

*Nueces County Appraisal District
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**MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
NUECES COUNTY APPRAISAL DISTRICT**

The Board of Directors held Regular Meeting following the Budget Public Hearing, on Wednesday July 12, 2023.

INVOCATION

Dispensed since this was done at the Budget Public Hearing.

PLEDGE OF ALLEGIANCE

Dispensed since this was done at the Budget Public Hearing.

CALL TO ORDER & DETERMINATION OF A QUORUM

The meeting was duly called to order at 9:05 am with a quorum present, with notice properly posted in accordance with the Texas Open Meetings Act, Texas Government Code 551 and that any conflict-of-interest affidavits having been received and placed on file as required by law.

PUBLIC COMMENT

Carol Scott, Chair At Large for the Del Mar Board of Regents, stated that as outlined in a letter to the District Board, if the current valuation estimates go forward without changes, the impact of the pending valuation disputes would result in a potential loss of revenue at approximately \$18 million to the College's operating budget and also can negatively impact its bond rating. She requested that the District Board consider these impacts and seek any available remedies.

Mark Escamilla, President of Del Mar College, stated that Del Mar Community College has a large community impact. It serves twenty thousand credit and non-credit students. The college is finally rebounding from COVID and beginning to see enrollment trending upward again, and tax revenues are vital to this recovery and Del Mar's future.

Mike Culbertson, CEO of Corpus Christi Regional Economic Development Corporation, stated he recruits companies to this area, which enhances the local economy. With the uncertainty of what is going on with the roll valuations, companies will probably not want to come to the area. He stated he has received two calls from concerned companies already.

DISCUSSION AND/OR ACTION, CONSENT AGENDA

- a) Approval of the June 14, 2023, Regular Meeting Minutes
- b) Approval of the June 2023 Disbursements
- c) Receipt of July 2023 Litigation Report
- d) Section 25.25 (b) Correction of Appraisal Roll Notice
- e) Fund Financial Statement for June 30, 2023

Ms. Hilpold motioned to approve the consent agenda, and Ms. Chupe seconded. Motion passed.

TAXPAYER LIAISON OFFICER'S REPORT

Ms. Noack stated the ARB has been very busy and has been running five panels since June 19th; the fifth panel is in the Board of Directors room and conduct telephone hearings. Most property owners have been calm and respectful. They have questions regarding values and the next step after ARB. Some property owners have chosen to go to arbitration, which are expected to be higher than last year. Ms. Noack has started looking for applicants since three members will term out and the rest will reapply.

DISCUSSION AND/OR ACTION RELATED TO THE APPROVAL OF THE 2022 FINANCIAL AUDIT

Mr. Sissamis, Director of Administration, commented that there is a communication letter from the audit in the Board members' packets. The Code requires that the District have a financial audit annually as of December 31. Gowland, Morales & Smith performed the 2022 audit. David Morales, auditor, stated that the audited financial statements presented fairly in all material respects the District's financial activities and financial position. The District received an unqualified audit opinion. Mr. Pool motioned to approve, and Ms. Chupe seconded. Motion passed.

DISCUSSION RELATED TO FISCAL 2024 BUDGET

Mr. Sissamis stated the purpose of this item is for the Board to discuss anything that came up during the budget public hearing. He said that one entity requested that the District hold its 2024 budget at the 2023 levels. Mr. Sissamis summarized that the original proposed budget with an increase of 13.51% was changed as a result of the last Board meeting to remove over \$1 million in initiatives and pay those from the fund balance. A budget with an increase of 2.25% was delivered to the taxing entities. Ms. Hilpold asked what makes up the 2.25% increase. Mr. Sissamis stated that the District is asking for a 4% cost of living increase for all staff, except seasonal staff and the Chief Appraiser. Mr. Kieschnick stated that the cost of living should be removed since Nueces County may have to lay off employees with the current valuation concerns. Ms. Chupe, Ms. Hilpold, and Mr. Pool agreed with this. Mr. Sissamis said that since there



was an additional month built into the budget process, staff would return at the next meeting with ideas on how to achieve a flat budget.

DISCUSSION AND/ OR ACTION RELATED TO GASB 54/DESIGNATION OF FUNDS

Mr. Sissamis stated that this item is to attach designations to funds in the fund balance now that the 2022 audit is completed and the final amounts are known. Mr. Kieschnick motioned to table agenda item until the outcome of the 2024 budget. Ms. Hilpold seconded the motion. Motion passed.

DISCUSSION AND/OR ACTION RELATED TO TAXPAYER LIAISON OFFICER CONTRACT

Mr. Sissamis explained that the TLO agreement expired December 31, 2022. It is requested that a new contract be executed. The new contract term is to be retroactive to January 1, 2023 to and extend to December 31, 2024. Motion was made by Mr. Pool and seconded by Mr. Kieschnick. Motion passed.

DISCUSSION AND/OR ACTION RELATED TO RENEWAL OF MICROSOFT 365 LICENSES

Mr. Sissamis requested that the Board approve renewing Microsoft licenses, which must be obtained from an authorized Microsoft reseller. Ms. Hilpold inquired if staff went through Texas Department of Information Resources to search for best price. Mr. Sissamis confirmed that staff had searched the DIR for favorable price and terms. Motion was made by Mr. Pool to approve the Microsoft 365 renewal and Ms. Hilpold second the motion. Motion passed.

DISCUSSION AND/OR ACTION FOR RATIFICATION OF ENGAGEMENT LETTER WITH GREER, HERZ, & ADAMS, LLP TO REPRESENT THE DISTRICT IN THE VALERO LITIGATION

Ms. Vela stated that this law firm was initially hired under the Chief Appraiser's spending authorization between Board meetings. Total fees for the work currently anticipated are not expected to exceed the Chief's limit of \$50,000. However, if the need for work beyond the currently anticipated engagement arises, staff requests that the Board authorize the Chief to spend beyond that his limit so that work may proceed undisrupted. Mr. Kieschnick made a motion to ratify the engagement letter signed by the Chief. Mr. Pool seconded the motion. Motion passed.

Ms. Vela then requested for attorneys from Greer, Herz, and Adams to introduce themselves. Mr. Mike Adams and Mr. Scott Andrews stated that the Firm had done appraisal litigation for twelve years representing appraisal districts from all over the state. The Firm has done valuations for nuclear, power, pipelines, and refineries. The law firm is out of Galveston.



EXECUTIVE SESSION: Mr. Gonzales read a public notice statement that the Board of Directors may elect to go into Executive Session anytime during the meeting to discuss matters listed anywhere on the Agenda, when authorized by the Open Meetings Act, Chapter 551 of the Texas Government Code. Should the Board of Directors elect to go into Executive Session, the section or sections of the Open Meetings Act authorizing the Executive Session will be publicly announced by the presiding officer. Upon completion of Executive Session, the Board of Directors may take such action as appropriate in open session.

Board of Directors went into executive session at 9:44 am.

Board of Directors went into open session at 10:43 am.

DISCUSSION AND/OR ACTION RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION

Mr. Chapa discussed his concerns that the Board be able to place caps on spending approvals by the Board instead of granting unlimited spending. Ms. Vela stated that she would consult with Mr. Sissamis and a policy would be brought to the Board.

CHIEF APPRAISER'S REPORT

Mr. Canales stated that the number of protests is up to thirty-eight thousand, and there is still another week of protests. ARB will certify the tax roll after protest hearings are concluded. Mr. Canales stated that, per the TLO, there have been no complaints.


SUGGESTED ITEMS FOR NEXT REGULAR MEETING

Policy that provides a cap on spending authorizations.

ADJOURNMENT

Mr. Pool motion to adjourn and Ms. Hilpold seconded. Meeting adjourned at 10:47 am.

SIGNED:



Leo Gonzalez, Secretary

