

THE STATE OF TEXAS§

THE COUNTY OF MILAM§

MILAM APPRAISAL DISTRICT

The Milam Appraisal District Board of Directors (BOD) convened in a regular meeting Thursday, August 20, 2015, at the Milam Appraisal District Office, 120 North Houston Street, Cameron, Texas.

Attending:

Board Members:

Tim Arledge
Don Culp
Kolette Morgan
Lisa Gerthe
Larry Patterson
Travis Yoakum

Staff:

Dyann White, Chief Appraiser
Miranda Drake, Business Manager

Others:

Allan Sapp – Cameron ISD Superintendent

Absent Board Members:

None

Item 1. Call To Order

Having a voting quorum present, the meeting was called to order by Board Chair, Tim Arledge at 8:30 a.m. Invocation by Mr. Patterson, moment of silence, pledge of allegiance to U.S. Flag, and pledge of allegiance to the Texas Flag.

Item 2. Citizen's Communication –

None.

Item 3. Consent Items –

All items listed under this section, Consent Items, are considered to be routine by the Board and may be enacted by one motion. If discussion is desired by the Board, any item may be removed from the Consent Items at the request of any Board Member and will be considered separately.

- a. Approve minutes of July 16, 2015 regular meeting
- b. Approve July Budget Report

Motion by Mr. Patterson to approve consent items as presented, seconded by Mrs. Morgan, approved by unanimous vote.

Item 4. Consider New Business –

- a. Discussion and possible action to re-appoint a committee to research and recommend specialized legal counsel for possible litigation. Receive update.

Chief Appraiser explained this is the result of talking with our attorney, Sandy Griffin. She was concerned that the committee consisted of three people. In the executive session she had said two or three members could serve on the committee. But, the fact is that three is a voting quorum because Kolette is a non-voting member. We really need to have just two members. Luminant's deadline to file suit is September 19th. We really need to know who will represent us by the time they file so that they can immediately get moving on the things they need to get done. Whoever remains on the committee can work with Miranda to get some meetings set up. We need to know if there are other firms you want us to contact. Discussed Robertson and Titus County. Robertson CAD went with Olson & Olson. Titus CAD has not made a decision yet. Chief Appraiser spoke with Smithville CAD Chief Appraiser. They have a nuclear plant there. They are going through the same thing. Our Chief Appraiser has heard really great things about Olson & Olson, but the Smithville Chief Appraiser said they would not go with them because they represent Harris CAD and he feels like they are busy with them. He will let us know who they end up selecting.

The Board discussed. Mr. Patterson is representing the County and Mrs. Gerthe is representing the school district so Mr. Arledge agreed to step down.

Motion by Mr. Yoakum for Tim Arledge to step down and Mr. Patterson and Mrs. Gerthe to serve on the committee, Mr. Culp seconded, approved by unanimous vote.

Sandy reminded the Chief Appraiser that the tax code is very specific that the Chief Appraiser and the Board of Directors cannot discuss anything related to the appraisal of property outside of an open meeting. Because everything the Chief Appraiser does is related to appraisal, we cannot discuss any business matters outside of an open meeting. If we need to discuss anything outside of a regular meeting, we will need to call a special meeting.

The Business Manager brought to their attention that this means the Chief Appraiser cannot serve on the committee for the legal counsel selection process.

- b. Discussion and possible action to approve the 2015 Budget Amendment.

Chief Appraiser explained the budget amendment process. We have received no vetos from the entities. Chief Appraiser explained that *Part 1* of the budget amendment is to transfer funds between accounts for our forecasting through fiscal year end. *Part 2* is to appropriate the additional \$500,000 for potential litigation. The board's action today would approve both parts.

Motion by Mrs. Gerthe to approve the 2015 Budget Amendment, Mr. Patterson seconded, approved by unanimous vote.

- c. Discussion and possible action to approve a resolution setting the 2016 TCDRS Retirement and Group Term Life plan rates and authorize the additional 2015 contribution of \$7,000 to help pay down the unfunded liability.

The Chief Appraiser explained that a prior budget amendment appropriated the \$7,000 to help pay down the unfunded liability. The Business Manager explained that based on the actuary, the required rate is less than 6%. However, we previously agreed to continue paying the budgeted 6% in order to help pay down the unfunded liability. In addition, the Board appropriated an additional \$7,000 from last year's fund balance to help with the unfunded liability. The original unfunded liability was estimated at \$43,637.

In order for us to make the physical payment of \$7,000 and to pay the additional rate of 6% in 2016, we must have a signed resolution authorizing the actions. By taking these two actions, it will bring the unfunded liability down to \$30,629 so we are making significant progress.

Motion by Mr. Patterson to approve the resolution as presented, Mrs. Gerthe seconded, approved by unanimous vote.

d. Discussion and possible action regarding building fire safety.

Mr. Arledge wanted to know where this came from. The Business Manager explained that in cleaning her office she discovered a Fire Safety file from 1993. In the file was a document stating that the Board had requested the Fire Marshal to evaluate the building. All of the Fire Marshal's recommendations were implemented except for fire alarms and heat detectors. In looking around the building we were not able to locate any type of fire alarm or heat detector. We have lighted fire exit signs and fire extinguishers but that is it. Board discussed.

We have received two bids. One is for \$8,340 for both smoke detectors and heat detectors. The other bid was \$16,150 for just corridor coverage. For full building coverage they want \$21,681. Business Manager listed items included in the \$8,340 bid. In addition, we will have to supply an additional dedicated telephone line and pay a monthly monitoring fee. Board discussed if we should get the fire marshal to come through. Mr. Yoakum said we have since renovated the building so it is in excellent condition. He said he didn't know how we missed fire detectors. He said the monitoring is good, however, the key holder will have to respond to false alarms.

The Chief Appraiser explained that this is not a budgeted item. Board and staff discussed. Mrs. Morgan asked about paper appraisal records. The Chief Appraiser explained that we have these all electronically now. We had all of the old records put on microfiche and then on CD, however, the CD's do not work properly. We have now converted the CD's to a PDF file so that they are on our server and are being backed up to an off-site location.

Staff asked for guidance. Board agreed that Staff should bring a budget amendment back for approval to appropriate funds.

Item 5. Chief Appraiser's Report –

a. Recognize employee Lesley Sootoo.

The Chief Appraiser explained that we wanted to recognize Lesley for her good customer service. She received really good comments from members of the public and her co-workers feel the same way. We just want to recognize her excellence in customer service. Mr. Arledge presented Mrs. Sootoo with a certificate recognizing her great customer service.

b. Receive final 2015 reappraisal plan report including hearings, certification totals and pending properties.

Chief Appraiser explained that there were 943 protests filed for 2015. Of those, only 51 were approved by the ARB. This means they came in before the ARB and the ARB issued changes in their value. 57 were denied, 117 were no shows, and 718 were waived. We usually do see that...the lions share is waived. It doesn't mean that we are slashing values if they file a protest. Many property owners bring in evidence and sometimes we don't make a change. We are able to explain the value and they agree to drop the protest.

The taxable value was reduced by 2% from preliminary value. Overall it was a 4% increase as compared to 2014. The reduction that occurred during the informal process still left the County with an increase in value. Not every individual entity saw an increase. A news release has went out that breaks it down by ISD. For instance, Gause ISD lost a pretty good amount of money due to oil & gas (minerals).

As of the date of this agenda, there were 88 uncertified properties meaning they were not ready for certification on the last day. 29 are protests that were rescheduled due to owner

request for later date, 8 are late notices where the District mailed a corrected notice of value, and 51 are denials that still have time in which to protest. As of today, there is nothing outstanding except for those waiting for their hearing so we have been able to certify everything that was withheld from the roll. We are in really good shape.

Mr. Arledge asked how is the agriculture issues for the game properties. The Chief Appraiser explained that there are four properties that she is watching for possible litigation. There are two in addition to Luminant and Sandow. The ARB put Ag back on all but one of the hunting ranches. One was a hunting property and we felt that the principal use was not Ag. Three had some use for Ag. Because there was at least some use for Ag, the ARB put Ag back on the properties. The Chief Appraiser explained that if they came in to file a wildlife plan they would probably get it hands down. She has encouraged them very strongly to do a wildlife plan versus Ag. There is one owner that didn't have any mixed use. They are raising zebras. They have a little bit of hay but the hay goes to feed the zebras. Everything else is hunting on the property. She doesn't anticipate them filing a lawsuit. There was one of the hunting lodges that was very upset about the value we placed on the lodge itself. This one we may see some litigation on or even arbitration. Mr. Arledge wanted to know if when they do this do we get to go out and look on the property. The Chief Appraiser said it is a possibility.

The other one is Beaver Creek. He got Ag back but he is not happy about the value on the improvement. The claim is that it is not a lodge but rather is his home. He doesn't have a homestead on the property. The Chief Appraiser explained that we have not entered that property since he became the owner. We have attempted many, many times. He has multiple homes in many other places.

We had another property were the owner is not happy about the price per acre on the Ag value. He is an attorney. He commented that if the board didn't agree we would see him in court. We have tons of evidence on how we calculate the Ag value.

The deadlines to file suit will occur between September 18th and 19th. It depends on when they signed for their certified mail. The delivery takes a few days but the deadline is based on the postmark.

Board discussed bringing back a recommendation for legal counsel at the September 17th board meeting.

c. Litigation report – None pending at this time.

d. Board Calendar Review –
Chief Appraiser reviewed upcoming meeting items as shown below.

September meeting –

- i. Receive report/update from committee for Legal Counsel
- ii. Receive 2016 Reappraisal Plan report
- iii. Review possible extension of Bank Depository contract for 2016
- iv. Consider contract for complex properties

October meeting –

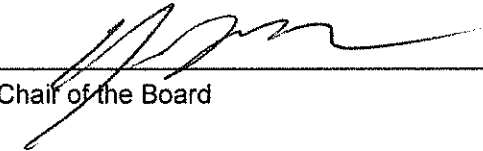
- i. Receive report/update from committee for Legal Counsel
- ii. Approve investment report for 3rd quarter
- iii. Accept ARB quarter change report
- iv. Receive current year reappraisal plan report
- v. Solicit Board of Director nominees from entities

NOTE: Written reports of any above listed items provided to all BOD members are considered part of the BOD's minutes as reports.

Item 6. Adjournment

Having no further business to consider, on a motion by Mr. Patterson and seconded by Mrs. Gerthe, approved by unanimous vote, the meeting adjourned at 9:03 a.m.

NOTE: Recording of the foregoing meeting on file for 90 days in the Milam Appraisal District Office, 120 North Houston Street, Cameron, Texas. The above and foregoing minutes examined and approved in open meeting this the 17th day of September, 2015.



Chair of the Board

Attest:



(Member)