

MASON CENTRAL APPRAISAL DISTRICT BOD MINUTES 08/18/2021

The Mason Central Appraisal District Board of Directors met in open session on August 18, 2021, at the district office at 110 Moody Street in Mason, Texas.

The meeting was called to order at 12:45 by President Reggie Loeffler. Board members Brandon Willis, Mary Donaldson were present. Sheriff Joe Lancaster, Christel Lively and Brandon Asbill were also present.

A quorum was established.

Floor was opened for public comment.

- Robin Lee addressed the board and thanked them for their representation. He expressed concern that there were systematic issues that need to be addressed. And most protests have dealt with systemic issues. He would like to see a process in place that everyone has confidence in.
- Brian Wright shared a document outlining his concerns (copy of which is attached). Concerns shared included that MCAD must be within 5% of ag values set by PTAD in order for MISD funding not to be affected. He feels that MCAD Board and Chief Appraiser have been unwilling to discuss ag values or to share the calculations used. He is also concerned that the 5 year averages were changed 4 times in 2021.
- Wanda Hitzfelder Reuffer spoke individually and on behalf of Jennifer Hitzfelder Foster. Both had protest hearings with the Appraisal Review Board. She encouraged the MCAD Board to listen to the hearings and compare them to the ARB Do's and Don'ts (copy of which is attached) contained in the Appraisal Review Board Manual. The ARB members were argumentative and defensive of the Chief Appraiser instead of being objective. Most members advocated for the Chief Appraiser and the School District. Taxpayers bringing a protest were rushed. She requested that next year the ARB members be reminded of the ground rules and remain neutral.
- Eddie Reuffer questioned if there will be a response to these grievances since the ARB is not willing to discuss the process.
- Frank Brown brought concern that the 5 year averages were constantly changing instead of being created by factual data.
- Brian Wright asked if the MCAD Board would be willing to hear and discuss these concerns in a closed session.
- Reggie Loeffler agreed for the Board to meet and discuss this at further length, but he did not see the need for it to be in closed session.

Keith Neffendorf and Haley Blocker were in attendance and presented the Audit Report completed by Neffendorf & Blocker, P.C. There was no excess Fund Balance to give back to the entities. The District is in compliance with the Public Funds Investments Act. They had 2 recommendations for the Board: 1) Present a Collections Report at every Board meeting. 2)

The excess fund balance that was used to pay for the software recently purchased should be done as a Budget Amendment.

The Appraisal District has requested that a company credit card be obtained to help with specific expenses. Auditors are not generally a fan of credit cards due to the risk that they will be abused. They gave 2 key suggestions to keep in mind if obtaining a credit card: 1) Adopt a policy that sets who can use it and what the limits are. 2) Ensure proper documentation is mandated to support the charges such as date, amount used, reason for purchase, Vendor, and detailed receipts to support the purchases.

Brandon Willis moved to approve the findings in the 2020 Audit Report. Mary Donaldson seconded. Motion carried.

Brandon Willis moved that a credit card be obtained for MCAD employees to use and that the Board adopt a Purchasing Policy as presented, excluding food and beverages. Mary Donaldson seconded. Motion carried.

Mary Donaldson moved the Board adopt the 2022 Appraisal District budget as presented. Brandon Williams seconded. Motion carried.

Brandon Willis moved to approve the minutes of the April 14, 2021, and April 27, 2021, meetings. Mary Donaldson seconded. Motion carried.

Mary Donaldson moved that the MCAD Retirement Account contact information be updated to remove Stephen Mutschink as primary contact and replace him with Brandon Willis. Reggie Loeffler seconded the motion. Motion carried.

Bills through July 31, 2021, were ratified.

YTD Budget report, including the YTD Collections Report were presented. Collections Report for 2020 are at almost 98%.


Chief Appraiser Liza Trevino was not present at the meeting for the Chief Appraisers Report so Christel Lively gave it in her absence. She made the Board aware that there will likely be a tax sale forthcoming this fall.

The Board did not adjourn into Executive Session.

Brandon Willis moved to adjourn the meeting. Mary Donaldson seconded the motion. Motion passed and the meeting was adjourned.



Reggie Loeffler, Chairman



Mary Donaldson, Secretary

MCAD Board meeting 8-18-21

Good afternoon to the Board.

I am Brian Wright, Nicholson Partners Ltd Agent, Manager and producer in Mason County.

I am here today to let the Board hear what I have learned over the last two years about Ag Value and I, like several other Landowners/Producers, am still learning. I may not have all the facts yet but this is what I understand so far.

In 2020 Ag Values went up over 40% and over 70 landowners protested Ag Value.

In 2021 Ag Values increased 4%, which is a 44% increase in two years.

The Chief Appraiser and MCAD have stated in protests that the State Comptrollers Office sets the Appraised Value for Native Pasture. The Property Tax Assistance Division (PTAD) says they do not set local values. Hence much of the confusion.

In reality, PTAD sets values through the Property Value Study (PVS) that they do every other year. They randomly select parcels and look at the values for those parcels. They supply a ratio based on their PVS. If MCAD is within a +/- 5% of that ratio then school funding is not affected. If MCAD is outside of that ratio then PTAD enacts a 2-year grace period to enable MCAD to work towards achieving that ratio.

Who may protest the PVS done by PTAD? My understanding currently is that the MISD Superintendent or 10% of the landowners may protest the PVS.

I have no idea if MCAD and the MISD Superintendent have discussed the 2020 PVS to try to see why it was such a huge increase.

The Chief Appraiser and MCAD have been unwilling to discuss very much with the landowners about the increase. The Chief Appraiser has taken the attitude of creating fear and distrust of the Ag Value process. She has stated here are my numbers if you disagree take it to the ARB.

In the 2020 ARB protests MCAD and Western Consulting stated that Mason County has been "Red Flagged" and would loose funding if they did not meet the PTAD PVS number of \$91. I would encourage everyone to listen to any of the recordings of protests from 2020. To obtain that number the 5-year average that Ag Value is based on was completely changed. The Incomes and Expenses for the 5-year averages were changed to come up with the numbers that were needed to satisfy PTAD.

In the 2021 ARB protests MCAD stated the 5-year averages stood as individual years and that MCAD could change any of those numbers based on any additional data. They also stated in Chad Lemke's ARB hearing that they changed the 5-year average otherwise they would have had to make the 2020 Ag Values \$199 an acre to satisfy the PTAD PVS number.

\$199 per acre?

Instead of increasing it to \$199 per acre in 2020 and leaving the 5-year average alone, I believe MCAD and Western Consulting changed the 5-year averages to not upset more of the Landowners in Mason County.

And this is not just on the Ag Value side of things, Residential and Commercial properties have also been hit hard. At least one residential property was on the tax rolls with no value.

MCAD has been asked for information through Public Information Requests. Landowners have asked for the data used to support their numbers, formulas, calculations, work files and methodology for arriving at the numbers they have used. For Ag Value MCAD has presented the AG Value Schedule and a one-page attempt to show how they calculated their numbers.

In early 2021 MCAD sent out a local survey asking about income and expenses pertaining to Native Pasture. MCAD stated in the ARB Protests this year that they had 400 surveys that they received from Landowners and that Incomes should be higher for Grazing and Hunting based on that local survey. There were 297 responses to the MCAD Local Survey and very few expenses were included. The 5-year average on the Local Survey was also different than what was previously shown.

The 5-year averages have changed 4 times in 2021. No data was presented to justify any of those changes other than the statement that each year stands on its own and can be changed as more data shows up. What data changed? The Farm and Ranch Surveys the Ag Advisory Board filled out in December of 2020 didn't change.

MCAD has also stated that if we want it changed, we need to do it through Legislation. We have done that in the last Legislative session and are already looking at the next Legislative session in two years.

I have been attacked privately and publicly about asking for clarification and transparency from MCAD. This is not a personal vendetta against any one person, it is strictly business. I have been tasked by my landowner to justify to her why her property taxes have over a 44% increase in the last two years.

MCAD has made this into a confusing, confrontational, and divisive mess. They have become reactive instead of trying to be proactive. Many landowners have offered to help.

There are several landowners that would be willing to speak to the board members either individually or you can put us on the agenda for the next Board meeting.

We are also willing to share the information that we are gathering with any of the taxing entities (MISD, County, City and HUWD) and will be doing that in the future as we gain more knowledge. Many of those multi-generational landowners have done audits for Fortune 500 companies, have engineering project backgrounds and some have overseen projects worldwide.

I would encourage the MCAD Board to research and gain an understanding of what has happened at MCAD. I would also encourage the Chief Appraiser to do her job, talk to the MISD Superintendent and help get the Values for Mason County back in line, instead of being one of the highest in surrounding Counties.

Thank you

EXHIBIT 1
Appraisal Review Board DOs and DON'Ts

DOs	DON'Ts
1. DO act in a professional, courteous and respectful manner at all times.	1. DON'T make rude remarks, become argumentative, threaten or attempt to intimidate anyone.
2. DO make eye contact and listen attentively to the property owner and the appraisal district representative when they are presenting evidence and arguments.	2. DON'T show favoritism to either the property owner or the appraisal district or become an advocate for either party.
3. DO have ARB procedures comply with the Comptroller's model hearing procedures.	3. DON'T exhibit a personal relationship with appraisal district staff or the property owner. If you cannot be impartial, you may not participate in the hearing.
4. DO let the parties know how many copies of evidence to bring to the hearing as part of the ARB procedures and remind them orally at the beginning of the hearing.	4. DON'T let your attention wander, and DON'T sleep during a hearing.
5. DO post the procedures in the hearing room as required by law and follow them.	5. DON'T refuse to admit documents into evidence unless advised by legal counsel to take such an action. Simply weigh the relevance or sufficiency of the evidence to make a decision.
6. DO ensure that hearings are scheduled at reasonable intervals and times, including Saturdays or evenings, as provided by law, and that hearings for property owners not represented by agents are set at times and dates certain.	6. DON'T ask the appraisal staff for direction on a questionable issue. Always seek independent legal advice from the ARB attorney.
7. DO ensure that the protesting party and the appraisal district representative exchange evidence prior to the start of the hearing.	7. DON'T present testimony or become a party to the hearing through your words and actions.
8. DO get legal advice from an attorney when questions arise.	8. DON'T make a determination that is not supported by the evidence presented at the hearing.
9. DO deliberate openly and make determinations without bias.	9. DON'T whisper, text or pass notes when discussing an issue before making a determination.
10. DO maintain accurate hearing records, including retaining copies of evidence and ensuring that the hearings are properly recorded.	10. DON'T talk about pending protests to anyone.

Source: Texas Comptroller of Public Accounts.

Credit Card Purchasing Policy

will issue company credit cards to certain employees for use in their jobs. This policy sets out the acceptable and unacceptable uses of such credit cards.

- Use of company-issued credit cards is a privilege that the may withdraw at any time, with or without cause. Upon an employee's termination of employment at the Company, all cards must be returned to the Office Manager.
- The employee in possession of the company credit card is solely responsible for all purchases on the card and for ensuring that the card is not used by unauthorized personnel. Card numbers may not be distributed and should not be saved in online accounts.
- Any credit card issued to an employee must be used for business purposes only, and for purposes in conjunction with the employee's job duties. Employees with such credit cards shall not use them for any non-business purpose. Non-business purchases are considered any purchases that are not for the benefit of the Company.
- Business-related expenses, such as food and lodging while on Company-approved business travel, may be purchased on the company credit card as long as these purchases are reasonable and consistent with the Company's travel and expense reimbursement policy.
- Any purchases in the amount of \$1,000.00 or above must be approved prior to purchase. The employee must submit the purchase request in writing to General Manager and receive approval in writing before making the purchase. The employee should attach a copy of the purchase approval to the receipt and submit them together to the Office Manager.
- The employee in possession of the credit card is responsible for receiving, printing, and retaining all receipts related to purchases made on the company credit card. If a receipt is lost, an attempt to obtain a copy of the receipt should be made; if a copy is not obtainable, a written description of the items and cost of the purchase must be maintained and submitted in the same manner in which a receipt would be maintained and submitted. This should not occur more than once a month.

- Receipts need to be turned into the Office Manager within one week of the date of purchase. All receipts should be labeled with a description of what the purchase was for to ensure proper accounting of the purchase. Any receipts for meals or travel must be attached to a paper that clearly indicates the names of all persons attending the meal or travel and the business purpose of such event.
- If any employee uses a company credit card for a personal purchase in violation of this policy, the cost of such purchase(s) will be considered an advance of future wages payable to that employee and will be deducted in full from the employee's next paycheck. Any remaining balance will be deducted from subsequent paychecks until the wage advance is fully repaid. These deductions may take the employee's wages below minimum wage for the pay period(s) in question.
- If any employee uses a company credit card for a non-personal purchase that is not within the scope of the employee's duties or the employee's authorization to make business-related purchases, the cost of such purchase(s) will be the financial responsibility of that employee unless otherwise expressed in writing by the General Manager. The employee will be expected to reimburse the Company via deductions from pay until the unauthorized amount is fully repaid. These deductions will at no time take the employee's wages below minimum wage.
- In addition to financial responsibility and liability for wage deductions, any purchases an employee makes with a company credit card in violation of this policy will result in disciplinary action, up to and possibly including termination of employment.
- This policy will remain in effect as long as employee has a company credit card or until a new policy has been issued and which clearly indicates that it is intended to be a replacement of this policy.
- The Board of Directors shall review and approve all credit card statements monthly to ensure this policy is adhered to.

Policy Acknowledgment

I, _____, hereby acknowledge that I have received a corporate credit card. I have been provided with and read the corporate credit card policy, and I understand that I am responsible for complying with the policy rules. I understand that violation of such policy may result in consequences including cancellation of my card or my termination.

I further acknowledge that I understand that if I make any personal purchases in violation of this policy, the amount of such purchases is an advance of future wages payable to me, that the Company may deduct that amount from my next paycheck, and that if there is a balance remaining after such deduction, the Company may deduct the balance of the wage advance from my future paychecks until the amount is repaid in full. Such deductions may take my pay below minimum wage for the workweek(s) in question. I further agree that if I make any non-personal transactions in violation of the policy in question, I am financially responsible for any such expenses and agree to reimburse the Company via wage deductions until the unauthorized amounts are fully repaid. Such deductions are in the amount of the unauthorized purchase(s), but if such amount would take my pay below minimum wage for the workweek in question, the deductions will be in two or more increments that will not take my pay below minimum wage for any workweek.

Signature of Employee

date

Printed Name

Signature of Company Representative

date

Printed Name