

Freestone Central Appraisal District
Directors Meeting

Minutes of June 20, 2018

Regular Meeting #466

The Freestone Central Appraisal District Board of Directors met at the appraisal office located at 218 North Mount, Fairfield, Texas. Board members present were Teresa Duke, Lovie Whyte, Sid Fryer, Craig Dunlap, and Lisa Foree. Representing the appraisal district was Bud Black, Chief Appraiser; Don Awalt, Deputy Chief Appraiser; and Carol Clark, Administrative Assistant. Also present was Ed O'Neal, a member of the general public.

Teresa Duke, board chairman, called the meeting to order at 7:00 p.m.

Ms. Duke pointed out to the board that the agenda for this meeting had been posted in accordance with the Texas Open Meeting Act as evidence by the time stamp and notarized statement of Carol Clark on the posted documents.

Ms. Duke then declared a quorum of members present.

Consideration and action were taken on the minutes of May 9, 2018. There was a motion to approve the minutes by Mr. Fryer, seconded by Ms. Foree to approve the minutes as presented. Motion carried.

The board then reviewed the district's monthly financial reports for the month of May as prepared by Mr. Black. Mr. Dunlap made a motion to approve the monthly financial reports as presented, seconded by Mr. Fryer. Motion carried.

Ms. Duke then asked Mr. Black to verify that the public had been made aware of the scheduled public hearing regarding the 2019 operating budget. Mr. Black stated that a quarter page ad ran in the Freestone County times and the Fairfield Recorder, on June 13 and 14 as evidenced by copies included in the board's information packet. He explained that the ad was also published in The Teague Chronicle. The district has no subscription with The Teague Chronicle at this time and has not yet received the Publisher's Affidavit from any of the newspapers.

With verification of public notice, Ms. Duke announced that the Board was entering into a public hearing regarding the 2019 operating budget at 7:16 p.m. Mr. Black noted that the proposed budget had been mailed to the administrators and presiding officers of each of the participating taxing jurisdictions, allowing them 30 days to review the proposed budget and notifying them of the scheduled hearing date and time of its consideration.

Mr. Black stated that the budget before the board was the product of last month's workshop with no changes made since then. In *Division 1 Personal Services*, the proposed budget included the scheduled salary adjustments as provided by the salary schedule previously adopted by the board. Mr. Black also explained that the other proposed changes are in the contract with Texas Association of Counties (TAC) with an increase of \$10,900, being budgeted for \$149,590 in 2018 and a proposed budget of \$160,490 for 2019. There is an estimation of no more than 5% increase for the employee health insurance. In *Division II Supplies*, postage has increased due to a change in the mailing process having to use certified mailing and additional inserts required by State law; therefore, postage has a proposed budget of \$18,000 from \$15,000 for the previous year. In *Division III Contracts* Equipment Lease has a difference of \$2,460 due to the BIS contract including the set-up of a new server allowing more digital storage space. The budget will increase from \$20,780 to \$23,240. Mapping Services has a proposed budget of \$30,020 for Pictometry to be considered. Mr. Black reminded the board of the mapping program that was discussed in the

last meeting. Ms. Duke requested to see what each entity payment would be without the inclusion of the \$30,320 budgeted as mapping service for Pictometry. Mr. Dunlap asked Mr. Black to explain how the program would affect the appraisers' when having to work gate letters. Mr. Black explained to the board that the appraisers would continue to do field reviews but would have the ability to use Pictometry in the field if they were unable to access the property. They also have the option of completing their review with Pictometry once they have returned to the office. Sending out gate letters and gaining access to the property allows the appraisers to obtain a more accurate appraisal during the field review, measure buildings, and take photographs of everything they see on the property. Mr. Black reminded the board that they cannot legally measure properties on Google Earth but when using Pictometry they can rotate the building and view each side. They can identify what type of building they are reviewing, establish the materials used on the building, and accurately measure the sides. The photographers fly over the county during the winter while the leaves are off the trees exposing properties that would probably be hidden during the summer months. Mr. Black continued to explain that the district will own the photography and the software allows the photographs to be viewed oblique. He reminded the board that the contract for the program is for \$90,000 with a 3-year term and an annual payment of \$30,320.

Mr. Black was asked a question from Mr. Ed O'Neal. He was asked what annual return he expected to receive for spending \$30,320 every year for Pictometry. Mr. Black replied stating that he may possibly receive 95% accuracy with the program making things fair and uniform when reviewing property. After lengthy discussion and with no other questions or comments from the board or the public, Ms. Duke declared that the public hearing was concluded at 8:09 p.m.

Continuing with the meeting's agenda, Ms. Duke then called for action regarding the proposed budget. There was a motion by Mr. Fryer, seconded by Mr. Dunlap that the operating budget be adopted as modified without the exclusion of \$30,320 budgeted for Pictometry; therefore, the total operating budget is \$1,321,915. Motion carried.

Mr. Black then presented the 2018 Summary Appraisal Report supporting the district's appraisal activities for this appraisal season. Mr. Black explained that he had presented this report to the ARB during their meeting on May 29, 2018 when he turned the records over to the ARB for their review, formally beginning the property owner protest phase. Mr. Black briefly reviewed various items included in the report. The 2018 appraisal roll as of the report date has a total market value of \$3,928,772,774, an increase of \$105,366,858 over the certified value of \$3,823,355,916 for 2017. Section 6.05(i) of the Property Tax Code requires the board of directors to adopt a reappraisal plan outlining the district's planned activities biennial appraisal activities by September 15 of even numbered years. Mr. Black explained to the board that while the district's valuation of land, improvements, single family homes and business personal property, the appraisers' may consider the most appropriate of the three approaches to value when determining a property's value; cost approach, market (or Sales Comparison) Approach and Income Approach. Ratio studies are conducted in-house to test and verify that the level of appraisal meets acceptable statistical standards. A copy of this year's report is attached to the summary appraisal report.

Mr. Black called the board's attention to the section of the report that contained the results of the district's internal ratio study as completed by Mr. Awalt. Mr. Awalt's reported conclusions were that the district's appraisals were well within the required appraisal levels for equality and uniformity. Overall appraisals were reported to have had both a median and a mean level of appraisal at 0.99. The Coefficient of Dispersion is 13.25, in which anything less than 20 is acceptable. At the conclusion of his report, there was a motion by Ms. Whyte, seconded by Mr.

Fryer that the 2018 Summary appraisal report be approved as presented by Mr. Black. Motion carried.

Mr. Black then presented the Chief Appraiser's Quarter Change Report. He explained that although a copy of the report has been submitted to the Board of Directors and the Appraisal Review Board he is required by State law to present these changes within 10 days after the end of the quarter. Mr. Black stated that although the board of directors has no jurisdiction over these values, state law requires that this report be presented to the board to verify that the Chief Appraiser was making adjustments to the appraisal record. All changes have been sent to the County Tax Office. He further stated that he was required to include in the report the PTC Section for each change that is made. There were no changes in the list where the property owner and the Chief Appraiser were not in agreement. Ms. Foree made a motion seconded by Mr. Dunlap to approve the changes as presented.

Mr. Black then presented the Chief Appraiser's Report,

Noted in the report:

1. The ARB accepted the 2018 appraisal records on May 31st, formally beginning the "protest" phase of the appraisal cycle.
2. The last day to file protests was June 18th.
3. Following is information regarding the protest documents we have received to date:

Protested parcels	655
Withdrawn protests	-53
Settled protests	-78
<u>Active protested parcels remaining</u>	<u>524</u>

4. Seventeen of these property owners have indicated that they will be making their appearance before the ARB via telephone. This type of appearance is new to us for 2018 as it became a legal requirement during the 2017 legislative session.
5. The ARB is scheduled to hear protests on July 10, 17, 18 & 19. Appraisal records will be approved by the ARB on the 19th and values certified to the taxing jurisdictions on July 25th.
6. The 2019-2020 Reappraisal Plan must be adopted by the board of directors prior to September 15th. Mr. Black intend on presenting it to the board for consideration during the August meeting. A public hearing on the matter will be held during that meeting as well.
7. Mr. Black had to close the general fund account and open another one last month because we received an alert that our account information was obtained from an electronic lockbox for the Texas Association of Counties at Frost Bank through an unauthorized access. Although the account could have been watched for activity, Mr.

Black felt that it was safer to close the account and transfer the funds into a new account. New signature cards have been signed by Teresa, Craig, and Mr. Black.

There being no public comment and there being no further business, Ms. Duke declared the meeting adjourned at 8.41 p.m.

Teresa Duke

Chairman

Laurie M. Whyte

Secretary