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, July 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

<table>
<thead>
<tr>
<th>DIRECTORS:</th>
<th>NON-DIRECTORS:</th>
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<tr>
<td>John Valls, Chairman</td>
<td>Ramiro Canales, Chief Appraiser</td>
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<td>Greg Smith, Vice-Chairman</td>
<td>Robert Cenci, Asst. Chief Appraiser</td>
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<td>Luis Elizondo, Secretary</td>
<td>Tom Wheat, General Counsel</td>
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<td>Robert Adler</td>
<td>Robert Maupin, TLO</td>
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<td>Eugene Bouligny</td>
<td>Present</td>
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<td>Leo Gonzalez</td>
<td>Present</td>
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<tr>
<td>Jerry Garcia</td>
<td>Present</td>
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<tr>
<td>Rex A. Kinnison, Ex Officio</td>
<td>Absent</td>
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<tr>
<td>Kevin Kieschnick, Ex Officio</td>
<td>Absent</td>
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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 9:09 am. 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 June 14, 2017, Budget Workshop Meeting
   b) Approval of the minutes of the June 14, 2017, Regular Meeting
   c) Approval of July 2017 Litigation Report
   d) Approval of the June 2017 Disbursements

Chairman Valls entertained motion on the consent agenda. Mr. Elizondo motioned to approve the consent agenda as presented. Mr. Adler seconded the motion. Motion passed unanimously.

7. **DISCUSSION OF OFFICE PROCEDURES**

   Mr. Canales wanted for each department head to provide an overview of procedures on how and what is utilized to agree or disagree with the taxpayer’s perceived property value.

   Mr. Don Causey, Commercial/Land Manager, gave a brief overview of procedures and operations. For income producing properties, profit and loss statements and rent rolls are normally provided. When not provided, market data is used with other procedures such as cost approach, local permits, and Marshall Swift. The Commercial Department has limited sales data but reviews all sales data to compare if they are below other market indicators as cost, income or equity. Other factors such as condition are reviewed if the value is well below market values. The taxpayer is asked to bring their settlement statements to review and the properties would be inspected to see if anything has been missed. If the taxpayer does not agree than they are asked to go before the Appraisal Review Board. Mr. Cenci commented as part of sales information gathering, there are subscriptions to commercial transactions services like Costar for sales information. Mr. Garcia asked what the prevailing causes of issues are. Mr. Causey said that condition is a major factor. Mr. Smith asked how to account for intangible value. Mr. Causey replied that standard factors are considered and the circumstances of the individual transaction are considered. He has seen this about twice in last 20 years.
Robert King, Personal Property Manager indicated that the department is concluding final hearings and reviewing a CVL list to determine if any properties have been missed. Mr. Garcia asked about the typical process that is followed. Mr. King replied that staff go out to do field work, request tax ID numbers if it is a newer business, and collect all of the information that they can. There are also other factors, such as researching if the property owners have vehicles or listings. Business properties are compared to other properties. Mr. King noted that business properties are required to render all personal property.

Diana Vargas, Taxpayer Services Manager and Kristi Hill, Coordinator, presented that their department primarily focuses on customer services and that their staff are versed on where to direct taxpayers for their needs. The department handles exemptions for homesteads, persons with disabilities, persons aged 65 and over, and veterans with disabilities. The department also maintains recordkeeping of all deeds processed for Nueces County. Some of the more complex applications for exemptions that the department handles are CHDO (community housing development organization), religious, charitable organizations, private schools, tax abatements, 312's, and 313's.

Leticia Roberts, Residential Manager, Gary Robinson, Coordinator, and Shirley Madej, Market Analysis Manager, presented. Ms. Roberts said that the first thing is to review the settlement statement to ensure that it is complete with items like buyer name, seller, legal description, and date of purchase. Ms. Roberts stated that they do consider all HUD or settlement statements. Some are not honored at face value depending on what improvements have since been done on the property. There is a sales letter that is optional for the taxpayer to complete. It provides information to the appraiser as to what happened with that sale. Another item that is looked at is if the property has changed since it was purchased. If property was purchased on January 31, 2016, then the re-appraisal date is January 1, 2017. The staff evaluates whether the buyer has fixed any issues that existed at purchase by the following January 1st. The price is honored for one year, consistent with the Appraisal Review Board's approach.

Ms. Madej stated that at the beginning of the year, her staff gathers sales data and transactions processed by the Taxpayer Services for any deed changes. Sales data are verified. Notes are gathered from Taxpayer Services and that will give indication of how much they paid for property. IAAO standards are used as to what to look at and what is considered to be a valid or non-valid sale.

Mr. Bouligny motioned that closing statements for a given year be honored if presented in good faith. Mr. Valls responded that since this was not an action item on the agenda, then the motion cannot be considered. Mr. Valls stated that it can be on the next board meeting agenda for the board's consideration.
8. **DISCUSSION ON 2018 PROPOSED BUDGET**

Elias Sissamis, Administration Manager, reported that there were some continuing issues which were given to staff and some to an Ad Hoc Committee. Staff was to add a year-over-year “change” column to one of the budget schedules and to propose reductions. The “change” column was been added as shown on pages 22 and 23 of the board’s packet. Staff proposed increasing the TY Pickett contract by only $25,000 instead of the original proposed $50,000 and to reduce the litigation fund budget line item by $100,000. After some discussion, the Board decided to no increase the TY Pickett contract and to provide full funding of $500,000 for the litigation fund.

Mr. Valls indicated that CCISD had already approved their budget and asked how the District could help them stay within the amount they budgeted. Mr. Sissamis responded that CCISD adopted its budget earlier than usual, that he was told that they used the 2017 District funding amount without anticipating any growth in the District budget, and that they would have to amend their budget if the District final funding amount is higher after the final allocations are determined later in the year. Mr. Valls asked Ms. Sanchez how the City would handle this situation. Ms. Sanchez responded that the City usually awaits the District’s proposed budget amount but that she suspects that CCISD would have amend their budget to take the funding from either the fund balance or another appropriation. Mr. Garcia stated that he agreed with Ms. Sanchez’s opinion and that this was beyond the District’s control. Mr. Cenci added that the District’s budget cannot be driven by limiting the allocation from an entity to what they put in their budget.

Ms. Sanchez stated that the City supports the Litigation fund level at $500,000.

Regarding the healthcare plan, Mr. Sissamis summarized the actions taken by the Ad Hoc Committee since the budget workshop. From two meetings with Entrust and staff, the Ad Hoc Committee decided to focus on utilization instead of payroll premium deductions. The Committee decided to move forward with the following options: (a) increase copayments from $20 to $35 for estimated plan cost savings of $5,700 per year, (b) apply lab testing and imaging to deductibles and coinsurance for $16,000 savings, (c) increase family unit monthly deductible from $300 to $500 for $27,000 cost reduction, and (d) increasing drug copayments from $10 to $20 to reduce plan costs by $29,581.

Mr. Valls indicated that the County, City and Del Mar have expressed concerns about the three new appraiser positions. After discussion about balancing the operational needs of the District, benefits to funding entities, and entity concerns expressed, the Board decided to limit new positions to one Level IV appraiser.
Mr. Sissamis requested that the board consider keeping $40,000 of the $79,080 health plan cost reductions in the budget to build the plan’s currently low reserves given that it is a self-funded plan and claims are difficult to predict.

Mr. Garcia suggested that the healthcare plan activities and plan design be discussed more frequently.

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

Board went into closed session at 10:52 a.m.

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

Mr. Smith reconvened to open session at 11:29 a.m. Mr. Garcia made a motion to use $25,000 from litigation fund and deposit it with General Counsel. Mr. Adler seconded the motion. Motion passed unanimously.

11. TAXPAYER LIAISON OFFICER’S REPORT

This item was not discussed.

12. CHIEF APPRAISER’S REPORT

Mr. Canales reported that the 2017 TAAQ conference will be held in Corpus Christi which will be hosted by the Appraisal District and the County Tax Assessor office. The 2017 ARB protest status was the same as previous. Certification status numbers are coming down to five percent. Update on defibrillators was received and training will be done after the busy season and certification has been completed.

13. SUGGESTED ITEMS FOR NEXT REGULAR MEETING AGENDA

Closing statements as action item.

14. ADJOURNMENT

Meeting was adjourned at 11:36 a.m.
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Nueces County Appraisal District
July 12, 2017
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SIGNED:

Luis A. Elizondo, Secretary