

SAN PATRICIO COUNTY APPRAISAL DISTRICT  
BOARD OF DIRECTORS MEETING

April 12, 2016

John Curlee - Chairman of the Board, presided over the regular meeting of the Board of Directors for the San Patricio County Appraisal District scheduled for Tuesday, April 12, 2016, at 4:06 p.m.

*Present:* John Curlee, Jan Whiteley, Dr. Anne Matula, Rufino Lozano-Chief Appraiser, Diana Moss-Secretary.

*Absent:* Bill Wilson and Dalia Sanchez

*Visitors:* Jo Ann Ehmann – Ingleside on the Bay resident.

The Board recessed until Bill Wilson arrived at 4:18 p.m. and the meeting reconvened at 4:20 p.m.

*Public Comments:* Mr. Curlee asked Mr. Lozano to bring in the staff to introduce them to the Board. The Board introduced themselves to the staff. Mr. Curlee asked that Mr. Lozano do this periodically when we have new staff.

*Minutes:* The Board considered and reviewed the minutes from the regular meeting on March 8, 2016. A motion was made by Mr. Wilson to approve the minutes with a second to the motion by Mrs. Whiteley. The motion carried unanimously.

*Accounts Payable:* The Board considered and reviewed the accounts payable. A motion was made by Dr. Matula to approve the accounts payable with a second to the motion by Mrs. Whiteley. The motion carried unanimously.

*Auditor's Report:* Mr. Lozano stated that the audit is just about complete. Mr. Streatly needs to go over the report with Diana Moss and myself. He also stated that the Board can approve the preliminary audit if they so choose or wait until the next meeting. Mr. Wilson asked to have the report to him at least a week in advance. He stated it if is clean he would not have a problem approving it at the same time. The Board discussed the subject brought up by Mr. Oehler's report on the Committed Fund balance of the \$493,203. Mr. Lozano stated that he felt the Board needs to discuss this with Mr. Streatly when he is here at the next meeting.

*Survey Cards:* The Board considered and reviewed the Appraisal District Survey Cards and letter. The Board acknowledged the report on the survey cards for March, 2016.

*Exempt and Non-exempt Employees:* Mr. Lozano stated that Laura Allender went to the Texas Workforce Business meeting this past week. He said that they had a couple of things to share with the Board that was not in their packet. Dr. Matula stated that she had some new information that regardless of supervisor the number to look at is a salary of \$50,000 annually. Mr. Lozano

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need the Board to approve that settlement. He said we hope to have those papers ready either this week or the first part of next week. Mr. Lozano stated that we might need a special meeting to consider the settlement offer with Prosperity Bank. The Board discussed the possible dates for the special meeting. The Board reviewed and discussed the litigation list.

*Update Report from Consultant David Oehler:* Mr. Curlee stated he talked with Mr. Oehler yesterday and he had planned to come down to do a physical inspection of Ingleside on the Bay. The weather forecast did not look favorable for him to come. He is moving forward and plans to bring someone to assist him. Mr. Lozano had two comments from the City of Ingleside. They were wondering if the Board wanted Mr. Oehler to also include the industrial land on the La Quinta channel. Mr. Curlee stated that he did not think Mr. Oehler is qualified to assess that property. Mr. Curlee said he had a discussion with Peter Low concerning quality of a vendor. He questioned whether this might be something we need to discuss in Executive Session. We need to add this to the next agenda. The agenda item should be vendor discussion about industrial land.

*Board's recommendation for prioritized items on David Oehler's audit:* Mr. Lozano stated he did receive the information back from Dr. Matula and Mrs. Whiteley. He passed out the documentation for the Board to consider and review. Mr. Lozano stated he sorted by the last column on the left totals which include his opinion for the calculations. The Board stated they thought that Mr. Lozano completed a good list. Dr. Matula stated the two items we need to consider are the credit card and attendance at the TCEQ meetings. Mr. Curlee asked that they need to be added to the next agenda. Mr. Curlee asked that Mr. Lozano receive a response from who is really effected by TCEQ. Mr. Lozano stated that it is Mathis, Odem, Taft, Gregory-Portland, Ingleside and the County. Dr. Matula said that the two parts to the TCEQ is the attendance and the two days away from the office. She also stated that Mr. Lozano has said that at times he takes care of personal duties along the way to the meeting. Her opinion is that Mr. Lozano should take that part as vacation. The way she was informed was that we were operating under taxpayer money. The day you travel typically you were heading to Austin for the community college or Board. You left at 3:00 p.m. traveled up there and headed to a motel. The meeting usually started the next day at around 8:30 a.m. and then we would travel home. If I had relatives or had something I needed to do in Austin, I would inform my boss and ask to leave earlier. I would take 6 hours of vacation that day because I would normally not leave until 3:00. She stated that guidelines should be in existence. Mr. Lozano said in the past he didn't leave until 3:00, but our Board member, Mr. Hametner said we should not be traveling so late, and only travel in the daytime. Dr. Matula did reiterate that someone needs to be at those meetings. Mr. Wilson said if this was just twice a year it would be one thing, but it is twice a month. He said for Mr. Lozano to make that kind of commitment you need to make sure someone is able to fill in while you are not here. Mr. Lozano stated he rather someone else attends, that would take a lot of weight off my shoulders. Mr. Curlee asked does Gregory-Portland or Dr. Clore want you to go. Mr. Lozano stated that he does want someone there. Mr. Wilson stated we need to come to a game plan for those times you go to TCEQ for the cases that involve San Patricio

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informed the Board that if the job description does not require a degree they are non-exempt. If the job description requires a degree in order to obtain the job they are automatically exempt. Dr. Matula asked if it would still apply even if the salary was below \$50,000. She stated that her Human Resource person stated that you look at the salary first before you look at the duties. Mr. Lozano prefers that the appraisers have a degree, but there is no requirement. Dr. Matula asked if they have a license or certifications for the job aren't they exempt. Mr. Lozano stated "no". Mrs. Allender stated that at the conference she was told by the speaker "are the appraisers were required to have a four year degree to hold the position they have" and she stated "no" then the speaker stated they are non-exempt. Mr. Lozano discussed with the Board concerning the state and national designations. Mr. Curlee asked if we have potential problems with the exempt and non-exempt employees. Mr. Lozano stated that if we move the appraisers into an exempt status, we need to err on the side of caution. He said if we are not absolutely sure they are exempt we need to list them as non-exempt employees. Mr. Wilson asked how the Appraisal District authorizes over time. Mr. Lozano stated that either Mrs. Allender or myself approve the over time. Mr. Wilson wants to implement best practices and my impression is that most certified appraisers of the state are exempt employees. Mr. Wilson stated that if we did a state wide survey we would find out that most appraisers are exempt. Mr. Curlee asked Mr. Lozano being a part of the Chief Appraisers Institute if there is information that he can obtain from them on this topic. Mr. Lozano stated he would try. Mr. Wilson asked that we look at what other Appraisal District's in the state classify their appraisers and what are the responsibilities and pay scale. Also he stated he would like to see the new ruling that Dr. Matula mentioned. Mr. Curlee stated that we are going to table this item as stated and once the material is available send it to the Board.

*Printing Equipment and Third Party Printing:* Mr. Lozano informed the Board that this agenda item is based on one of the recommendations from Mr. Oehler's report. When we purchased the Xerox machine we have now I had previously mentioned purchasing multiple machines. The cost of out-source printing is between \$5,000 and \$6,000 for 8,200 pages. This printing would be for the appraisal rolls for the entities, appraisal notices, and additional copies that are put into the notices that are required. We have out-sourced the appraisal notices this year with Variverge. The other printing would be renditions and surveys. Mr. Wilson stated that there is a lot of variation when it comes to printing cost. Mr. Curlee stated that we can't afford to stuff envelopes and lick stamps. Mr. Lozano stated that we have in the past. Mr. Lozano stated the next printing will be by those who did not submit a rendition. This will be around the first of June; since the appraisers are busy I run the copies myself. The total amount will be approximately 1,000 individuals. The Board discussed the different options of purchasing copies for each cubicle or the purchase of a couple of Xerox copiers. The Board discussed the cost we charged to the entities for printing. We do have an invoice for the work, but we write on it as a no charge. The total cost of the entities requested work last year cost the Appraisal District \$815.00. The Board wants more information to be presented at the next meeting. Mr. Curlee stated that we will table this item until next meeting.

*Litigation:* Mr. Lozano stated we do have a settlement offer from Prosperity Bank and our attorneys are in the process of writing up the settlement papers. Once the papers are ready we

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need the Board to approve that settlement. He said we hope to have those papers ready either this week or the first part of next week. Mr. Lozano stated that we might need a special meeting to consider the settlement offer with Prosperity Bank. The Board discussed the possible dates for the special meeting. The Board reviewed and discussed the litigation list.

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County and those times that the meetings involve other issues. What would be the acceptable level of participation? Mr. Lozano stated that items 1.1 to 1.72 deals with staffing or employees.

He stated that with the Harris Govern system it is more powerful and he is concerned about employees doing multiple tasks and not processing all the steps. He is concerned about the scanning of documents by an employee and attaching them to the accounts. The receptionist would be handling the position of scanner too. Unfortunately, with the volume of documents we would need a second person to assist. The busiest time is during protest time when all taxpayers are bringing in documents, photos and other items. The other position was senior appraiser positions which if he could have everyone that was mentioned on this list, we would need approximately 23 employees. We only have enough for staffing for 15 employees, but with a couple of more employees we could put individuals in all the essential positions. Mr. Lozano believes we would only need 18 employees including him and Mrs. Allender. He stated that we would need 3 more employees in addition to what we now have on staff. That would include additional receptionist, lead or senior appraiser and an agricultural appraiser. He said he would have Diana Moss be the human resource, accounts payable and accounts receivable, two receptionist and scanners, one lead appraiser, one deputy chief appraiser, two appraisers working exemptions, sales, name changes, address changes and supplements. Mr. Lozano discussed his opinion versus Mr. Oehler's concerning clerical staff and appraisers working exemptions, sales, name changes, address changes and supplements. Mr. Wilson is not against bringing on staff, but he does not feel it should happen all at one time. Mr. Lozano feels the first consideration would be an additional receptionist. He stated that we could consider bringing in the second receptionist for only 32 hours a week during this time, but during protest season we might consider 40 hours. He said the way they have the ARB set up in the Harris Govern system that we only need one person to concentrate on the hearings. Mr. Lozano discussed setting up monitors in the boardroom and front desk area. Mrs. Whiteley asked who does the scheduling for ARB hearings now. Mr. Lozano informed the Board that Mrs. Allender and he are handling that now. He discussed the Pictometry contract and stated that we do have the ability not to request a flyover. The Board felt that Mr. Oehler's report was stating that we don't need the flyover for the entire county. The Board discussed the fact that the appraisers need to be scheduled out in the field more than in the office. Mr. Lozano discussed the mileage reimbursements in comparison to leasing vehicles. He presented figures to the Board showing what we are paying now for the company vehicle, auto allowance and staff mileage. Mr. Wilson stated that with what we save on Pictometry, we can purchase vehicles and have appraisers out in the field. Also, Dr. Matula stated that the cars would be marked and the taxpayers would see that the Appraisal District is doing their job. Mr. Lozano said he would like to look at leasing vehicles opposed to purchasing them due the amount of miles that would be put on the vehicles. Dr. Matula asked why we pay \$100.00 a month to each appraiser and we pay mileage too. The Board discussed the concern over housing the vehicles here at the office. Mr. Lozano stated that as far as the ARB panels he has been discussing this for several years, but we don't receive enough applications. Mr. Curlee stated that Mr. Lozano needed to talk to Peter Low concerning panels. The Board felt that eventually we will need panels due to the growth and demand in our county. Mr. Lozano explained to the Board the difference between an alternate and auxiliary ARB member.

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The Board took a short recess from 7:20 p.m. to 7:25 p.m.

Mr. Lozano continued to report to the Board concerning the salaries which he felt were in line and discussed the budget and expenses. He stated our budget was only up by 12% this year and he can look at cutting some expenses, but doesn't want to undercut too much. Mr. Lozano said he would rather be over and refund to the entities instead of under and have to go back to the entities for more money. He said he does look at the expenses considering the purchase of a map plotter which had been purchased previously and just sat there and was not used. Mr. Lozano discussed the mailing out of the partial roll every other year instead of the full roll. He stated that we have done that in the past. Mr. Lozano said the panels, mailing notices, and chief appraiser salary is determined by the Board. He said that the litigation we will discuss with the auditor when he comes in. We have already implemented the education for appraisers and keeping the office open during lunch. Mr. Lozano stated the last three items I do not see we need to consider. When Frances De Leon was receptionist we promoted her to appraiser and she worked both positions until we hired Maria Gentry. He said the only other office we might need was if we bring in a lead or senior appraiser. He had previously discussed the map plotter.

*Executive Session:* No Executive Session

*Report on CAD Financial and Operations Report:* The Financial and Operations report was given by Mr. Lozano.

*Report on Status of Re-Appraisal Plan:* Mr. Lozano informed the Board we are currently working on 2016 notices and hope to have them out in the next few weeks.

*Report on MAP Review:* Mr. Lozano informed the Board that Katharine Reed our auditor for the MAP review will be in our office the week of April 25<sup>th</sup>.

*Report on Software Conversion:* Mr. Lozano stated they have converted the 2016 year and the total off from the transfer is \$1,300. He stated this can be due to a rounding off of figures. We are waiting on them to transfer the history files to be able to process the notices. He commented that Roy Holcomb did a wonderful job during the training of our staff.

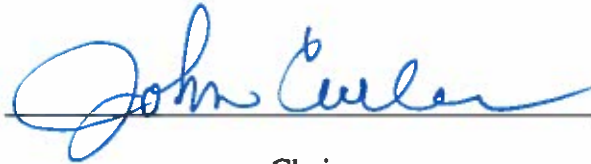
*Report on District's Telephone System:* Mr. Lozano stated we have no new news on the caller ID other then we do have a tracking number. Mr. Curlee stated we would table this until the next meeting.

*Review Board of Directors meeting times:* The Board discussed several different days and times to hold the monthly meetings. Mr. Curlee stated that we can be flexible on the meeting dates. The Board did agree to a meeting date for May 9<sup>th</sup> at 1:30 p.m.

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*New Business for Following Agenda:* The items to be on the agenda for next meeting are the pros and cons of comp time, the table items and vendor discussion on industrial land. The Chief Appraiser evaluation for 2015 will be tabled until the June meeting.

The meeting was adjourned by Mr. Curlee at 8:08 pm.



Chairman



Secretary