



Nueces County Appraisal District
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REGULAR MEETING OF THE BOARD OF DIRECTORS NUECES COUNTY APPRAISAL DISTRICT

The Board of Directors of the Nueces County Appraisal District held a Regular Meeting on **Wednesday, April 12, 2017**, in the board room, Nueces County Appraisal District building, 201 North Chaparral Street, Corpus Christi, Texas.

REGULAR MEETING

1. INVOCATION

The invocation was led by Irene Lugo

2. PLEDGE OF ALLEGIANCE

The pledge of Allegiance was led by Board of Directors

3. ROLL CALL OF THE BOARD OF DIRECTORS

DIRECTORS:

John Valls, Chairman	<u>Present</u>
Greg Smith, Vice-Chairman	<u>Present</u>
Luis Elizondo, Secretary	<u>Absent</u>
Robert Adler	<u>Present</u>
Eugene Bouligny	<u>Present</u>
Leo Gonzalez	<u>Present</u>
Jerry Garcia	<u>Absent</u>
Rex A. Kinnison	<u>Present</u>
Kevin Kieschnick, Ex Officio	<u>Absent</u>

NON-DIRECTORS:

Ramiro Canales, Chief Appraiser	<u>Present</u>
Robert Cenci, Asst. Chief Appraiser	<u>Present</u>
Tom Wheat, General Counsel	<u>Present</u>
Robert Maupin, TLO	<u>Present</u>

4. CALL TO ORDER & DETERMINATION OF A QUORUM

The meeting of the Board of Directors of the Nueces County Appraisal District was called to order at 9:05am. A quorum of the Board Members was present; this meeting has been duly called; and notice of this meeting has been posted in accordance with the Texas Open Meetings Act, Texas Government Code 551 and that any conflict of interest affidavits have been received and placed on file as required by law.

5. PUBLIC COMMENT

There was no public comment.

6. DISCUSSION AND/OR ACTION, CONSENT AGENDA

- a) Approval of the minutes of the February 2017 Regular Meeting
- b) Approval of the April 2017 litigation report
- c) Approval of the February and March 2017 disbursements

Chairman Valls entertained a motion on the consent agenda. Mr. Kinnison made a motion to approve the consent agenda as presented. Mr. Bouligny seconded the motion. Motion passed unanimously.

7. DISCUSSION AND/OR ACTION RELATED TO THE APPROVAL OF THE 2016 FINANCIAL AUDIT

Elias Sissamis, Manager of Administration, said that the District's annual financial audit was conducted by Gowland, Strealy, Morales & Company will field work completed on April 3. Mr. Sissamis said that a bound copy of the audited financial statements was contained in each board members' packet and that Tommy Strealy will then present this item.

Mr. Strealy discussed the nature of a financial audit, the auditor's role, and management responsibilities. The District received an unqualified opinion, which equates to a "clean" audit. He presented high level key items from the audited financial statements: the District's net position is approximately \$3.5 million as of December 31, 2016, the District's lease-purchase agreement for the PACS mass appraisal system was paid off during 2016, and the General Fund remained relatively the same as the prior year.

During the audit, it was discovered that about \$32,000 of accrued employee paid leave liabilities had not been accrued in prior years and has been included in these audited financial statements. There was general discussion about the District's pension plan funding status and that the amounts contained in the report are for one year prior due to the timing and availability of annual actuarial reports. Mr. Strealy distributed a replacement page 37 of the report that contained a clerical error and complimented staff for quick responsiveness, which helped the audit work efficient.

Motion was made by Mr. Kennison to approve the financial audit. Mr. Gonzalez seconded the motion. Motion passed unanimously.



8. DISCUSSION AND/OR ACTION RELATED TO GASB 54/DESIGNATION OF FUNDS AND AUTHORIZE STAFF TO PROCEED WITH INTENDED USES

Mr. Sissamis stated that this item is a follow up to the December 2016 meeting at which the Board approved fund balance designations using an estimated year-end fund balance and would revisit this issue after the audit. The audited December 31 fund balance is \$685,839, of which \$24,814 is in non-spendable form and \$661,025 is available for commitment. Current Commitments are: Building Maintenance \$100,000, Cash Flow Emergencies \$425,908, and various capital improvements of \$135,117.

Mr. Sissamis explained that staff is also requesting Board authorization to begin using the funding for stated purposes and that per legal counsel, since the District is requesting no additional funding from its participating entities, no formal budget amendment is required. The uses are as follows:

From Various Capital Improvements:

- 2 automobiles (est. \$40,000) and 1 van (est. \$25,000)
- 1st floor classroom instead of 3rd floor previously discussed (est. \$30,000)
- Elevator hydraulic oil cooling system to avoid overheating during busy season (est. \$30-\$40,000)

From Cash Flow Emergencies

- As needed for employee health self-insurance fund up to \$150,000 due to the employee health insurance fund depleting in recent years and reaching \$0 balance earlier this year.

Mr. Valls asked how drawing down on the emergency cash flow funds compared to Board policy requiring that this funding be maintained. Mr. Sissamis responded that this is why Board permission is needed and that the insurance fund's possible need meets the definition of that designation.

Motion was made by Mr. Smith to set the capital improvement designation at \$135,117 and to approve staff's intended uses as outlined. Mr. Kennison seconded the motion. Motion passed unanimously.

Motion was made by Mr. Smith to approve using up to \$150,000 of the cash flow emergencies commitment for the employee health fund as needed. The motion was seconded by Mr. Kennison. Motion passed unanimously.

Motion was made by Mr. Kennison to approve the building maintenance fund and uses as outlined by staff. Mr. Gonzalez seconded the motion. Motion passed unanimously.



9. DISCUSSION AND/OR ACTION RELATED TO DISPOSAL AND/OR DONATION OF SURPLUS OF CARS, EQUIPMENT, AND FURNTURE

Mr. Sissamis explained that staff is requesting that the Board of Directors declare the items listed in the board packet document to be surplus property and approve of their disposal through auction, donation, and disposal, as appropriate. Mr. Kennison motioned to approve this item as outlined. Mr. Smith seconded the motion. Motion carried.

10. DISCUSSION AND/OR ACTION RELATED TO LEASE PURCHASE AGREEMENT FOR SERVER EQUIPMENT

Neil Lindeen, Manager of IT, explained that the purpose of this agenda item is for the Board to approve a 5-year lease-purchase arrangement for IT servers and related equipment. This arrangement will enable a technology "refresh" in a more effective manner than past practices, as well as meet other District objectives. This subject had been discussed during the 2017 budget development process.

Mr. Valls asked why approval is necessary if this item is already included in the 2017 budget. Mr. Sissamis responded that although the 2017 payments are provided for in the budget, that the board is approving the entire 5-year lease-purchase agreement.

Mr. Smith motioned to approve the lease-purchase agreement. Mr. Kennison seconded the motion. Motion passed unanimously.

11. DISCUSSION OF THE 2018 BUDGET CALENDAR

Mr. Sissamis outlined the upcoming budget process calendar as outlined in the board packet item. Mr. Valls asked if scheduled board meetings were taken into account in the development of the calendar. Mr. Sissamis replied that it was.

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

The board went into closed session at 10:03 A.M.

The board returned to open session at 10:28 A.M.

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



Taxpayer Liaison Officer Contract was discussed in closed session. Mr. Bouligny motion to approve Mr. Maupin's TLO contract for a term of two years with no change in compensation level. Mr. Smith seconded the motion. Motion passed unanimously.

14. TAXPAYER LIAISON OFFICER'S REPORT

Mr. Maupin reported that the information on the mail out of the 2017 notice of appraised value was provided to the local media and was edited incorrectly. He spoke to the Caller Times and they will make the requested corrections and re-release the article. The Appraisal Review Board is at fully staffed. Regular and auxiliary board members will attend training on April 18th and 19th. Two computers have been assigned on the third floor for ARB survey purposes. Mr. Bouligny asked if any other articles will be posted for the taxpayers. Mr. Maupin responded that a May 1st article will provide details about how to protest and another in June will discuss how to handle late protests.

15. CHIEF APPRAISER'S REPORT

Mr. Canales reported that the District's automobile fleet was moved to the grassy area adjoining Mama Mia's so that employees can park in the NCAD back rear lot. The seasonal security force consisting of off-duty police officers will start the week of April 17 and will be in place until re-certification is done at the end of July.

Several District staff devised an alternate plan for the classroom to be located on the first floor instead of the third floor. The cost would be significantly less. The seasonal Call Center will consist of 20 temporary employees, each working a 20 hour per week shift.

Mr. Cenci and Mr. Kieschnick will attend the TAAD legislative and executive board meetings on May 1-2nd. A key topic is a Senate bill that may cause number of changes affecting the District should it pass. The District's annual "Mobile Office" program will take place on the dates of May 6, May 13, and May 20th in Calallen, Flour Bluff and Port Aransas, respectively. Staff from all functional areas of the District will be on hand to assist property owners. The annual TY Picket meeting will be held on April 21st. The 2017 preliminary appraised property values will be sent to participating taxing entities on April 29th. Annual notices of appraised values began being sent to the public in April.

16. SUGGESTED ITEMS FOR NEXT REGULAR MEETING AGENDA

None.

17. ADJOURNMENT



Meeting was adjourned at 10:45 A.M.

SIGNED:



Luis A. Elizondo, Secretary

