptroller issued the findings that I will now be reading into the record; "Dear Mr. Perez, the Comptroller's Office completed its review of your second request for the removal of Arbitrator Robert Nuzum from the Arbitrator registry. While the evidence did establish a violation of 34 Texas Administrative Code section 9.4261J, at this time, there is insufficient evidence to establish by clear and convincing evidence that there is good cause to remove Mr. Nuzum from the registry as required by 34 Texas Administrative Code 9.4262. The complaint and recording of the hearing do establish a bias against the Galveston CAD however, we have received no complaints about hearings in other counties so the bias appears to be isolated. While Mr. Nuzum is not being removed from the registry at this time, he will be considered ineligible to receive any arbitrator assignments involving Galveston CAD for a minimum of 2 years. The investigation and its findings will be retained in our files. We appreciate you bringing this to our attention and helping to ensure that the Arbitrators on our registry comply with all relevant rules and regulations. Sincerely, Stephanie Mata." The Chairman then gave Mr. Nuzum the floor.

Mr. Nuzum thanked the Chairman and board of directors as well as Mr. Franzke for his opportunity to speak on the matter. Mr. Nuzum stated his name, where he lives and that he has resided in Galveston County since 2013. Because of the nature of his presentation Mr. Nuzum gave a little bit of background information pertaining to his legal experience, in which he states he is qualified to practice in Texas, Louisiana and the District of Columbia. After graduating from NYU, he worked for the Government in DC for the office of Chief Counsel, IRS, trying cases in the tax court for many years. In 1983 he moved to New Orleans, Louisiana and worked for a major law firm until 2013 when he then moved to Galveston, Texas. In 2018 I decided to get into ADR, or alternative dispute resolution, which means mediation and arbitrations, I took the course to become a qualified as an arbitrator for the states of Texas and Louisiana. In my career since I became qualified, I have done approximately 18 arbitrations and most of which were in Texas. My first six arbitrations in 2019 were in Galveston County with Krystal McKinney, she was a delight; she was competent, thorough, responsive, understanding and she listened to the taxpayer's side of things. Mr. Nuzum then stated a rule promulgated by the Comptrollers office is nothing more than an administrative rule. It is not the law, it is not enacted by the Texas Legislature, and in his view, there are at least 6 Comptrollers rules that border on being invalid. March 2021, my first GCAD arbitration with Mr. Nick Perras we start the same way that I always do; I pick a date and send the CAD my arbitration policies and hearing procedures and we move forward. No more than 5 days after the hearing, Mr. Perras filed a complaint with the PTAD or the Property Tax Association Division, which is a division of the Comptroller's office, alleging among other things; incompetence, neglect, violation of numerous provisions of the rules, not laws but rules of the arbitration and so on, and I take it personal. About a month later, in April 2021, I get appointed by PTAD to handle a second arbitration in Galveston County. Mr. Perras and Mr. Perez went crazy and tried to tell me that because they filed a complaint with PTAD against me that I have to recuse myself and I refused because I am a lawyer and I know what my ethical obligations are, if I can be fair, if I can be impartial, if I can give everybody a fair chance in their roles in the arbitration and determine a fair market value under the law. During the first arbitration with Mr. Perras, I noticed his iPad was on the table and after the first complaint was filed, I then realized he was recording the hearing without anyone's knowledge, so when he showed up for the next arbitration, I asked the property owner if they wanted to adjourn until later and they stated no, because it is 2021 and

this arbitration was for the year 2020 so they wanted to proceed. Interestingly enough, also brought to this hearing was the GCAD lawyer, Mr. Nick Perez, now there are two aspects I want to make, I told him he had to leave due to my policies and procedures as well as the procedures pursuant to the Rosenberg Library, stating under Covid-19, you may only have 3-4 people in the room and you have to list the names and the dates of the arbitrations when you book the rooms, you may not bring anyone along with you if they were not listed. When Mr. Perez showed up, I did not eject him immediately, I asked the taxpayers representative how they felt about the GCAD attorney showing up unannounced, and the representative said they didn't have their attorney so why should GCAD, I stated to Mr. Perez, you are not welcome to stay here, and recited my arbitration policy to him and he left. I asked Mr. Perras to turn off the recording and he refused. A few days after the second hearing in April 2021, Mr. Perras then filed a second complaint. I responded to the PTAD on the second complaint and as Mr. Perez states, that is what Corey Castillo, not Stephanie Mata; determined that there is bias on my part against the GCAD. So, for the next two years I can't handle any Galveston Arbitrations. Well, guess what guys, there is a statute and that statute says you remove and that's all you can do. I have nothing against Mr. Perras or Mr. Perez, I've never met them other than during the arbitrations. They obviously have a vendetta against me, why I don't know, maybe I volunteered to much but I've learned to conduct my hearings like a mini trial. Mr. Clawson stopped Mr. Nuzum and stated traditionally we give someone 3 minutes to speak, that he does not need to be beat to death with this matter and is quite offended that he is doing so. Mr. Nuzum stated in conclusion, it is clearly the boards decision he has pointed out issues that he thinks is egregious and as a tax paying citizen, not an arbitrator, I believe this is not the kind of person who should be representing the CAD. The Chairman mentioned that this is a personnel issue and is not something the board should address, and that his recommendation is to get with the Chief Appraiser on this matter. There are three jobs the Board of Directors has, to hire and fire the Chief Appraiser, approve the budget each year and to hire a Tax Payer Liaison. In my opinion Mr. Franzke spent a lot of time on this report and he should have advised you early on that this is a personnel issue and it should have gone straight to the Chief Appraiser. Mr. Nuzum thanked the Board and stated at least he got to present his case in front of Mr. Watson.

8. CLOSED EXECUTIVE SESSION

The Chairman stated we do not need to go into Executive Session and moved onto agenda item 10.

9. RECONVENE IN OPEN SESSION

The Chairman did not go into Executive Session, nothing to discuss.

10. Review and Consider the Staff Attorney Pending Litigation Report for the month of August 2021.

Mr. Perez stated of the original 159 lawsuits that were filed in 2020 we are down to 90, we have advanced discovery process in several of them and motions out that could hopefully turn in our favor. As for the 2021 lawsuits, we have 97 that were filed so far and 2 of those have been disposed and the remaining are all being answered and will be engaging in discovery as soon as possible other than that we are still getting new docket control orders issued for the pending cases we have due to the covid restrictions that backed up the courts as well as the recent fire in the courthouse.

11. Review and Consider the Appraisal Staff Report for the month of August 2021.

Mrs. McKinney stated we are in the last 6 weeks of protest hearings and should be wrapping up mid-October, we had 9,160 protests left as the date of my report but we have less than that now. We have informally agreed 72%, this means they did not have to go in front of the ARB and I am pretty proud of our team for this. We will be starting our discovery portion of the year soon.

12. Chief Appraisers Report.

Nothing to report.

13. Comments from the Board of Directors

Mr. Clawson stated if he offended anyone that he gives his apologies but he had heard enough. There were no further comments.

14. Correspondence

There was no correspondence at this time.

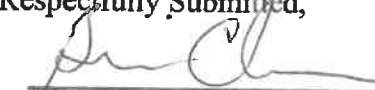
15. Set Date of Next Regular Meeting.

Wednesday: October 13th, 2021 at 4:55PM.

16. Adjournment

The regular business meeting of the Galveston Central Appraisal District Board of Directors was adjourned Wednesday, September 8th, 2021 at 5:00 PM.

Respectfully Submitted,



Bruce Clawson
Secretary

Approved:



Donald Gartman
Chairman