

Williamson Central Appraisal District

Board of Directors Meeting

Minutes of May 13, 2021

Charles Chadwell, Chairman, called the regular meeting of the Williamson Central Appraisal District Board of Directors to order Thursday, May 13, 2021 at 9:00 a.m. Board members present; Charles Chadwell, Harry Gibbs, Donald Hisle, and Larry Gaddes. Jon Lux and Lora Weber were absent. Quorum declared.

This meeting was conducted via a combination of a RingCentral videoconference as well as in person. Some of the District's management staff attended the meeting.

Pledges of Allegiance

Receipt of Public Comments

Danielle Weston, a newly elected member of the Round Rock ISD School Board, was present. There were no public comments.

Taxpayer Liaison Officer's Report

Report on Property Owner Contacts

Charley Rouse, the District's Taxpayer Liaison Officer, was present to report on the status of his contact with property owners. Rouse reported that all issues had been resolved. He applauded District staff again for their efficiency in handling these issues.

2020 Financial Audit Report

Lankford introduced Kevin Randolph with Eide Bailly, the District's financial audit firm, who was in attendance to present the annual audit. Lankford announced that the unassigned fund balance showing in the audit would need to be obligated. Randolph reported that he had seen no issues with management's policies or procedures. The District has used the same auditing firm for five years.

2022 Budget Workshop

2022 Budget Review

Lankford reviewed the budget calendar and important dates for the Board members pertaining to the budget. He mentioned the importance of the June 10th Board Meeting and indicated that the proposed budget must be sent to the taxing units before June 15th. Lankford reviewed statistical information and the survey of the entities regarding their potential budget increases/decreases.

Lankford announced a few legislative bills that could cause appraisal districts to increase their budgets, these unfunded mandates will make it necessary to include additional staff in the budget. He expressed his hope that these bills would not pass.

Senate Bill 63 was discussed. This bill includes a 10-year limit (five terms) for Board of Directors members. If this bill passes, this will mean that both Gibbs and Chadwell would be serving their last term. Lankford announced that the latest version of the bill appears that this will only affect future terms of Board members, not current terms of members.

Lankford discussed that Senate Bill 63 was also proposing that agricultural exemption applications (as well as all other exemptions) must be worked and determined within 90 days. He announced that the District would need at least one more position in the Agricultural department to assist with this task if this bill passes. Electronic reminders for hearings for all property owners that schedule a protest, and their costliness, were discussed. Lankford estimated that the District would need an added three appraisers to handle this additional work.

Lankford discussed the changes that would be brought by House Bill 988. This bill addresses communications regarding value by taxing units with employees of the appraisal district. It also has a section that pertains to a change in use for agricultural properties. These bills will require additional work by the appraisal district. Lankford reported that the District was currently on the verge of needing an additional agricultural appraiser and if this bill passes, one would definitely be needed. Lankford mentioned that this bill also requires that each appraisal record have a unique account number, indicating that the District would need to hire an independent fee appraiser for each individual parcel instead of appraising as a whole on Commercial accounts; this would incur additional work and expense in this department. He indicated that this bill would also change the way the District does its property owner protest scheduling since this would mandate that the informal and formal meetings be separated by five days instead of going directly from the informal meeting to the formal meeting with the Appraisal Review Board (ARB). Additional appraisers as well as ARB members would be necessary.

Lankford mentioned the growth the District had experienced and the need for two additional staff members in different departments. He indicated that he was proposing a total of eight new staff positions. Lankford also announced that the salary range for the District's customer service technicians was in need of review. He recommended a ten percent increase.

Chadwell requested that Lankford include a two percent merit salary calculation.

Lankford mentioned that the legislature is working towards a bill that would eliminate the need for the property owner postcard and are instead proposing to place this notification of the breakdown of individual local property taxes on the appraisal notice. Discussion followed.

WCAD Building Payoff

Lankford announced that later in the meeting he would recommend utilizing the District's current building reserve monies to pay off the building in January of 2022. He indicated that this payoff amount would be around \$212,000.

Employee Longevity

Lankford provided the Board with a staff longevity pay comparison between the District and other entities as well as the District and other appraisal districts. He recommended increasing the District longevity to an average of \$1,000 for current staff. He mentioned wanting to stay competitive with other taxing units in the area.

Building Short Lived Items

Lankford announced that each year the District sets aside money for possible replacement items for the building. He indicated that two of the District's heating and air conditioning units were at the end of their life and in need of replacement.

Major Equipment Replacement Items

Lankford also reviewed the District's technology equipment in need of replacing. He announced that two of the District's computer servers were needing to be replaced.

Assigned Obligated Funds

Prefunded COLA for Retirees

Lankford announced that in 2017 the District had pre-funded a cost-of-living adjustment (COLA) for its retirees. He felt that it would be appropriate to provide a one percent flat increase to be taken from the District's surplus funds. He announced that this could be pre-funded, which would keep the District from affecting its unfunded liability with Texas County & District Retirement System (TCDRS).

The Board recessed at 11:11 a.m. and returned at 11:18 a.m.

Consent / Possible Action Items

The consent agenda includes non-controversial and routine items that the Board may act on with one single vote. Any Board member may pull any item from the consent agenda in order that the Board discuss and act upon it individually as part of the regular agenda.

Consent Agenda Items:

Approval of Minutes of the Board of Directors for the regular meeting – April 8, 2021

Monthly Financials

Quarterly Investment Report

Quarterly Taxing Unit Payments

Hisle moved to approve items A-D on the consent agenda. Chadwell seconded. The motion carried 3-0. Hisle, Chadwell and Gibbs voted for. No members voted against.

2020 Financial Audit Report

Hisle made a motion to approve the 2020 Financial Audit Report as presented. Gibbs seconded. The motion carried 3-0. Hisle, Gibbs and Chadwell voted for. No members voted against.

Assigned Obligated Funds

Lankford reviewed the assigned obligated funds. He reminded the Board that they are able to place these monies in any reserve account of their choosing, they could buy the budget down, or give the monies back to entities.

Hisle made a motion to move \$150,292 from unobligated funds in the audit to pre-fund the TCDRS one percent COLA. Also, take \$300,000 of the unobligated funds to buydown the 2022 budget and \$51,341 to be placed in the Contingency Reserve account. Gibbs seconded. The motion carried 3-0. Hisle, Gibbs and Chadwell voted for. No members voted against.

Appraisal Review Board Attendance Policy

Lankford announced that Carol Frey, the Chair of the ARB, had worked with Roy Armstrong, the ARB's attorney, to create an attendance policy for the ARB. Frey, who was present virtually at the meeting, indicated that the policy had been cleared with both the Districts' attorney as well as the ARB's attorney. It was clarified that the adoption of this policy must be done by the Board of Directors.

Hisle made a motion to approve the Appraisal Review Board Attendance Policy as presented. Gibbs seconded. The motion carried 3-0. Hisle, Gibbs and Chadwell voted for. No members voted against.

Building Short Lived Items

Hisle made a motion to take \$26,650 from the building reserve account to replace two troublesome heating and air conditioning units. Gibbs seconded. The motion carried 3-0. Hisle, Gibbs and Chadwell voted for. No members voted against.

Major Equipment Replacement Items

Hisle made a motion to take \$34,045 from the technology short-lived reserve account to replace two servers. Gibbs seconded. The motion carried 3-0. Hisle, Gibbs and Chadwell voted for. No members voted against.

Board Member Email Addresses for Website

Chadwell had requested an addition to the Board's agenda regarding Board member email addresses being included on the District's website. He indicated that this item did not need to be addressed at this meeting, but that he would like it to be considered for transparency and accessibility. Gaddes mentioned that he felt it was commonplace for commissioners and city managers email addresses to be published on their websites; however, he also expressed his concern that it be made clear to the public that Board members cannot speak about specific property issues. The Texas Property Tax Code prohibits Board members from addressing these issues.

Gibbs expressed his apprehension and indicated he felt the Board's transparency was good. He mentioned he did not feel it was necessary for the Board members to address the general public when it comes to District related issues, that this should be done by the Chief Appraiser. It was also mentioned that the system for appraisal districts is different than for elected officials.

The Board also discussed the responsibilities of the District's Taxpayer Liaison Officer (TLO) and that one of the reasons appraisal districts have TLO's is to review and address complaints, comments, and suggestions. The Board was reminded that the public does have the ability to attend Board meetings to express their opinion. Discussion followed. The Board's Public Access Policy was discussed.

Video Recording of Board Meetings

Chadwell had also requested that the Board consider providing a recording, for the public, of its meetings. He indicated that he would like the ability to review these recordings following meetings. Lankford reminded the Board that the District does generally audio record these meetings; however, only the minutes are shared on the District's website. He mentioned that very few members of the public visit the Board minutes page on the website and therefore did not feel it would be necessary to include a recording. Chadwell mentioned transparency and the increased public interest in appraisal district operations. Gibbs felt the District shows great transparency. Gaddes mentioned a legislative bill that may pass that requires a video recording of Board meetings. Lankford reminded the Board that, each legislative year, the District conducts a complete review of each bill and ensures compliance with its policies and procedures. He also indicated that the Legislative Committee he is a part of is still reviewing if this bill applies to the Board of Directors and the Appraisal Review Board.

Chief Appraiser Evaluation & Compensation Process

Chadwell requested that the Chief Appraiser Evaluation and Compensation Process agenda item be postponed once again so that Lux and Weber can be in attendance for this review. He indicated that he would forward the review document to the other members.

Chief Appraiser's Report

WCAD Presentations

Lankford announced that he had presented a value overview to both the Williamson County Commissioners Court as well as the City of Georgetown Council. He indicated that soon he would be presenting the same information to the City of Round Rock.

Legislative Updates

Lankford announced that the legislative updates had been covered earlier in the meeting.

Foxy AI Update

Lankford reminded the Board members that Foxy AI (artificial intelligence) had previously been hired by the District to review quality classes of homes in Williamson County. He mentioned that the artificial intelligence feature provides consistency and expediency in a process that District appraisers would have to do manually. Lankford announced that the District was the first appraisal district to utilize this type of software for this type of purpose. He indicated that manually doing this work would have cost around \$738,000; by utilizing Foxy AI, the District was able to get this work done for \$19,914.

WCAD Initiatives

Lankford provided a protest season update. He reminded the Board that this was the first year that the sales comparison grid was included, and the tax estimate was removed from the appraisal notice. The sales comparison grid shows the owner how their property compares to those like it. He announced that, due to the pandemic and home sales, the public is more familiar with the real estate market than ever before.

Lankford expressed that, even with all those factors, the District was looking at a 20-30% decrease in property owner protest levels. He announced that final protest numbers would be available by May 17th, the property protest deadline. He declared the inclusion of the comparison grid to be a large step towards transparency for the public.

Property Owner Surveys

Lankford discussed the results of the surveys received from property owners, indicating that these results were favorable. He mentioned that there had been several comments regarding the virtual and online scheduling process of which issues had been identified and corrections to the process had been made. Lankford announced that the Districts customer service rating was good.

Virtual Town Hall Meeting

Lankford informed the Board that he had shared the Town Hall presentation with them via email. He expressed the plans to publish on both the District as well as the tax office websites and hopefully the social media outlets.

Lawsuit, Arbitration and SOAH Reports

Lankford reviewed the lawsuit and arbitration reports. There were no State Office of Administrative Hearings (SOAH) on which to report.

Update on Coronavirus Vaccine for Staff

Lankford reported that recent reports had shown that about twenty members of the District staff had received their Coronavirus vaccine. He mentioned that as we certify in late July or early August, the District plans to lift mask mandates.

Board Agenda Additions for Future Meeting

- Chief Appraiser Evaluation & Compensation Process

Board Announcements

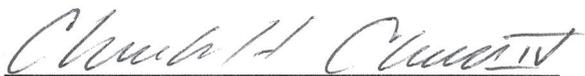
There were no Board announcements.

The following meeting dates had previously been set by the Board:

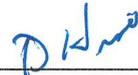
Thursday, June 10, 2021 at 9:00 a.m.
Thursday, July 8, 2021 at 9:00 a.m.
Thursday, September 9, 2021 at 9:00 a.m.

The meeting adjourned at 12:07 p.m.

Respectfully,



Charles Chadwell, Chairman



Donald L. Hisle, Secretary