

Williamson Central Appraisal District

Board of Directors Meeting

Minutes of May 9, 2019

Charles Chadwell, Chairman, called the regular meeting of the Williamson Central Appraisal District Board of Directors to order Thursday, May 9, 2019 at 9:03 a.m. Board members present: Charles Chadwell, Harry Gibbs, Donald Hisle, Rufus Honeycutt, Jon Jewett and Larry Gaddes. Quorum declared.

Pledges of Allegiance

Receipt of Public Comments

There were no public comments.

Taxpayer Liaison Officer's Report

Report on Property Owner Contacts

Charley Rouse, the District's Taxpayer Liaison Officer, was present to report on the status of his contact with property owners.

Rouse reported that, to his knowledge, all concerns had been addressed. Lankford discussed the District's position regarding property owner value sign-off procedures. He informed the Board that if the owner who agrees to the value is listed on the property deed, then the agreement is considered binding.

Consider approval of minutes of the Board of Directors for the regular meeting – April 4, 2019.

Gaddes moved for approval of the April 4, 2019 minutes as presented. Hisle seconded. The motion carried unanimously.

Consideration of Monthly Financials and Quarterly Investment Report

The March 2019 financials and expenditures were reviewed and filed for audit. Lankford reviewed the professional services budget category; indicating that the balance showing was typical for this time of year. The quarterly investment report was reviewed.

2018 Financial Audit Report

Lankford announced that Diane Terrell, with Eide Bailly, the District's financial auditing firm, was in attendance to discuss the District's financial audit report. Terrell reported that 80% of the District's funds are obligated. She reviewed the audit. She also discussed the GAAP (generally accepted accounting principles) and GASB (Governmental Accounting Standards Board); along with FASB (Financial Accounting Standards Board). Terrell thanked Kimberly Gamboa, the District's Business/HR Manager, for her assistance with the audit.

Texas County and District Retirement System Presentation

Lankford announced that Tim Krause with Texas County and District Retirement System (TCDRS), the District's retirement provider, was present. Krause explained that the deposit rate for employees was 7% and that the District matched this at the employee's retirement at 250%. He also discussed that eligibility rules could be reduced; however, they could not be reset at a higher rate.

Krause mentioned that TCDRS was engineered and created for an 8% return; and reminded the Board that they were also paying down the unfunded liability. He explained that, if the appraisal district follows the required rate, it would save enough for each employee's future retirement as well as pay down the unfunded liability.

Krause reported that, due to a loss in the market, the rate had increased over the higher elected rate. He mentioned that the District's payroll had a major roll in the change in this number. TCDRS had made assumptions of the District's payroll based on past history. The payroll did not meet the assumptions TCDRS had made. He mentioned that the District was either not rehiring or hiring individuals at a lower salary.

Krause explained how TCDRS invests money and mentioned several ways for appraisal districts to keep their rates stable. It was also mentioned that the District does not pay into social security which the Board might like to consider. Krause announced that any retirement plan changes were due to TCDRS by December 16th.

2020 Budget Workshop

Assigned Obligated Funds

Lankford read a section of the financial audit report indicating \$442,333 was available to be obligated by the Board. He mentioned that the Board could either refund the monies back to the taxing units or obligate the funds. He reminded the Board that, in the past, they had obligated the funds; thereby not needing to continuously request additional monies from the taxing units.

Lankford discussed both the GIS Projects and Litigation reserve account balances. He indicated that he would recommend taking \$21,000 from the Litigation reserve account, since it would continue to gain interest, and move it to unobligated funds. He also recommended taking \$15,000 from the GIS Projects account and moving it to unobligated. Lankford informed the Board that \$478,333 would need to be obligated later in the meeting. He suggested lumping all these monies to one unobligated fund and then distribute as needed.

2020 Budget Review

Lankford reviewed the District's 2020 budget with the members. He informed them that two, three and four percent increases had been included. Lankford commented that 13,000 out of 57,000 protests were submitted online last year and that about 64% of the owners who protest online settled online.

Lankford discussed merit and COLA (cost of living) increases for employees; indicating that typically the Board has allotted a merit increase to be given based on achievement. He mentioned that generally a cost of living adjustment for retirees is considered every three years.

Lankford announced capital expenses that could be purchased from reserve monies. He discussed these numbers; indicating that the total increase in the budget for a three percent merit would be \$370,800. He also explained the process for raises that are provided for staff mid-year.

Lankford announced that the proposed budget would need to be approved by the Board in June and then he, the Deputy Chief Appraiser and the Business HR Manager would then meet with the taxing units to discuss the budget.

The Board recessed at 10:43 a.m. Gibbs left the meeting at 10:45 a.m. The Board reconvened at 10:55 a.m.

2018 Financial Audit Report

Hisle made a motion to accept the District's financial audit report as presented. Honeycutt seconded. The motion carried.

Building Short Lived Items

Lankford discussed the list of building short lived items; explaining that the initial costs from the original building had been time adjusted using Marshall and Swift data. He reviewed several items that had reached their life expectancy.

Honeycutt made a motion to approve the 2019 building short lived items for a total cost of \$85,000. Hisle seconded. Discussion followed. The motion carried.

Major Equipment Replacement Items

An updated major equipment replacement spreadsheet was distributed. Lankford reviewed items in need of replacement.

Michael Page, the Information Technology Manager, was present to discuss the District's production storage. He pointed out the advantages of purchasing new production storage hardware and software. It was indicated that the District had reserve monies to be used for this purchase.

Hisle made a motion to approve the 2019 major equipment replacement items for a total cost of \$39,227. Honeycutt seconded. The motion carried.

Hisle made a motion to approve the proposed production storage replacement for a total cost of \$103,752. Honeycutt seconded. The motion carried.

Reserve Purchase for Building

Lankford mentioned previous Board discussions concerning fire suppression and additional costs associated with that item. This discussion brought to light the issue the District had with its heating, ventilation and air conditioning (HVAC) system in the computer server room. He expressed that there was a 7.5-ton air conditioning unit that needed replacement. Some issues with the District's current HVAC unit were discussed. The District also has a 2.5-ton back-up unit. Page discussed challenges and costs of server room down time. Lankford announced that the District would work to obtain quotes for competitive bidding to be presented to the Board.

Honeycutt made a motion to approve the building reserve purchase for HVAC replacement for a total of \$100,750. Hisle seconded. Jewett requested clarification regarding this purchase; Lankford confirmed that the motion would allow the District to begin the process and that the District would obtain bids. He also mentioned that the current 7.5-ton unit would become the District's back-up unit. The motion carried.

Assigned Obligated Funds

Lankford reviewed the assigned obligated funds. Street level imagery was discussed; it was mentioned that conducting this project more often might be of value to the District's taxing units. Lankford also mentioned both the health reimbursement and TCDRS accounts. The idea of replenishing the building reserve was also discussed.

Honeycutt made a motion to obligate \$130,000 to the technology short lived account, \$54,000 to the street level imagery account and \$50,000 to the HRA account from unobligated funds. Also, to obligate \$100,000 to TCDRS and \$144,333 to the building account from unobligated funds. Hisle seconded. The motion carried.

Honeycutt made a motion to move \$15,000 from the GIS Projects reserve and \$21,000 from the Litigation reserve to unobligated funds. Hisle seconded. The motion carried.

BIS Consulting, LLC Contract

Lankford discussed the renewal of the BIS Consulting contract. He expressed that the District had been utilizing this vendor for several years and was very satisfied with their service.

Hisle made a motion to accept the contract with BIS Consulting, LLC for a total cost of \$30,000. Honeycutt seconded. The motion carried.

Town Hall Meeting Follow-Up

Lankford mentioned the Town Hall Meeting which had taken place April 16th. He felt the meeting was successful and that the attendance was good. He announced that a video and transcript were located on the District's website. Lankford expressed his appreciation to the Williamson County Tax Office and specifically Connie Odem who had assisted with production efforts. He announced that only six owners had turned in written questions which District staff had addressed individually, where possible.

The Town Hall Meeting survey was discussed. The surveys indicated that owners would have liked more time to express their questions. Lankford indicated that this could be adjusted for future meetings. He also mentioned he was looking forward to conducting this meeting at a different time of year; the March timeframe was discussed. Gaddes mentioned that July might be an appropriate time of year for the meeting.

Honeycutt mentioned the idea of producing a video/tutorial of the process and then speaking about the specifics in the tutorial to help owners understand the system. The Board members thought the presentations at the meeting were great but wanted to discuss further how to get the speakers points across to the attendees.

Texas Workforce Commission Hearing

Executive Session began at 12:18 p.m. and ended at 12:34 p.m.

Consideration and possible action on items discussed in Executive Session

Texas Workforce Commission Hearing

No action was taken as a result of Executive Session.

Chief Appraiser's Report

Legislation Updates

Gaddes provided a synopsis of both Senate Bill 2 and House Bill 2. He indicated that a document had been submitted that would provide for revisions to the deadline dates. It was discussed that other legislation for appraisal districts was still being considered.

Property Owner Surveys

Lankford announced that the District's property owner survey results were showing to be more positive this year than ever before. He indicated that District staff was doing an excellent job in assisting owners.

Protest Season Update

Lankford displayed an updated graph showing the District's protest levels. He indicated that the same protest levels were anticipated this year as were seen last year. He also mentioned that the May 15th deadline had caused protests to be able to be resolved sooner.

Website Update

Lankford announced that the residence homestead video was located on the District's website.

Lawsuit, Arbitration and SOAH Reports

Lankford reviewed the lawsuit and arbitration reports. He indicated that the District would have new lawsuits after the determination letters are sent from the Appraisal Review Board (ARB) hearings. There weren't any State Office of Administrative Hearings (SOAH) on which to report.

Building Review

Lankford offered the Board members a walk-through of the building to view replacement items.

Board Agenda Additions for Future Meeting

- There were no Board agenda additions discussed.

Board Announcements

There were no Board announcements.

The following Board Meeting dates had been previously set:

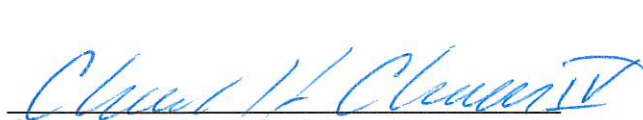
Thursday, June 13, 2019 at 9:00 a.m.

Thursday, July 11, 2019 at 9:00 a.m.

Thursday, September 5, 2019 at 9:00 a.m.

The meeting adjourned at 1:00 p.m.

Respectfully,



Charles Chadwell, Chairman



Rufus Honeycutt, Member