

*Nueces County Appraisal District
201 N. Chaparral, Ste. 206
Corpus Christi, Texas 78401-2503*

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**REGULAR MEETING OF THE BOARD OF DIRECTORS
NUECES COUNTY APPRAISAL DISTRICT**

REGULAR MEETING

The Board of Directors of the Nueces County Appraisal District will hold a Regular Meeting at **9:00 A.M. on Wednesday, July 10, 2013** in the Board Room, Nueces County Appraisal District Building, 201 N. Chaparral St., Corpus Christi, Texas to consider the following agenda:

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact Monica Lozano at (361) 881-9978 at least 48 hours in advance so that appropriate arrangements can be made.

Personas incapacitadas que desean atender esta junta favor de llamar a Mónica Lozano a los menos 48 horas de antemano a (361) 881-9978 para hacer los apropiados arreglos.

Persons addressing the Board under the visitor's/audience comments and questions portion of the meeting should limit their comments to a maximum of 3 minutes.

Please be advised the Open Meeting Act prohibits the Appraisal Board of Directors from responding and discussing your comments at length. The law only authorizes them to do the following:

- 1. Make a statement of factual information**
- 2. Recite an existing policy in response to the inquiry**
- 3. Advise the entity that this subject will be placed on the agenda at a later date**
- 4. Receive Information**

No Board members, staff person or members of the audience shall berate, embarrass, accuse or show any personal disrespect for any member of the staff, Board members or public at any Board meeting. This policy is not meant to restrain a citizen's first amendment rights.

PUBLIC NOTICE is given that the District may go into a closed meeting (executive closed session) at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Texas Government Code. In the event the District elects to go into a closed meeting (executive session) regarding any agenda item, the section or sections of the Open Meetings Act authorizing the closed meeting (executive session) will be publicly announced by the presiding officer.

The subjects listed below will be the items upon which formal action may be taken. The subjects do not have to be taken in the order listed here but may be brought up in any order at the discretion of the board.

I. Invocation.

The invocation was led by Mr. Ken Combs, Tax Liaison Officer.

II. Pledge of Allegiance.

The Pledge of Allegiance was led by Board of Directors.

III. Roll Call of the Board of Directors.

DIRECTORS:

David Berlanga, Chairman	<u>Absent</u>	Ronnie Canales, Chief Appraiser	<u>Present</u>
Jerry Garcia, Vice-Chairman	<u>Present</u>	Robert Cenci, Asst. Chief Appraiser	<u>Present</u>
Luis A. Elizondo, Secretary	<u>Absent</u>	Tom Wheat, General Counsel	<u>Present</u>
Robert Adler	<u>Present</u>		
Richard Pittman	<u>Present</u>		
Paul Altheide	<u>Present</u>		
Joe Guzman	<u>Absent</u>		
Kevin Kieschnick	<u>Absent</u>		

1. CALL TO ORDER & DETERMINATION OF A QUORUM.

Mr. Jerry Garcia, Vice-Chairmen, called the meeting of the Nueces County Appraisal District to order and let the record show that a quorum of the Board Members is present; that this meeting has been duly called; and that notice of this meeting has been posted in accordance with the Texas Open Meetings Act, Texas Government Code 551, (Vernon’s Supp. 2009) and that any conflict of interest affidavits have been received and placed on file as required by law.

2. VISITORS’/AUDIENCE COMMENTS AND QUESTIONS

Mr. Jerry Garcia asked if there were any comments from the audience. Mr. Jerry Garcia determined at this time that for the record there were no comments listed on the agenda.

3. DISCUSSION AND/OR ACTION:

- a) Approval of the minutes of the **June 12, 2013** Regular Meeting;

Motion was made by Mr. Paul Altheide to approve the minutes; the motion was seconded by Mr. Robert Adler. Motion passed unanimously.

- b) Approval of the minutes of the **June 26, 2013** Preliminary Budget Meeting;

Motion was made by Mr. Paul Altheide to approve the minutes; the motion was seconded by Mr. Robert Adler. Motion passed unanimously.



c) Approval of the **July 2013** litigation report

Mr. Tom Wheat explained that there are 15 cases on the litigation report. Mr. Wheat advised that KRC Corpus Christi, which is number five on the list, has gone away because of a non-suit that was received on July 9, 2013. Mr. Wheat advised that he has a couple of cases that are in the process of settling but they have not sent a response to offers that have been sent out. Mr. Wheat advised that they will have a brief report in the executive session about the boundary case.

Mr. Wheat explained that in the last case on the litigation report, Corpus Christi Association of Realtors, challenges the exemptions. Mr. Wheat stated that in the last legislature it was decided to now give attorney fees for challenge exemptions. Mr. Wheat explained that if they lose the case they have to pay the attorney's fee. Mr. Wheat explained that it would cost more than six figures. Mr. Wheat explained that they do have a strong case. Motion was seconded by Mr. Garcia. Motion passed unanimously.

d) Approval of the **July 2013** disbursements;

Ms. Sandra Garcia, Manager of Administration, gave a brief report on the July 2013 disbursements. Ms. Garcia advised that the construction is close to being paid. Ms. Garcia explained that \$200,559.30 is still out there. Ms. Garcia stated that the District is waiting for some additional invoices. The District is still holding on to the check for Malik, because there are some issues with the air condition currently. Ms. Garcia advised that Malik has submitted an invoice for \$118,922.40 and that Mr. Ronnie Canales, Chief Appraiser, has advised to hold on to the check until the issues with the air condition were resolved.

Mr. Canales advised that the issues are on the first floor. It is not supposed to be as warm as it is and it should be a lot cooler on the first floor. Mr. Canales stated that this morning they were on the roof looking at the system. Mr. Canales advised that they thought it could be the fans for the compressor and that the fans are not coming on to cool off the compressor. Mr. Canales remarked that the issue was being taken care of this morning.

Mr. Craig Forseth stated he would be filling in for Javier for this meeting. Mr. Forseth stated that the on the roof top the units are operational. Mr. Forseth added that they have done a test and balance report but that has not been given to the mechanical engineer for review. He stated that it has been completed though. He advised that a test and balance test has been done on the first floor; he advised that the first floor unit is a different type of unit. He explained that because of the code requirement that it has to take a certain amount of fresh intake, and hot and humid air is being pumped in. They are in the process of trying to regulate the air, and also that there may be some issues with the fans. He explained that they have two big units on top the roofs that are for the third and second floor. The smaller unit is for the first floor, and that there are three new units in all.



Motion was made by Mr. Paul Altheide to approve disbursements. The motion was seconded by Mr. Robert Adler. Motion passed unanimously.

e) Personnel update

Ms. Sandra Garcia stated there is currently one appraiser position for Personal Property and another position for the Market Analysis department. Ms. Garcia advised that the District is hoping to get the process started in filling the vacancies in the next week. Mr. Cenci advised that formal application process has not been started. Mr. Canales advised that the last appraiser that was brought in is Anita Garza who is currently an RPA.

4. UPDATE BY JAVIER HUERTA, CLK ARCHITECT, ON THE PROGRESS OF THE FIRST FLOOR FLOORING AND HVAC PROJECTS

Mr. Craig Forseth stated that the A/C units have been installed and are operational. He added that a test and balance has also been completed. Mr. Forseth mentioned that the structural engineer has done his inspections. He stated for the units on the roof to sustain a wind storm inspection that some of the units may need additional strapping, and not just to be anchored to the bottom. Mr. Forseth stated that the mechanical engineer has done his walk through and had minor items such as insulation splices and general cleaning in and around the unit and the roof. He mentioned that a scheduling for a complete walk through with the architectural engineer and with members of the staff will take place to make sure any issues are noted. He stated that the walk through will be done and then a list of all the deficiencies will be given to the Project Manager. He added the retain age will not be released until all the items are corrected. Mr. Forseth reported located on the second floor in the IT room are main controls for the HVCA Units and Barcom wants to have key personal to learn the main controller and also the two thermostats.

Mr. Forseth stated he would provide a full set of record drawings for future reference. At the close of the project they will also provide operational and maintenance manual. They will contain warranties for all the items and how to maintain the items. Barcom will be the main contact for one year then after that the District would need to contact the roofing company and main manufactures. Additionally, digital copies of the drawing will also be provided.

Ms. Garcia explained that for the second phase of the building the District contracted with Barcom, M&D flooring, TL Electric, Malik, Ribic.

5. DISCUSSION AND/ OR ACTION RELATED TO TAXING UNIT CREDITS AGAINST ALLOCATED PAYMENTS

Ms. Garcia explained that \$122,364.00 was left over from 2012. Ms. Garcia advised that the item be tabled until the District receives all the invoices and everything is in from the building and once everything is paid.



Mr. Altheide requested a complete fund balance analysis for the last 7 years. Ms. Garcia explained in the next 30 days and if everything is paid she will provide an analysis. Motions was made by Mr. Paul Altheide that the item will be postponed to a future meeting and remain on the agenda for every meeting until it is approved. The motion was seconded by Mr. Richard Pittman. Motion passed unanimously.

6. DISCUSSION AND/OR ACTION RELATED TO THE APPROVAL OF THE APPRAISAL DISTRICT'S 2014 BUDGET

Ms. Garcia advised that the budget does show a 1.83% increase because of the input of the vehicles and the generators. However, the allocation to the taxing units is still a -2.09% decrease. The generator and the vehicles are coming out of Fund Balance. Ms. Garcia advised that under capital outlay there is \$63,000 for the vehicles and \$175,000 for the generator that is displayed. Ms. Garcia advised that the District is not going to do a lease and that everything is going to be an outright purchase. Ms. Garcia explained that the \$175,000 is a hypothetical figure for the generator, and the District does not have estimate of the generator as of yet.

Mr. Richard Pittman had questioned the -2.09% decrease in the budget from last year without the generator and without the vehicles. Ms. Sandra explained that in taxing allocation overall total was -1.88%. Ms. Garcia explained that with the taxing allocation now that you are allocating the interest earning and miscellaneous income on the executive summary under other revenue sources that is where the money that will be coming into the fund balance that will be paying for the generator and vehicles.

Mr. Paul Athleide proposed to motion to approve the Appraisal District 2014 Budget as present as in this meeting. Mr. Adler seconded the motion. Motion passed unanimously.

7. MOVE INTO EXECUTIVE SESSION PURSUANT TO THE TEXAS OPEN MEETINGS ACT, TEXAS GOVERNMENT CODE 551.071 AND 551.074:

The recorded showed that closed session began at 9:53 a.m.

The following items will be deliberated in relation to the above captioned government codes:

Section 551.071: Consultation with Attorney: Closed Meeting

A governmental body may not conduct a Private Consultation with its attorney except:

- 1) When the governmental body seeks the advice of its attorney about:
 - A. Pending or contemplated litigation; or
 - B. A settlement offer; or



- 2) On matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.

Section 551.074: Personnel Matters; Closed Meeting

- a) This chapter does not require a governmental body to conduct an open meeting:
 1. To deliberate the appointment, employment evaluation, reassignment, duties,
 2. Discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- b) Subsection (a) does not apply if the officer or employee who is subject of the deliberation or hearing requests a public hearing.

Discussion Items:

- Appraisal District Employee Policy Clarification
- TLO Contract
- Chief Appraiser Contract
- San Patricio County vs Nueces County Boundary Suit

8. DISCUSSION AND/OR ACTION RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION

Mr. Jerry Garcia, Vice-Chairman, stated that at 11:15 a.m. the meeting was back in open session. Mr. Tom Wheat stated the TLO contract was discussed in the closed session. The board is going forward with Mr. Comb's contract for one year term as an independent contractor. Mr. Altheide motioned the TLO contract for one year as an independent contractor for \$42,500. Mr. Altheide advised that the details will be worked out between Mr. Combs and Mr. Wheat. Motion was second Mr. Robert Adler. Motion passed unanimously.

Mr. Garcia advised that the Chief Appraiser contract was going to be postponed to a future meeting. Mr. Altheide motioned that the Chief Appraiser contract was going to be postponed to a future meeting. Mr. Adler seconded the motion. Motion was passed unanimously.

Mr. Wheat stated that there were not any other topics during closed session that needs to be approved.

9. TAXPAYER LIAISON OFFICER'S REPORT

Mr. Ken Combs stated that there are a couple of complaints pending having to do with communication. Mr. Combs advised that he has attached the survey questions. Mr. Combs stated that he has started talking to a few agents and will swing that into full action this month.



Mr. Maupin stated that they have scheduled 6,919 hearings this year. Mr. Maupin stated that they count a person reappearing as another hearing. Mr. Maupin explained that out of the 6,919 they have heard 14% of the scheduled hearings. Mr. Maupin stated that last year they heard 7% of what was scheduled, and that there has been an increase. Mr. Maupin stated that they have maintained the District value at about 69%, which includes Residential, Commercial/Land, and Personal Property.

Mr. Combs explained that tomorrow and Friday were the last days of the extended hearing process. He added that in August they have scheduled one week of hearings, and from there it will go to one day a month for the remainder of the year. Mr. Combs requested permission to start seeking new ARB members. Mr. Combs stated that he needs to start looking next month for replacement members. Mr. Combs stated that himself and Mr. Wheat are trying to arrange a meeting with the Administrative Judge to get there timeline. Mr. Combs advised that currently there are 9 members but wanted to reduce the number down to 7.

10. CHIEF APPRAISER'S REPORT

Mr. Canales, Chief Appraiser informed the Board that the District was looking at options for parking. Yesterday, Mr. Robert Viara from L&V came by the District to measure the back lot to see the possibility of building build a 2-4 story parking garage. Mr. Canales explained that parking is an issue and the only thing that would be needed to stay here at this building for another 10-15 years. Mr. Canales explained that there is security for workers who are working after dark.

Mr. Richard Miller advised that 7,688 taxpayers walked through the lobby for residential and commercial has had an additional 440 walked through, which is excluding agents. Mr. Richard Miller stated that 2,113 phone calls have come through to residential and an additional 321 to commercial. Mr. Miller explained that last year for residential they had been 5,000 taxpayers come by the District and 1,200 calls and commercial had 230 walk-ins and about the same amount of calls. Mr. Miller explained that to date for residential 11,425 taxpayers have formally protested. Last year 7,905 taxpayers formally protest. Mr. Miller explained that commercial has had 2,792 taxpayer formally file a protest. He added that last year commercial and land had 4,616 taxpayers file a protest formally. There have been 201 ARB hearings for Commercial, which is just formal protest without anything being tabled or scheduled last year they had 154. Mr. Miller stated they have had 806 ARB hearings this year compared to last year where they had 455 ARB hearings.

Mr. Miller stated that to date residential has worked on \$1,601,595,000 value and it has only reduced by 13%. ARB has worked with \$130,000,000 go to board and reduced about 20%. Commercial worked on \$2,297,000,000 only reduced about 9%. ARB 13,000,000 worked on and only reduced only by 8,000,000. Mr. Miller stated that 2,000 ARB hearing schedule for Friday alone.

Mr. Robert Cenci stated coming up in a week when the District begins to calculate numbers, with using True Automation, all the numbers will come out the way they are supposed to. Mr. Cenci stated True Automation has assured them that they will have a faster and more efficient certification process. Mr.



Cenci stated that some changes have been made to do the procedural steps, so it will take only days instead of weeks.

Dr. Mark Escamilla, President of Del Mar College, advised that there is lack of representation on this board from the Junior College. Dr. Mark Escamilla stated that they continue to evolve in the community evolution in the Texas Community College. Dr. Escamilla stated that becoming part of the board is a really important for Del Mar College. Dr. Escamilla stated that a lot of details still need to be worked out. Dr. Escamilla mentioned that the approval also has to go through his board, the board of regions.

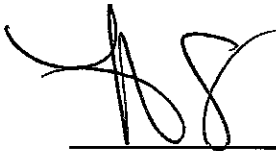
Mr. Wheat advised that there are currently seven members. It has been suggested that there are three ways to add Del Mar College. To add them to an existing position and allow them to vote with either 6 or 7 which would give them the least amount of representation. To add two more members that would be handpicked by Del Mar College, which would be the most representation or add one member. The board could take one of CCISD representatives and assign them to Del Mar College and keep a seven member board. We don't technically follow the statues because when the District was created the taxing entities got together and wrote up a voting agreement and we follow that voting agreement. The taxing entities would have to get together and decide how to structure the board to include Del Mar College. This needs to happen no later than December 2013.

11. SUGGESTED ITEMS FOR NEXT REGULAR MEETING AGENDA

- Taxing unit credit
- ARB Board Member reduction from 9 to 7

12. ADJOURNMENT

Motion was made by Mr. Altheide to adjourn the meeting. The motion was seconded by Mr. Alder. The motion passed unanimously. The meeting was adjourned at 11:39



SIGNED:

Luis Elizondo, Secretary

