

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

Members Annual meeting held on March 18, 2006

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Jerry Mohn, President, called the Board of Directors meeting for the West Galveston Island POA to order at 9:00 a.m. Directors making up the quorum were Jerry Mohn, Sidney McClendon – Pirates Beach, Tom Booth - Condominiums, Peggy Zahler - Spanish Grant Beach, John Schiller – Acapulco Village, Rick Heiberg – Pointe San Luis and Marie Garrett – Bermuda Beach & Treasurer. Marty Baker – advisory to the Board and alternate Board member. Susan Gonzales – CKM Property Management was also in attendance and recording secretary.

Jerry Mohn introduced elected official Al Choate - Navigation District Commissioner. Also, acknowledged were Eddie Janek Jr. and Al Choate, both running on the Republican primary for April 11 for Galveston County Commissioner Precinct 2. Brian Lamb, Democratic candidate for Commissioner Precinct 2 was also introduced. Richard McCauley Candidate for Precinct 6 Galveston City Council was introduced as well as Juan Pena, District 3 City Council Member candidate.

Corporate sponsors Peggy Zahler with Johnson Space Center Credit Union and Claire Reiswerg from Sand 'N Sea Realty was also acknowledged.

Jerry Mohn stated that a program would be planned for the three candidates running for District 6 at the April 15 WGIPOA meeting. The type of agenda will be reviewed by the Board of Directors and comments from the members.

Minutes: The minutes had previously been sent to the Board for review. Motions by Peggy Zahler, second by Marty Baker, the minutes of February 18, 2006 were approved by unanimous vote with the following resolution:

RESOLVED THAT, the Board approved the February 18, 2006, minutes as presented.

Treasurers Report: Marie Garrett gave The Treasurers report. Moody balance is \$5,355.75 after a payment for Directors & Officers insurance of \$2,775.00. Frost Bank has a balance of \$6,431.80. Motion made by Tom Boothe and seconded by Peggy Zahler, the Treasurers report was approved by unanimous vote with the following resolution:

RESOLVED THAT, the Board approved the March 16, 2006, Treasurers Report as presented.

Jerry Mohn introduced Linda Shead and Meg Neumann with the Trust for Public Land. The Trust for Public Land is trying to purchase 300 acres west of McAllis Point property located north of FM 3005 between Indian Beach and East of Silverleaf. Linda stated that the deadline is April 5th. The TPL slogan is "We conserve land for people". They have commitment of Federal funds for this purchase but need more money. The cost is approximately \$5 million and they have \$2 million in pledges. This land is the last piece of property on the island that can be developed in to a nature preserve, all other land on the island is marked for residential or commercial development.

Please send your money or pledge to:

The Trust for Public Land
Houston-Galveston Office
1113 Vine Street, Suite 115
Houston, TX 77002
Tel: 713-226-7200 Fax: 713-226-7229 Cell: 713-703-1123
linda.shead@tpl.org

Jerry Mohn encouraged all members to support this very important effort to save what little are left of green space on the west end. Marty Baker advised that the Pirates POA donated \$2500 to this cause. Motion by Marty Baker, seconded by Marie Garrett, the following resolution was passed by unanimous vote.

RESOLVED THAT, the Board approved the donation of \$1000 to the Trust for Public Land for the purchase and preservation of the 300 acres.

PROGRAM: Cheryl E. Johnson – Galveston County Tax Assessor/Collector

Jerry Mohn introduced Cheryl Johnson. Cheryl stated that the legislation sets up the tax laws and that the Galveston County Appraisal District (GCAD) sets the values. Cheryl's message was if you believe your property taxes were increased too high, protest! Make certain you have documentation for the reasons why your valuation is too high. Galveston Island and the Northern part of the County were hit hardest with increases in property values. Special Session meets April 18 and Cheryl would like to see no new taxes or fees and a reduction of appraisal caps across the board. Property tax should not affect economic growth but contribute to it. Property tax is essential and the cost to live here in a free society.

Cheryl introduced Ken Laird, Chief Deputy Tax & Administration. Ken was with the GCAD for 8 years and explained that arbitration is a new step this year and applies only to homesteaded homes. The cost of arbitration is \$500 which some of this may be refunded. The fee pays to hire three (3) Arbitrators who look at any property under \$1 million. If the property is determined to be lowered by \$1 you get \$450 refunded.

The Appraisal District is set up by laws with requirements on any appraisals are to be at 100% of market value. If the appraisals are not correct, the State will penalize the funds that go to the school system. The GCAD looks at mass appraisals, they look at an entire neighborhood. They do not have the manpower to look at each property. A subdivision can be divided into several neighborhoods. The GCAD monitors sales and adjusts value up or down based on that sampling. The only reason the GCAD will look at your house individually is if you changed it or it is new. If you pull a permit to add a pool, deck, etc. the GCAD will be made aware of this change.

Ken mentioned that if you are 65 and over and have two homes, you can homestead in one area and defer your taxes in the other area, a one time consideration.

The GCAD classifies property in various ways. Check your property to see how you are classified and see if it is correct. Property classifications are reviewed from number of corners, windows, golf course, water view or front, etc. The GCAD uses land type codes, acreage codes and lot value codes. If you can change your classification, you can save taxes.

Property owners need to look at the codes, the codes have a lot to do with valuation. The codes may not be enough defined (i.e., older home with new home development in same "Neighborhood"). New homes are being built in 30 to 40 year old areas and the new values will affect the older home property tax valuations. You will need to point the differences out to the GCAD. You have to prove their case wrong and you must be prepared.

The GCAD uses "effective age" as depreciation bases, this places you house in its life span. There are three

types of appraising: Cost, which sets up depreciation. The other two are income and market. If you plan to do any improvements, do them after January 1st. The tax law is based on being fair and equal. You can use your neighbor's appraisal, but the appraiser uses the same thing as the ratios using the entire "neighborhood".

Cheryl and Ken had a prepared a program where three people played roles of homeowners that protested their property tax valuations. The performers were Robert DeYoung from Karankawa, Janice Jones from Pirates Retreat, and Sharon Parker, from Jamaica Beach. Three scenarios were presented, the first being health and financial hardship, the second one was with research, documents and pictures showing a neighborhood of mixed types of homes. The third was the angry property owner who just felt his taxes were too high and should be lowered. While the GCAD is compassionate they have no basis for lower taxes due to health and financial hardship and can only offer a payment plan. The second scenario received a reduction in taxes based on the material evidence and documentation provided. The third property owner received no consideration,

If you feel that the "neighborhood" you are placed in is wrong, it can be changed. The mapping department can change the neighborhood (i.e., boundary lines)

Market value is what your property would sell for on the open market. The assessed value is the value that will be used by the GCAD to determine the amount of your taxes for the current year.

Only homesteaded residential property may be "capped" under current law. If you property is capped, a successful protest may or may not reduce your assessed value.

You have 30 days from the date of your Notice of Appraised Value or until May 31st to schedule an appointment for an informal conference with a GCAD appraiser.

Preparation is the key to a successful protest. Assemble a summary sheet of your property, notice of value from the GCAD, GCAD appraisal card, photos, comparable sales analysis, analysis of the proposed market values for similar properties on your street, a map and listing of the comparable properties used by both you and the GCAD (obtain map at the GCAD website), summary of other similar properties on your street, estimates of repair if appropriate. If you go to the ARB take an original and four copies.

It is recommended that you go to the Galveston County tax office at 722 Moody Avenue in Galveston to pick up information to help in your protest process.

The Board adopted a resolution proposed by Cheryl Johnson to support legislation that would provide for reductions in the property tax burden on homeowners. Motion made by Tom Boothe and seconded by Rick Heiberg, the following was adopted:

RESOLVED THAT, the Board approved the resolution presented by Cheryl Johnson as presented and will be submitted to the Special Session Legislature as well as the upcoming 80th Legislative Session.

Cheryl Johnson also left information on "Effectively Protesting Your Property's Appraised Value for Taxes" and this can be obtained from her office or contact Jerry Mohn at mohn@msn.com for a copy.

District 6: Jerry Mohn introduced Jackie Cole, District 6 City Council Member. Jackie Cole stated she has received a copy of the audit report for Galveston. The General Fund budget is \$34 million and \$15 million budget for enterprises. The General fund is from property taxes (i.e., sales tax 27.3%, Hotel tax 6.4%, Franchise Tax 9.3%, Business 1% and Property Tax 26.6%).

The City of Galveston has a tax cap; they are not allowed to increase the expense budget more than 7% from one year to the next. The General fund covers Public Safety at 61.3% (i.e., police, fire, ems and special events), the rest goes into parks & recreation, streets, public works and government.

GARM: Since Spring Break is here, the Galveston Association of Rental Managers is making certain unauthorized spring break or prom parties do not take place on west Galveston island rental properties. Home renters are requested to:

- Screen registration forms carefully
- Seeing all guests at check-in
- Double GARM weekend security patrols

Any suspicious activity or concerns are to call GARM security at: 409-682-3603

There being no further business to come before the Board the meeting was adjourned at 11:30 a.m.
