

Williamson Central Appraisal District

Board of Directors Meeting

Minutes of June 11, 2020

Charles Chadwell, Chairman, called the regular meeting of the Williamson Central Appraisal District Board of Directors to order Thursday, June 11, 2020 at 9:07 a.m. Board members present Charles Chadwell, Donald Hisle, Rufus Honeycutt, Jon Lux and Larry Gaddes. Quorum declared. Harry Gibbs joined the call later in the meeting.

This meeting was conducted via a Ring Central teleconference.

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 Office, indicated that this month he had several pending issues; one of them concerning the Appraisal Review Board (ARB) appointments. Rouse mentioned that the ARB Chairperson had placed a request with the Administrative Law Judge to appoint one of the ARB's auxiliary members as a full-time ARB member. Rouse reported that three ARB members had decided to forgo their duties due to the current pandemic and informed the Board that one of these slots was in need of being filled in order to stay within the parameters of the rules.

Sandy Griffin, one of the District's attorney's was present; Griffin expressed that although this may be something that could be addressed by the ARB's attorney, there is a provision in the law that indicates the removal of an ARB member for attendance policy issues. The idea of assigning an auxiliary member to the position of the one person who resigned was discussed. Rouse indicated that he would attempt to get the issue resolved as soon as possible.

Rouse also reported on calls he had received from multiple property owners.

Texas County and District Retirement System Presentation

Tim Krause with Texas County and District Retirement System (TCDRS) joined the meeting virtually. Krause indicated that although the retirement plan rate had dropped to 16.75%, the District had previously chosen to pay the higher elected rate. He announced that this has a true impact. Krause indicated that when the current pandemic began and businesses closed, there had been a 15% loss in the market. He announced that the loss dropped in April to 10% and that TCDRS was estimating a 5% loss in the market in May. Krause indicated that paying the higher elected rate, which helps pay down the unfunded liability, would become a very powerful and stabilizing tool and that hopefully by the end of the year, the market would be back to normal.

Krause announced that TCDRS had done a study on Section 415 of the Internal Revenue Code. This section sets a limit on the total amount of annual benefit payments an individual employee can receive from TCDRS. This study is done on all its members in TCDRS and determines what each member's benefit would be if they retired this year. Krause explained that the Internal Revenue Service (IRS) limits the amount TCDRS can provide in one given year. For 2020, the annual benefit limit is \$230,000 for employees age 62 or older. Krause indicated that one District employee fell within this range. He explained that if the District had a benefit payment arrangement, this would enable them to pay out the remainder of that benefit and allows that retiree to continue to receive that benefit. It was explained that this has no cost to the District.

Krause went on to explain that under a qualified benefit replacement arrangement, an affected retiree would receive their full benefit payments as usual until the month they reach the annual 415 cap. From that month forward until the end of the year, TCDRS would credit the District's monthly contributions by the amount that would have been paid to the retiree, and the District would pay that employee directly. He indicated if the Board chose to approve this agreement, this would apply for both present and future employees.

Gibbs joined the meeting at 9:34 a.m.

Consultation with Attorney on Current Litigation

The following people were present during executive session: Board members: Charles Chadwell, Chairman; Harry Gibbs, Vice Chairman; Donald Hisle, Secretary and Members: Rufus Honeycutt, Jon Lux and Ex-officio member: Larry Gaddes as well as Alvin Lankford, Chief Appraiser; Chris Connelly, Deputy Chief Appraiser; Angie Lugo, Litigation Supervisor; Sandy Griffin, the District's attorney and the Administrative Assistant, Colleen McElroy.

Executive Session began at 9:34 a.m. and ended at 10:22 a.m.

The Board recessed for a break from 10:22 a.m. until 10:31 a.m. when they returned to open session.

Consideration and possible action on items discussed in Executive Session

Consultation with Attorney on Current Litigation

No action was taken as a result of Executive Session.

Consider approval of minutes of the Board of Directors for the regular meeting – May 14, 2020.

Honeycutt moved for approval of the minutes as presented. Gibbs seconded. The motion carried unanimously.

Consideration of Monthly Financials

The April 2020 financials and expenditures were reviewed and filed for audit. Lankford explained that the District's pandemic-related expenses were being categorized separately.

2021 Budget Workshop

2021 Budget Review

Lankford reviewed the changes to the 2021 budget since the Board's last meeting. He mentioned the increase in the utility costs with the City of Georgetown, along with the addition of the previously discussed Ring Central internet-based phone system. Lankford discussed other increases including expenses for the Taxpayer Liaison Officer to attend this year's Texas Association of Appraisal District's (TAAD) Conference.

Lankford mentioned a few contracts that would be discussed later in the meeting that had been incorporated in the updated budget numbers; including one for Pictometry, the vendor that provides the District's aerial photography and change detection, along with swimming pool detection. He also mentioned the possibility of a new queuing system that he was hopeful would replace the old system for property owners; enabling them to contact the office from the parking lot in order to be placed in a queuing system to be assisted.

Lankford discussed a possible budget buydown from the District's assigned fund balance. He mentioned taking the entire unobligated funds to buy down this year's budget in an attempt to keep the budget relatively flat during an uncertain year due to the pandemic. He indicated that he would be proposing only a 1.5 – 2% budget increase over last year be sent to the District's taxing units. Lankford announced that this would represent a number well below increases the District had presented in recent years.

Lankford announced a total budget increase of \$17,536 since the Board's last meeting. He discussed the salary survey that is conducted with the District's taxing units each year and provided the updated numbers. Lanford provided his recommendation to send the approved proposed budget to the entities at a 2% merit salary increase. He indicated if additional information were gathered indicating this should be lowered or brought down to zero, this adjustment could be made during the final budget consideration at the Board's September meeting. Lankford announced that a meeting would be conducted with the 12 largest taxing units to discuss this budget and the remainder of the entities would receive a copy of the packet.

Discussion followed.

Major Equipment Replacement Schedule

Lankford mentioned equipment located in the District's computer server room that was in need of replacement. He reminded the Board that the District sets aside money for these types of purchases to be made once that particular item's life expectancy has been exhausted.

Lankford announced that only one Dell computer server was in need of replacement. He indicated that this server had been purchased in 2015 and announced the cost to replace to be \$7,117.

Lankford also advised the Board that the District's main network switch would be due for replacement in the coming year and that this would be a very large expenditure.

Building Short Lived Items

Lankford discussed the District's building short lived items. This list consists of items within the building that have met their life expectancy and are in need of replacement. He explained that the District extends the life of these items as much as possible; however, there were a few items that were needing to be replaced this year.

Lankford discussed troublesome air conditioning units, microwaves and some plumbing that was in need of replacing. He expressed issues with some of the District's hot water plumbing over the past couple of years. He mentioned wanting to replace all the hot water lines that had not previously been replaced. Lankford indicated that the District's building reserve account could be utilized for this purpose. He mentioned needing \$45,000 for the air conditioning units and \$5,000 for the water lines.

Texas County and District Retirement System Qualified Benefit Replacement Agreement

Hisle made a motion to adopt the Texas County and District Retirement System Qualified Replacement Agreement as presented. Lux seconded. The motion carried unanimously.

Approval of Proposed 2021 Budget

Hisle made a motion to approve the 2021 Williamson Central Appraisal District proposed budget in the amount of \$9,887,200 to include a 2% merit increase. Lux seconded. The motion was clarified to include not to exceed 2%. The motion carried unanimously.

Major Equipment Replacement Schedule

Hisle made a motion to approve the 2020 major equipment replacement items for a total cost of \$7,117. Lux seconded. The motion carried unanimously.

Building Short Lived Items

Hisle made a motion to approve the 2020 building short lived items for a total cost of \$50,000 from building reserve to replace air conditioning units, microwaves, and the remaining hot water lines. Lux seconded. The motion carried unanimously.

Annual Review of Board Policy ~ including Budget and Investment Policies (*Resolution 2020-02*)

Lankford announced that changes had been made to the Board's Policy by Colleen McElroy, the District's Administrative Assistant. These changes, which were highlighted for the members, were brought about by discussions during the annual TAAD Conference as well as through changes in legislation. Lankford also reminded the Board of the presentation provided by Debbie Wheeler, during their March Board Meeting; indicating that any appropriate changes had been reflected from that presentation as well.

Lankford noted one listed change on page 20 of the policy concerning the ARB payment policy that would remain as written.

Hisle made a motion to approve the Board Policy, which includes both the Budget Policy and the Investment Policy, as presented. Lux seconded. The motion carried unanimously.

QLess, Inc. Digital Queuing System Contract

Lankford announced that QLess was the system the District was exploring to possibly replace the current queuing system for the front counter personnel as well as for appraisers; it also incorporates the ability to send text messages to waiting property owners. He indicated that the District was still working through some issues with this system and that the contract allowed for cancellation within 90 days. Lankford announced that if the District felt this system would not be able to replace its other two queues, it would most likely opt out of this contract.

Hisle moved to approve the contract with QLess, Inc for the District's digital queuing system for a total cost of \$9,650. Lux seconded. The motion carried unanimously.

Capitol Appraisal Group Contract

Lankford discussed the Capitol Appraisal Group (Capitol) contract. This company provides appraisals for the District of their large utility systems, minerals and other categories that require an expert. Lankford indicated that Capitol is one of the largest appraisal firms in the state that provide this service. He announced that the contract price listed represents an increase of \$1,950 over prior years and that this would be a two-year contract. Lankford indicated that the District had been utilizing this company for many years and hadn't seen a price increase in seven years. He suggested continuing doing business with Capitol.

Gibbs made a motion to approve the contract with Capitol Appraisal Group as presented for a total cost of \$78,000. Hisle seconded. The motion carried unanimously.

Pictometry Contract

Lankford discussed the District's aerial imagery. He indicated that the District had been utilizing Pictometry International to provide this service for 15 years or more and that he would like to continue doing business with them. He announced that if the District were to sign a 6-year contract, it would see a 55% decrease in the contract price. Lankford went on to explain that this contract combines three services; aerial photography, change detection and pool finder. He mentioned that the pool finder portion would be done in years one and four. Lankford indicated that the District's taxing units (including police and fire departments) would be able to take advantage of this imagery.

Hisle made a motion to approve the contract with Pictometry International Corporation to provide the District's aerial imagery and change detection for all 6 years and pool detection for years 1 & 4, in the total amount of \$1,758,154. Lux seconded. The motion carried unanimously.

Coronavirus (COVID-19) Status Update

Emergency Funds Approval

Lankford reviewed several expenses that were necessary in response to needs brought by the current pandemic.

Hisle made a motion to approve the previously spent emergency funds in response to needs brought by the COVID-19 (Coronavirus) outbreak. These funds were used to provide supplies for employees and the Appraisal Review Board. The total expenditure was \$5,411.03. Lux seconded. The motion carried unanimously.

Chief Appraiser's Report

WCAD Initiatives

Lankford informed the Board that, as part of the pandemic response, the District had decided to conduct property owner hearings virtually using its new phone system, Ring Central. He announced that, as of the current date, 96 hearings were being scheduled daily. Lankford indicated that, instead of having property owners in our office, they are able to sign up on the District's website for a date and time for their hearing. Evidence can be shared informally with an appraiser. If the appraiser and the property owner are unable to come to an agreement, the owner is transferred to a virtual hearing with the Appraisal Review Board and this entire process is able to be conducted from the safety of the property owner's home. Lankford announced that eventually in-person hearings would be conducted, and he was hopeful that hearings would be complete by sometime in August.

Lankford expressed his appreciation to the District's management team as well as others in the office for their work in making this process a success.

Protest Season Update

Lankford reminded the members that when values were first being sent to property owners, he had approached the Board regarding these being sent with conservative numbers. He announced that he was pleased with the result, indicating that value protests from property owners had decreased dramatically since 2019. He also mentioned that, with the removal of the owner walk-in period, an additional 5,000 people did not enter the appraisal district office. Lankford announced that the District had seen 13,000 less people in its office this year.

WCAD Presentations

Lankford announced that he had done value presentations for both the City of Round Rock as well as the County Commissioners Court. He indicated that even though the District sent conservative values, the entities are seeing growth in taxable values. They were thankful for the work done attempting to approach the Governor's office as well as what the District had done locally to help property owners.

WCAD 2020 Christmas Party

Lankford invited the Board members to the District's annual Christmas party. This party is scheduled to take place in the evening on Saturday, December 5th at Lone Star River Boats on Lake Austin.

Future Meeting Location

Lankford informed the Board that currently the Appraisal Review Board members were occupying the District's Board room. He indicated that he was hopeful that the Board could meet in-person for their meeting scheduled for September 10th. He indicated that the July Board meeting would need to be virtual.

Lankford provided an update on the status of employees working from home. He indicated that about fifty percent of its staff were continuing to work from home and reported that things were going well. He indicated that only agents were being seen in the office at this time but that the lobby was open to the public. He announced that the future of working from home would be discussed further at the District's annual planning meeting which takes place in August.

Board Agenda Additions for Future Meeting

There were no specific items discussed for future meetings. Chadwell asked that members notify himself and Lankford if they had any additions.

Board Announcements

There were no Board announcements.

The Board had previously set the following meeting dates:

Thursday, July 9, 2020 at 9:00 a.m.

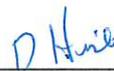
Thursday, September 10, 2020 at 9:00 a.m.

The meeting adjourned at 11:40 a.m.

Respectfully,



Charles Chadwell, Chairman



Donald Hisle, Secretary