

MINUTES

GALVESTON CENTRAL APPRAISAL DISTRICT Special Meeting of the Board of Directors February 14th, 2020

The Special Meeting of the Galveston Central Appraisal District Board of Directors was held Friday, February 14th, 2020 at 9850 Emmett F. Lowry Expressway, Suite A, Texas City, Texas.

Members present: Donald Gartman
Bruce Clawson
Thomas Farmer
Scott Brast
Chad Tressler

Members absent: Cheryl Johnson, Ex-Officio Member

Others present: Chief Appraiser Tommy Watson, Director of Finance & Administration Bertha Curry, Deputy Chief Appraiser Marcel Pierel, Staff Attorney Barry C. Willey, Hitchcock ISD Chief Financial Officer Jennifer Donovan, Texas City ISD Assistant Superintendents Susan Myers and Margaret Lee, Dickinson ISD Superintendent Carla Voelkel and Assistant Superintendent Ryan Boone, Clear Creek ISD Chief Financial Officer Jeff Kohlenberg, Santa Fe ISD Tax Collector Robyn Tilitzki, and Friendswood ISD Tax Collector Kim Patterson

1. OPEN SESSION

With a quorum present, Chairman, Donald Gartman called the special meeting to order at 3:00 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.

Chairman Gartman welcomed the guests and asked that they all introduce themselves and state who or what they are representing.

3. Discuss the 2019 Property Value Study.

Once the introductions were completed the Chairman stated that this special meeting was called to discuss the 2019 Property Value Study that the Appraisal District received from the State Comptroller's Office and gave the floor to Mr. Watson. Mr. Watson began by stating that he gave a report to the board and there are copies on the table if anyone would like to follow along; he then stated that if you take a look at the report you will see the 2019 Property Study Value percentages for residential are at 97% while commercial is at 53%. Mr. Watson stated the Property Value Study is done every two years and in 2017 the residential are at 99% and the commercial is at 104% while the 2015 study percentages are at 97% for residential and 103% for commercial properties. Mr. Watson

stated there have already been 3 preliminary reports sent out, the first was sent out at midnight on January 31st 2020 and it didn't include any kind of worksheets so it was confusing to read and understand, the second report was sent on February 05, 2020 with the worksheets and a new report was released at 4:44 PM on February 12th, 2020. Mr. Watson stated we may have some low percentages but they are never this low, a lot of errors were found while going through the study. Hitchcock ISD stratum 2 had a lot of numbers that are not the numbers the district used and while going through and correcting these I was able to raise the residential ratio percentage from 93 up to 97. As far as the commercial properties we have a few hotels and apartments that are being appraised still, the appraisal district is gathering all the information we have that shows the income so that we can protest these numbers. I do know that Dickinson ISD and Galveston ISD have already hired Perdue Brandon to work on their protests, but we are also gathering the information and collecting the data so that we may send a protest to the State Comptroller's office because the appraisal district feels that these outcomes are very wrong. Mr. Watson then asked if there were any questions, and Chairman Gartman stated that his concern is that whoever it is at the comptroller's office that we deal with did not call before the PVS was released regarding the drastic change in ratios. Mr. Watson stated that the district has never had all but one school fail the ratio study and some automatically get state value. The Chairman stated for these people here as well as the district his main concern is that the budgets are way under value and we need to find an answer ASAP. Mr. Watson stated that in about a week to 10 days we should have some answers to give to the district, as he has 5 people currently working through the study to find all of the errors. Mr. Willey stated that we have to file a petition with the State Comptroller by the deadline set for March 24th, 2020 and an informal hearing will be scheduled. Chairman Gartman asked Mr. Watson to go over the procedure that the state uses to gather their data and Mr. Watson explained that the state is connected to MLS and what they do is take a few random residential properties that they can take a look at while sitting at their desks and determine the value, while they chose a few commercial properties and an appraiser will go out in person and take a look to come up with the value. Mr. Pierel stated that the appraiser Bill Farmer who completed the 2015 and 2017 PVS retired so there is a new group of appraisers out there collecting the data for the state. Mr. Clawson asked what the timeline looks like for the school districts and Mr. Watson stated that they could probably answer this better than he could and asked when the TEA or the Texas Education Agency gets the final numbers. Clear Creek ISD Chief Financial Officer, Jeff Kohlenberg stated typically by the end of July is when the final numbers are received. Mr. Clawson asked Mr. Watson if this could be handled before the final numbers are sent and Mr. Watson stated that yes worst case scenario it will be set for a hearing in April. Mr. Tressler asked what exactly happens when you protest these ratios. Mr. Watson stated that once the protest is filed a date will be set for an informal hearing and if during that time the changes aren't made and accepted then you can push it to a solo court for a formal hearing and again to the district court if you still don't have the results you were looking for. Texas City ISD Assistant Superintendent, Margaret Lee stated that under the new legislation the school districts are funded from the current years values instead of the prior year, so if the PVS is not corrected before the final numbers are sent, the school districts would receive revenue based off what the state value is and then once the changes are settled we would receive that settlement offer. The chairman stated that normally during a meeting we do not interact with the guests but that today he wants them to be a part of the interaction so that if they have any questions they can be answered he also stated that if there is anything the board can do he would like to make sure it is known and understood that this is a very serious issue for our board and our school districts, the Chairman also stated that he wanted to express his point of view on being upset with the fact that someone from the Comptroller's office hasn't contacted us before hand so that we could get it worked out in advance. Mr. Watson stated that there were 174 counties and 901 school districts they surveyed and 62% of the counties and 24.31% of the school districts failed, we are not the only ones who are dealing with this situation. Mr. Clawson stated

that while he is delighted to hear this issue could be fixed pretty quickly; how are we going to communicate our progress to the school districts. Mr. Watson stated that once we have gathered all our information and have an idea of where we should be, we will reach out to the school districts and let them know. The Chairman stated that he will leave it up to Mr. Watson on when to contact the school districts and Mr. Watson stated that whatever information we have gathered by next Friday, February 21st 2020 we will send in an email.

4. Adjournment

The regular business meeting of the Galveston Central Appraisal District Board of Directors was adjourned Friday, February 14th, 2020 at 3:34 PM.

Mr. Brast **MOVED** to adjourn the meeting. Mr. Tressler **SECONDED** the motion. The motion **PASSED UNANIMOUSLY**.

Respectfully Submitted,



Bruce Clawson
Secretary

Approved:



Donald Gartman
Chairman

Galveston Central Appraisal District

Board of Directors

No Regular Meeting in February 2020
