



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

The Board of Directors of the Nueces County Appraisal District held a Workshop Meeting on **Wednesday, June 14, 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>Present</u>
Robert Adler	<u>Present</u>
Eugene Bouligny	<u>Present</u>
Leo Gonzalez	<u>Absent</u>
Jerry Garcia	<u>Present</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 9:00 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. BUDGET WORKSHOP RELATED TO THE 2018 PROPOSED BUDGET

Elias Sissamis, Manager of Administration, characterized the 2018 budget as a status quo budget with no new District-wide initiatives, just enhancing what the District already does. The big picture items are: (a) heightened focus on succession planning due to recent retirements that have occurred and retirement-eligible staff currently employed, (b) getting the health plan fund more funded, (c) furniture and equipment replacements, (d) emphasizing IT support and infrastructure, and (e) ARB resources due to higher activities.

Mr. Sissamis briefly walked the board through the budget document contents highlighting the major contents. He then returned to page 12 to discuss details by major expense section. Mr. Valls requested that an additional column be inserted to display the dollar changes.

Within the Personnel group of expenses, there is provision for three new appraiser positions for succession planning and budgeting fairly close to the maximum possible healthcare cost exposure. In 2017, the self-insurance fund continues to deplete all funding deposited into the fund each month; however, this could just be the timing of the larger claims at the front end of the year. As those claims are settled, perhaps the fund would build up again toward the end of the year.

[Mr. Gonzalez arrived at 9:18]

Mr. Valls inquired about any wellness or consumerism initiatives currently in the plan. Mr. Garcia asked if staff had ever explored gym memberships as part of the wellness initiatives. Mr. Sissamis suggested that the third party administrator, Entrust, visit with the board to discuss plan design changes and wellness initiatives. After a brief discussion about employee deductions, Mr. Sissamis explained that staff had also performed comparisons with the larger funding entities for comparability to the District's plan. Entrust had informed him that some area governmental clients are focusing on plan design changes targeted at increasing out of pocket claims cost sharing instead of on payroll deductions. Mr. Valls agreed that Entrust should meet with the board. Mr. Kinnison suggested an ad hoc committee be established for this purpose. After brief discussion, the ad hoc members decided upon are Mr. Kinnison, Mr. Smith, and Mr. Gonzalez.



Referencing a historical summary distributed to Board members, Mr. Sissamis stated that in the last four years, covered lives under the plan went from 77 covered lives to 105 currently. Another significant item is that in 2016, the specific stop-loss retention level for an individual claim went to \$35,000 from the previous \$25,000 coinciding with increases in larger claims. For 2017, current projections indicate that the District will be over budget by \$114,000.

Mr. Sissamis then summarized the major changes in the budget from 2017 to 2018 are addition of three new appraisers, beefing up the healthcare fund, less travel costs due to in-house training, increasing ARB board labor for increased hearings, increasing the TY Picket contract to do additional work and change how some currently tasks are accomplished, IT support contracts that were at no cost to the District during the first year of the leased server equipment in 2017, and the purchases of four new vehicles. Mr. Canales explained that three vehicles would be purchased in 2017 and the additional four were for 2018. Mr. Garcia agreed that the vehicle replacements should be staggered with a five-year replacement plan per vehicle.

Mr. Canales explained that since he arrived at the District in 2012, the priority focus had been the life and safety building renovations, new floors, addition of third floor offices, and IT equipment. Now the focus can be placed on vehicles since they are critical to the conduct of appraisal work. He acknowledged his gratitude for the Board's support of his efforts and prioritization. Mr. Garcia stated that there was no substantial reserve for the aging building.

Mr. Kinnison asked how the pending legislative bill which places limits on the annual growth in government budgets would affect adoption of the District's budget. Mr. Canales responded that the limit was currently planned to be 4% and that any increases over that would have to be brought to public vote. Mr. Valls and Mr. Smith stated that the ultimate outcome of such a bill is unknown at this time.

Mr. Valls stated that he did not see anything out of line within the budget.

Mr. Bouligny stated that he was having difficulty supporting the addition of three new appraisers in light of previous additions and that as personnel retire, they can be replaced fast enough to minimize periods of lower labor being available. Mr. Canales stated that the additional employees were mostly due to the manpower needed to handle growth in the levels of parcels and improvements within the county, in addition to retirements. Mr. Sissamis suggested that the positions be left in the budget and frozen until the Board authorizes filling them. This is because appraisal expertise must be developed over a significant time frame with training and staff development.



Mr. Smith stated his preference for a budget that showed an annual growth of closer to 4% instead of the almost 5.68% in the current draft. Mr. Garcia stated that in the District's line of work, appraisal expertise must be developed internally and that he agreed with Mr. Canales. He expressed concern for shorting the District's ability to perform its core function in order to reach a target budget growth percentage.

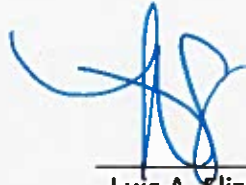
Mr. Valls suggested that in order to alleviate Mr. Smith's budget growth concerns, one possible solution could be to decrease the litigation fund by \$150,000, bringing it to \$350,000. Mr. Smith responded that other areas of the budget should also be considered for reduction instead of just getting it from the litigation fund. Mr. Canales suggested that the \$50,000 be apportioned over a three year period instead of all in 2018.

Mr. Valls requested that staff come back with strategies for reducing the budget without compromising the District's service delivery and operational effectiveness.

7. ADJOURNMENT

Meeting was adjourned at 10:18 a.m.

SIGNED:



Luis A. Elizondo, Secretary

