

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Board of Directors

WORKSHOP and PUBLIC HEARING August 23, 2023

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 23rd, 2023, at 9850 Emmett F. Lowry Expressway, Ste. A. Texas City, Texas to review and discuss the District's Proposed 2023 Operating Budget.

Members present: Don Gartman
Matt Doyle
Scott Brast
Chad Tressler
Tom Farmer
Cheryl E. Johnson @ 2:04PM

Guests in Attendance: Chief Appraiser Krystal L. McKinney, Executive Assistant Lauren Frame-Finney, Deputy Chief of Appraiser Chris Scarbrough, Deputy Chief of Operations Katharine McGee, Chief Financial Officer Bertha Curry, Director of Business Support Michelle Gilliland, Staff Attorney Nick Perez, Paralegal Michelle Follis and Taxpayer Liaison Officer Norman Franzke, Galveston County Elections Division, Dwight Sullivan and Wendi Fragoso.

WORKSHOP

1. OPEN SESSION

With a quorum present, Chairman Don Gartman called the workshop to order at 2:02 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 2024 Operating Budget.

- **Discuss Chief Appraiser Salary**

Mrs. McKinney stated she would like to create a line item for the Chief Appraisers Salary raise that would state up to an amount per the Chiefs evaluation instead of taking from the merit increase and taking it away from any employees that may be deserving. Mrs. Johnson passed around a salary sheet of the other appraisal districts and asked that the district look at Nueces salary in comparison to the district's information. Mr Farmer made a motion to review the Chief Appraiser salary in December. Mr. Brast stated the motion will need to be made in the regular meeting when it comes time to approve the budget action item. Mr. Farmer asked about the Deputy Chief position and Mrs. McKinney stated

she held a panel interview on Friday, October 18th, 2023, with all the directors that were not applying for the position. There were two applicants that really stuck out and it was decided that there would be two appointments for Deputy Chief; Chris Scarbrough is the new Deputy Chief of Appraisal and will handle the appraisal side of things and Katharine McGee is the new Deputy Chief of Operations and will be handling the procedures and policies side of things. Mrs. McGee stated she is working with the property value study team and the methods and procedures team to collect the documents and data that will be requested, and a long-term goal will be working towards the IAAO certificate of excellence in assessment administration and appraisal practices. Mr. Scarbrough started by saying that it was an honor to serve in this role and he will be focusing on concluding hearings by September 27th, 2023, and getting the appraiser back in the field to pickup the new construction as well as new training protocols to constantly improve. Mrs. Johnson asked if Chris would consider working with the Taxpayer Liaison head on with the little things that could make a huge difference with the community. Mrs. McKinney stated that Customer Service will now be called Property Owner Assistance starting next month and will no longer be referred to as taxpayer assistance. The Chairman asked if they would have staff reports for the regular meetings and Mrs. McKinney stated they will be including reports from now on.

- **Discuss Election Cost**

Mrs. McKinney stated there are 2 guests here from the Galveston County Elections Division, Galveston County Clerk, Dwight Sullivan and Chief Deputy Clerk for Elections, Wendi Fragoso; they are here to speak today on the estimate for elections as the legislation added a bill that the district will have to elect 3 board members for the CAD, and the CAD will have to foot this bill for the general election due to this it will need to be a new line item for 2024 and going forward. Mr. Sullivan introduced himself and Wendi, then stated most of the fees that will occur will be the equipment and personnel fees, personnel meaning election clerks and judges, the election clerks are currently being paid \$12 an hour and the rest of the fees are for the equipment which can be anywhere between 5 or 6 million. Wendi stated each polling location has at least 7 voting booths, 1 handicap access unit, a controller, and a scanner, we are to charge 10% for each piece of equipment that is being used. The election division charges 1 fee for early voting and 1 fee for the election day. Mrs. McKinney stated after speaking with the Auditors and Ms. Curry it was discussed that the CAD could put a line item and specify the amount or reduce the legal fees and take it from the excess amount and create a line item with the leftover, if we cut the legal fees from \$700,000 to \$300,000 we can put the \$400,000 excess into a line item for the board elections so the entities are not affected by an increase. The board thanked Mr. Sullivan and Ms. Fragoso for coming to explain things today. The Chairman asked if there were any further comments or questions about the 2024 budget and Mrs. Johnson stated there are a couple things that need to be added to the budget before it is approved, the district will have 2 Deputy Chiefs and the proposed salary budget only covers 1 position, how will these number positions change and where will we get the Chief Appraiser potential salary increase. Mrs. McKinney stated the numbers can be moved around to make it work. Mrs. McKinney then stated that the contracted appraisal services are going up this year from \$187,800 to \$202,800 and we are putting out requests for proposals to see if we can find anything out there to be better stewards.

4. Adjournment

At 2:42 PM, Mr. Doyle **MOVED** to adjourn the Board Workshop. Mr. Tressler **SECONDED** the motion. The motion **PASSED UNANIMOUSLY**

PUBLIC HEARING

1. OPEN SESSION

At 2:43 PM, the board reconvened for a Public Hearing concerning the District's Proposed 2024 Operating Budget.

2. Review and Discuss Galveston Central Appraisal District's Proposed 2024 Operating Budget

The Chairman began by stating that the board discussed this during the workshop and opened up the floor to the public. Mrs. Johnson stated she did a running total of what we actually spent based on the audits versus what was proposed since 2007, you can see there are some areas the we always over expend and some areas we under expend, the district adopted a policy on the over expenditures where the Chief Appraiser has the authority to make this some adjustments but that she can't find when that was. There are some things that have gone up considerably as an increase and one of those was the education and that's 122% increase this year, Mrs. McKinney stated we have a lot of new appraisers and are at that time in the appraisal district that we have a lot of people retiring and we are losing a lot of great knowledge and we have to bring these new appraisers up to speed, so there is not a lot to be done with this. Mrs. Johnson stated the other item is the postage, it should be going down as the district does not have to send out the postcards next year, Mrs. McKinney stated with the number of arbitrations we've been getting instead of lawsuits it is killing us as we have to send those requests and board orders certified instead of regular postage and that is almost \$9a piece now. The Chairman spoke up and stated this is a public hearing and there is no one from the public actually speaking, so he is going to go ahead and ask for a motion to close the public hearing.

3. Comments from the Public.

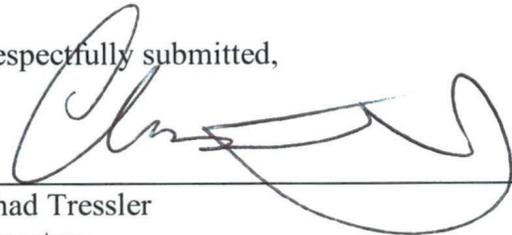
There were no comments from the public at this time.

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.

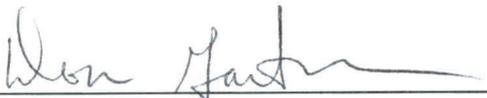
At 2:48PM, Mr. Farmer **MOVED** to adjourn the Public Hearing. Mr. Tressler **SECONDED** the motion. The motion **PASSED UNANIMOUSLY**.

Respectfully submitted,



Chad Tressler
Secretary

Approved:



Don Gartman
Chairman

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Regular Meeting of the Board of Directors August 23rd, 2023

The regular meeting of the Galveston Central Appraisal District Board of Directors was held Wednesday, August 23rd, 2023, at 9850 Emmett F. Lowry Expressway, Suite A, Texas City, Texas.

Members present: Donald Gartman
Matt Doyle
Chad Tressler
Scott Brast
Thomas Farmer
Cheryl Johnson

Others present: Chief Appraiser Krystal L. McKinney, Executive Assistant Lauren Frame-Finney, Deputy Chief of Appraiser Chris Scarbrough, Deputy Chief of Operations Katharine McGee, Chief Financial Officer Bertha Curry, Director of Business Support Michelle Gilliland, Staff Attorney Nick Perez, Paralegal Michelle Follis and Taxpayer Liaison Officer Norman Franzke.

1. OPEN SESSION

With a quorum present, Chairman, Donald Gartman called the meeting to order at 3:02PM. 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 June 14th, 2023, Regular Board meeting.

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

4. Review and Consider Approval of the Minutes from the June 21st, 2023, Special Board meeting.

Mrs. Johnson **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 periods ending June 30th, 2023, and July 31st, 2023.

The chairman asked for a motion to move this item until after item 9 as the Financial Officer is amending the budget as discussed in the board workshop.

After the Budget was approved the Chairman asked for a motion to approve the financial reports.

Mr. Tressler **MOVED** to approve the financial reports ending June 30th, 2023, and July 31st, 2023. Mr. Brast **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

6. Review and Consider Report of the Taxpayer Liaison Officer for the months of June and July 2023.

Mr. Franzke stated he received 10 emails for the month of June and 8 emails for the month of July. Most of the emails were complaints on the ARB hearing process but a few compliments were received

for Kevin, Anna & Frieda. Mr. Franzke stated he did sit in on quite a few ARB hearings and did not see any procedure violations, however there was some questionable decision making when it came to the appraisal review board panels making value determinations. The Legislature met and added 47 lines to the TPLO duties, Mr. Franzke stated that not all of it is additional duties but more of a clarification of what his duties are. Mr. Tressler asked if there are any challenges Mr. Franzke can foresee in the new 47 lines of duties added to his job description. Mr. Franzke stated the only issue he had was the legislature made a broad statement describing the TPLO is primarily responsible for aiding the districts taxpayers and he thinks the district does a great job of assisting the taxpayers', so he does not know why that statement was included. Mr. Tressler stated it sounds like a generic descriptive language and not anything that is actionable. Mrs. Johnson stated that she will try to get some clarification from Representative Shine.

7. Review and Consider Report of the Appraisal Review Board for the months of June and July 2023.

The Chairman stated no one from the ARB is here and moved onto the next item.

8. Review and Consider the Staff Attorney Pending Litigation Report for the months of June and July 2023.

Mr. Perez stated there is 1 outstanding lawsuit from 2020 and 3 lawsuits from 2021. There are fewer than 50 lawsuits for 2022 which compared to last year is way above the curve, the 2023 Litigation is starting to trickle in slowly, we have about 12 cases for the 2023 tax year that have come in as of my last count. As for the Arbitrations there are 338 that have been filed and of those, only 15 hearings have been held; the district won 9 and lost 6 so far. Mr. Perez went on to state as to the values, we did have some situations where certain properties were going up to beyond where they should have been going up, either with errors or the way they were being monitored but we have made big adjustments and with Mrs. McGee here as our commercial guru, we are getting to a point where once the values go out in January they will be near correct, so that nothing really will need to be done at the lawsuit stage unless a small adjustment needs to be made and can be justified with really good evidence. Mrs. Johnson stated that she wants the properties properly appraised and not for the district to be using legal tricks to beat the property owners out of what is due to them, that she doesn't want to out paper them and wants the district to win on our merit. Mr. Perez stated that the point he is making in his statement is the district is going from being bad to good with where the values are, if the opposing party has sufficient evidence that shows the district made a mistake, we will hear it and make the corrections otherwise we will not be going around and around or unnecessarily give value away that doesn't need to be.

9. Review and Consider Approval of the District's Proposed 2024 Operating Budget.

The Chairman stated the corrected budget has been presented to us and asked if any questions. Mr. Brast asked Ms. Curry if she made the changes to the salaries line item, made the change to the legal fees, and added the election fees line item. Ms. Curry stated the only dollar amount change was with the salaries. Mrs. Johnson stated this budget is \$122,610 more than what was originally sent out to the entities, is that a problem with you being required to give notice of the proposed budget to the entities. Mrs. McKinney asked Mrs. McGee to explain, Mrs. McGee stated the proposed budget has to be sent out by June 15th to the entities, but changes can be made when you adopt the budget and the adjustments can be made before the September 15th deadline to submit the adopted budget to the Comptroller, Mrs. Johnson asked where it states that is allowed in the code and Mrs. McGee stated she would get that statute. The Chairman asked if there were any further questions about the budget and then asked for a motion.

Mr. Brast **MOVED** to approve the amended 2024 Operating Budget. Mr. Tressler **SECONDED** the motion. Mrs. Johnson **OPPOSED** the motion. The Motion **PASSED**.

10. Review and Consider Approval of the District's Record Management Program.

Mrs. McKinney stated that the district has to have a records management person per state law and given that Michelle Gilliland already handles the open records requests she has elected her as the Records Management Officer and needs a motion to appoint her.

Mr. Doyle **MOVED** to approve Michelle Gilliland as the Records Management Officer. Mr. Brast **SECONDED** the motion. The Motion **PASSED UNANIMOUSLY**.

11. Appraisal Staff and Chief Appraisers Report for the months of June and July 2023.

Mrs. McKinney stated that notices sent was a total of 161,344, of that number we got back 70,982 protests that is 43.99% of the notices sent that were protested; the ARB agreed value, which means the ARB approved the value change or reduction, was 29.4% of all the protests, while the ARB denied value was 3.13% meaning they kept the districts value on the protests. The total market value from the preliminary totals to certified total loss was only 5.24%, that is extremely indicative that we sent out good numbers. Mr. Tressler asked for the past year's numbers and if the board can get a copy of those and other counties to compare and Mrs. McKinney stated she will get that to the board. The last day for protest hearings will be September 27, 2023. Mrs. McKinney then went on to discuss the legislative changes that will be coming up; ISD homesteads will go from 40,000 to 100,000 if the vote is approved in November, a circuit breaker cap on market values for all non-homesteaded real properties, i.e., Commercial, Rental and Land that are five million dollars or below can only increase 20%. The board of directors will now consist of 9 members starting in 2024, 5 members are appointed by the entities and 3 members will be voted in by general election.

12. Comments from the Board of Directors

No comments at this time.

13. Correspondence

There was no correspondence at this time.

14. Set Date of Next Regular Meeting.

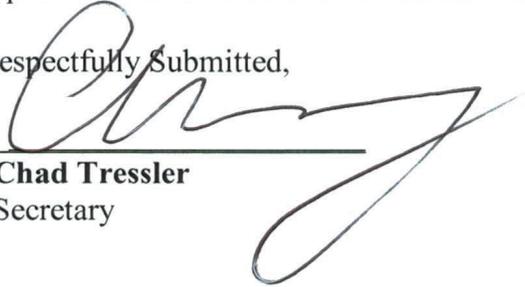
Wednesday: September 14th, 2022, at 4:00PM.

Mrs. McKinney stated that there was not a need to have a September meeting as there is nothing pending and the board set the next regular meeting for Wednesday, November 08th, 2023 at 4PM.

15. Adjournment

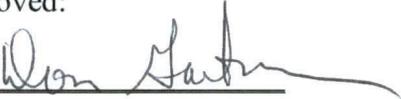
The regular business meeting of the Galveston Central Appraisal District Board of Directors was adjourned Wednesday, August 23rd, 2023 at 3:34 PM.

Respectfully Submitted,



Chad Tressler
Secretary

Approved:



Donald Gartman
Chairman



GALVESTON

CENTRAL APPRAISAL DISTRICT

BOARD OF DIRECTORS

**No Regular Meeting in September
2023**



GALVESTON

CENTRAL APPRAISAL DISTRICT

BOARD OF DIRECTORS

**No Regular Meeting in October
2023**
