

THE STATE OF TEXAS§
THE COUNTY OF MILAM§

MILAM APPRAISAL DISTRICT

The Milam Appraisal District Board of Directors (BOD) convened in a special meeting Thursday, February 25, 2016, at the Milam Appraisal District Office, 120 North Houston Street, Cameron, Texas.

Attending:

Board Members:

Tim Arledge
Don Culp
Lydia Cervantes
Lisa Gerthe
Larry Patterson
Travis Yoakum

Staff:

Dyann White, Chief Appraiser
Miranda Drake, Business Manager

Others:

Dr. Dirk Dykstra – Buckholts ISD
Denise Monzingo – Rockdale ISD

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. Board Member –

- a. Mr. Travis Yoakum signed Statement of Elected/Appointed Officers forms
- b. Mr. Travis Yoakum took and signed the Oath of Office as administered by the Business Manager.

Item 4. Adjourn to a Closed Meeting and Executive Session pursuant to Texas Government Code Section 551.071 of the Texas Open Meeting Act to discuss pending litigation or a matter in which the duty of the attorney of the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar clearly conflict with the Open Meetings Act, specifically related to consultation with attorneys, receiving information and asking questions from legal counsel regarding the Luminant lawsuit and bankruptcy proceedings.

Board declined to go into Executive Session, no new developments

Item 5. Return to Open Session to discuss and possibly take action on items discussed in 551.071 Executive Session.

Board declined to go into Executive Session, no new developments

Item 6. 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 January 21, 2016 regular meeting
- b. Approve January Budget Report

Mr. Patterson made a motion to approve consent items as presented, Mrs. Gerthe seconded the motion, vote was unanimous.

Item 7. Consider New Business –

- a. Discussion and possible action to approve appeal proceedings for the Preliminary Property Value Study.

The Chief Appraiser explained that the Property Tax Assistance Division (PTAD) of the State Comptroller's office performs a property value study (PVS) every two years. It measures the accuracy and uniformity of our appraisals. It's specific for school districts because of State funding to ensure the State is not paying more than it should. We have done very well in past studies, but this year they have found us out of confidence level in every school district except for Thorndale. They feel that we are undervaluing residences and land in Buckholts, Cameron, Gause, Milano, Rockdale and Bartlett. However they did find the values in Thorndale to be valid, which is odd. I would like to appeal every district that is out of confidence level. We have already gone through the States data and have already found some significant errors. There are some real differences of opinion. For instances, some of the homes in Buckholts ISD are being compared to Rockdale ISD sales data. Within the Rockdale area they are comparing the Oak Park area to sales in Linwood Acres. There are just some real fallacies in the States data. We are asking to appeal each ISD out of confidence level. Buckholts and Milano ISD are both under contract with Perdue Brandon to file an appeal automatically if they ever fall out of confidence level. So that is a contract they already have. Perdue Brandon is who we are wanting to use to do the other appeals. Rockdale ISD is under contract with McCreary to do their appeal at no additional cost to the school district.

We are asking to approve a contract with Perdue Brandon to file appeals for Bartlett, Cameron and Gause ISD. The District would fund those appeals. We would like to ask that any 2015 surplus funds be used to fund the contract with Perdue Brandon and any funds remaining be used to help offset the cost of appeals for Buckholts ISD and Milano ISD.

Reviewed the PVS preliminary results with the Board. Mr. Culp and Mr. Arledge requested the full detail report of the PVS. She sat in on a discussion by the Texas A&M Real Estate Center and we are appraised higher than their opinion of market value for Milam County. So she is going to submit that to the State. Texas A&M Real Estate Center has MLS data, economic data, etc. Mr. Arledge asked what we know about the person from the State that performed our PVS. The Chief Appraiser said that all she knows is that she was just hired by the State and has never been involved with a Property Value Study. We have already called her supervisor and there is no where else we can go with this other than to file an appeal.

The Chief Appraiser explained that Buckholts ISD and Milano ISD are more than 10% out of confidence level which means they have school funding at stake. Her understanding is that the ISDs will only collect tax on what we have appraised the property's value at, but the State will only provide funding as if we had appraised higher at the State's values. So the ISDs will not receive the full funding they would have if the State used our values.

The last eight years we have been at 98 – 100%. We have had great property value studies in the past. The last one we were literally at 100%. In this PVS, a different appraiser performed our commercial property and we were between 98 – 102% on our commercial

property. I don't believe our commercial is stellar and everything else is bad. We review sales every year.

There was discussion regarding the motion/action to be taken.

The Chief Appraiser said that Perdue stated they do not invoice the school district until the full time for the appeals have actually passed. The school district can appeal for up to two years after the fact. So Buckholts ISD and Milano ISD would not be invoiced for 18 to 24 months from now. We can obligate any remaining funds to help fund those ISDs and just earmark it for when they are invoiced. The amount of the contract is at \$16,500 for the three school districts. The 2015 estimated fund balance is at \$46,000.

Mr. Patterson made a motion to approve contract with Perdue, Brandon, Fielder, Collins & Mott, LLP to represent District in appeal proceedings for the Preliminary Property Value Study performed by the Texas Comptroller of Public Accounts for the 2015 appraisal year to include Bartlett ISD, Cameron ISD, and Gause ISD, Mr. Yoakum seconded the motion, vote was unanimous.

Mr. Patterson made a motion to approve helping Buckholts ISD and Milano ISD with their appeals cost should there be remaining funds, Mrs. Cervantes seconded the motion, vote was unanimous.

- b. Discussion and possible action to award contract/agreement for the printing and mailing services for appraisal notices.

The Chief Appraiser explained we sent out a bid last year for printing of the appraisal notices. Before that we were with a company called VariVerge (formerly West Texas Micrographics). They did all of our printing and were a really good company. So last year we went with a different company that came in cheaper. Once we got into the actual printing process we found that the vendor had left items off the bid. We held them to their bid. So we did an RFP again this year and sent to the same three companies. The cheapest is LPMS, however, they have lost a lot of business to other printers. The Chief Appraiser explained that she believes the Tax Office used this same company a few years ago and they left them as well due to some issues. The next lowest bid is VariVerge which is a very good company that we have had good experience with.

The difference is calculated at about \$1,300 which is based on the estimated number of notices. The Business Manager explained that we had several references that we called in which they were recommending a different company because they left LPMS because they had bad experience with them. That worries us because cheapest isn't always best. The most crucial part is meeting the deadline....we are at their mercy.

Motion by Mr. Yoakum to award contract/agreement for the printing and mailing services for the appraisal notices to Variverge, seconded by Mrs. Gerthe, approved by unanimous vote.

Item 8. Chief Appraiser's report

- a. Recognize Carol DeLong for 10 years of Service
The Chief Appraiser recognized Carol DeLong for her 10 years of service with the District. She expressed her appreciation of Carol's work. She explained that one of the biggest reflections of Carol's work is how many people come in and only want to work with Carol. They don't want to work with anyone else.
- b. Discuss Buckholts ISD boundary
The Chief Appraiser explained that the waters seemed to be really muddied by miscommunication with the State. She's not trying to lay blame, it's just that the answers she was given by the State do not match the answers that Mr. Dykstra was given as far as how to get this thing taken care of. Mr. Dykstra was told that if their maps are wrong we simply need to submit information to support it so they can correct their map. I have shown time and time again, to the Board and to the entities, that TEA and TLC have had this boundary wrong on

their maps since the early 1990s. So, I just want it to be clear, I changed the boundary to match the State because at the time I didn't have any other information. What has come forward since then is those old school districts that were annexed into Buckholts ISD. I thought we had the original documents saying that they were annexed into Buckholts. We are still looking for those. I am going to work with an individual by the name of Jason Baine, and I'm going to ask him to correct their maps based on these facts. And the correction I will be asking for would move the boundary to where it's always been. I do believe that is the correct boundary. So at that point it will be in the State's hands as to what they do. The issue that I am facing is we are coming up on the deadline to print appraisal notices. I have 54 properties in limbo. I don't want to send out appraisal notices with Rockdale ISD and then come back and send out corrected appraisal notices with Buckholts ISD. So my hope with this situation is that the State gives me a definitive answer prior to March 15th which is the cutoff date for printing notices. If they do not, I'm going to withhold these 54 properties from notices. I can't wait forever but at some point I will have to send their notice.

The best answer she can get from either of those agencies is that TEA uses the school district maps that are done by the TLC. And again, what started all this is that they wanted me to certify that the maps were correct, that there had been no annexations or de-annexations. She could not certify because there was a discrepancy and there has been for a long time.

- c. Discuss proposing a final budget amendment for 2015 – error, should not have been on agenda
- d. Receive 2016 reappraisal plan report
We are about finished. We have almost finished all of our field work for 2016 appraisals. We are finishing up Thorndale ISD as we speak. We should have everything completed by March 15th.
- e. Possibly adding temporary position during informal/formal period
We were looking at bringing in a temporary employee due to one of our employees being out for an extended period of time. However, in light of the appeals for the PVS, we will forego this request. We never have lines so if we have lines we will just seat them in the board room and wait on them on a first-come-first-serve basis.
- f. Update on City of Milano payment
2015 and 2016 payments have been paid in full. Actually there was an overpayment and a refund was issued.
- g. Litigation report
The Chief Appraiser explained that we had the onsite visit last Friday with our legal team. She was extremely impressed with the fee appraiser the Board hired, Mr. Sansoucy. He was there. He was very direct and definitely knows his business. He is very educated and knowledgeable.

Our original court date was scheduled for February 22nd. Of course, that didn't happen due to the discovery phase which has slowed some things down.

Sommerville County has already had their hearing. It was a bench trial. The Judge has taken it under advisement. There is no verdict yet.
- h. Board calendar review
Discussed upcoming calendar as described in the agenda item. We will also have a proposed budget amendment for 2015 to appropriate fund balance.

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

Item 9. 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 9:06 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 March, 2016.



Chair of the Board

Attest:



(Member)