MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 15

August 5, 2019

The Board of Directors ("Board") of Fort Bend County Levee Improvement District No. 15 ("District") met in special session, open to the public, on August 5, 2019, at The Muller Law Group, PLLC, 202 Century Square Boulevard, Sugar Land, Texas 77478, outside the boundaries of the District, and the roll was called of the members of the Board:

Darrell Groves	President
Rohit Sankholkar	Secretary
Girish Misra	Vice President
Jeffrey Anderson	Assistant Secretary
Premal Shah	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at all or part of the meeting were: Kristy Hebert and Esther Flores of Tax Tech, Inc.; and Richard Muller and Kene Chinweze of The Muller Law Group, PLLC ("MLG").

FINANCE COMMITTEE REPORT

TAX ASSESSOR/COLLECTOR SERVICES

Ms. Flores presented a detailed summary of the services provided by Tax Tech Inc., a copy of which is attached. She discussed Tax Tech Inc.'s tax collection process and the process of transferring tax payments into the District's maintenance and operation account and debt service account.

VENDOR REVIEW

Director Groves stated that the Board's purpose for conducting vendor reviews is to better understand the services provided by and the costs of services for the District's vendors. The Board discussed its interest in hiring Fort Bend County ("County") as the District's tax assessor/collector for the 2020 tax year. Ms. Flores discussed Tax Tech Inc.'s level of service as a distinguishing factor from the County.

The Board addressed Tax Tech Inc.'s current fees of $1.10 per account per month and whether the fees could be reduced in the future. Ms. Flores said that she will take the request for a reduction in fees under advisement.

The Board discussed the best manner in which to evaluate tax collection performance. Director Groves suggested the Board use two benchmarks to best evaluate performance, and the Board agreed to use a 75% collection rate by January 31 and a 99.5% collection rate by June 30. The Board requested that Tax Tech, Inc. provide the District's collection rate for every month for the last five tax years. The Board concurred to use the lowest collection rate for January and June during the last five years as the minimum acceptable level of performance.

Director Misra inquired if the District's tax statements could be combined with tax statements of overlapping municipal utility districts so as to provide one joint tax statement. Ms. Flores and Mr. Chinweze said they will research this matter.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

Secretary, Board of Directors

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 15
FORT BEND COUNTY TEXAS

LIST OF ATTACHMENTS TO MINUTES

Any documents referenced in these minutes and not attached herein are retained in the District's official records in accordance with the District's Record Management Program and are available upon request.

Representation at Monthly Meetings - Tax office consultant attends monthly meetings to present detailed collections tax report and responds directly to directors, developer and addresses residents' concerns and questions. The "face time" with directors and other consultants is invaluable. We are available to assist our boards, consultants and develop a relationship that conveys we are proficient in the Districts' needs. My cell number appears on my correspondence and is printed on my business card, if I am ever needed.

Special Projects - Tax office provides data and reports for special projects, value projections and any tax roll information requests to developers, attorneys, financial advisor and other consultants. Often we are called upon by developers and financial advisors to intervene on their behalf in dealing with the appraisal district, especially when values are inaccurate. Upon request by the developer, we provide sales data and proposed values to the appraisal district to represent accurate value for projected bond sales.

Bond Sales, Refunding Bond Sales, and Continuing Disclosures - Tax office provides extensive and continually updated information and support for bond sales projections and documents. The tax office orders Certificates of Value and Estimates of Value from the appraisal district for bond sales, upon request from legal counsel and/or the district's financial advisor. This is a high priority item and requires immediate attention to ensure timely receipt from the appraisal district. We have dedicated staff members who monitor these requests to provide to consultants for upcoming bond sales.

Tax Roll Review - Tax office monitors and researches tax roll to ensure accuracy of appraisal district records including recent annexations and recent residential and commercial construction and businesses.

Adopting Optional Tax Exemptions – Before the District adopts their annual tax exemptions, the tax office provides information to legal counsel and to the financial advisor to avoid increasing a tax rate only to offer an exemption. It is important to consider the effect of offering exemptions if it's at the expense of raising the tax rate.

Appraisal District Corrections – The Tax office not only assists developers, financial advisors with appraisal district corrections, we take the time to educate property owners in the process of correcting value, deadlines they must meet, the required documentation to file with the appraisal district; we educate business owners and review the process of filng timely annual rendition forms to avoid a 10% rendition penalty. In addition, we mail reminders to business personal property owners with delinquencies on the process of filing for official deletion if their business has closed to avoid receiving future tax bills from tax offices. Often times, we intervene on behalf of property owners who need assistance with appraisal district corrections.

Potentional Value Loss due to Litigation Refunds - The tax office provides monthly monitoring of litigated accounts filed by taxpayers with the appraisal district; we ensure proper funds management related to possible refunds due to significant reductions in value. The tax office notifies legal counsel and financial advisors of the potential value loss as this may affect future bond sales. This is a very time consuming project and requires a level of expertise, as the tax office is not given the proposed value the property owner is seeking. However, funds must be set aside in the tax administration budget to allow for potential refunds.

Over 65 and Disabled Homeowners – Upon making their required ¼ payment by January 31 (or the extended deadline: Feb 28), the Tax Office mails "Coupons" to property owners for their use to mail future payments to be made by March 31, May 31, and July 31, with no penalties and interest. The coupons are not required by the Tax Code; these are provided as a courtesy to our Over 65 and Disabled Homeowners. In addition, the tax office provides Special Monitoring and Reminder mailings of accounts with these installment options.

Tax Deferrals for Over 65 and Disabled Homeowners – The tax office monitors accounts with these Deferrals and mails to the property owners a letter explaining their deferral is a "Postponement" to pay the taxes which are due; this outlines the interest rate that is accruing, and their need to make sure their family knows this liability exists and the deadline for which their Estate needs to pay to avoid penalties and interest. An official "Status of Your Deferral" reminder is mailed every year in April or May. The tax office has dedicated staff members who work to assist our Over 65 and Disabled Homeowners.

Reminder Bills on Mortgage Coded Accounts – Before the penalties and interest attach on February 1, the tax office takes the time to review which accounts were not paid by a mortgage company who requested a tax bill; we mail a reminder bill to property owners asking for their assistance to have their mortgage company remit payment and/or pay the tax themselves by Jan 31 to avoid the penalties and interest. This is a courtesy tax bill to ensure property owners are made aware their account is due.

District Tax Account Balances Secured with Pledged Securities – The District's Tax Account is held in a money market interest account earning interest, although nominal, and reported on the monthly tax report. The tax office not only reconciles the District bank account on a monthly basis, we monitor the balances and ensure pledged securities are in place to protect the District's funds. Pledged security note(s) are provided to the District's auditor for documentation. Also, when we see a property owner has not cashed a refund check, we send a reminder that a refund was mailed and to deposit timely or request reissuance. Stop payments are processed on original checks. We make every effort to ensure property owners receive their refunds.

Wire Transfers to the General Operating Fund and Debt Service Fund(s) – Based on the adopted tax rates, the tax office makes monthly wire transfers, with the appropriate allocations to each fund: General Operating and the various Debt Service Funds: Water Sewer Drainage, Road Bonds, Contract Tax. The tax office coordinates with the District's bookkeeper to authorize the acceptance of funds that will be wired by the tax office from the District's tax account to the accounts maintained by the bookkeeper for investment purposes and to ensure timely bond payments are made and to make deposits into the general operating fund for District's maintenance and operations expenditures.

Fiscal Year Ends and Auditor Request – The tax office works directly with the District's auditor and provides any and all document they request. The tax office is available for the official "Walk Through" and answers any questionnaires provided.

Appraisal Board Election – Every two years, the tax office monitors the appraisal board election process to ensure Representation of Special Districts is included on the ballot. The tax office works with legal counsel and legal assistants to meet proposed deadlines in this process. Representation of Special Districts at the appraisal district is important to have a contact person to bring attention to the special needs of water districts.

Appraisal District Liaison - The tax office cultivates an excellent relationship with the appraisal district and keeps in touch with the tax office's appraisal district liaison to review problem cases and follow through.

Disaster Relief - The tax office works directly with property owners who are affected by a disaster and guides them through the process of applying with the appraisal district for value reconsideration and educates them on the required documentation if they wish to apply for Disaster Relief, which allows making four installment payments by: Jan 31, Mar 31, May 31, and Jul 31, with no penalties and interest, if made timely. Courtesy coupons are provided for this process. The tax office monitors the projected value loss and refunds to taxpayers, at no extra cost to Districts. The tax office keeps legal counsel and the District's financial advisor aware of potential value loss due to Disasters.

Agent for Notice (Notice to Purchaser) – The tax office is the Agent of Record. Legal counsel provides the official Notice to the tax office after a tax rate is adopted and/or bonds are sold. Whenever property sales transactions occur, the tax office works with title companies, realtors, and property owners to provide them with the required documentation to be signed by the potential Buyer officially notifying the potential property owner taxes are due to the District on an annual basis. This document also outlines the District's tax rate and the District's authorized bonds.

Return Mail by the Post Office – In addition to mailing the required tax bills to property owners, the tax office has dedicated staff members who research locating taxpayers when the post office returns mail as undeliverable. This is a very time consuming project, but we make every effort to locate property owners to notify them taxes are due.

Delinquent Tax Attorney for the District – The tax office works directly with the District's Delinquent Tax Attorney and makes them aware of special cases. The tax office updates business personal property records that are deemed Uncollectible as recommended by the Delinquent Tax Attorney.

Tax Rate Recommendations – Before a financial advisor makes a tax rate recommendation, they must first receive documentation from the tax office. When certified values are received from the appraisal district, the tax office provides current and past year homestead averages, maximum maintenance tax rate, and maximum total tax rate allowed avoiding a rollback election by residents.

Legal Notice Publications – After establishing a proposed tax rate, the tax office is authorized by the Board of the Directors to publish the required quarter page ad in an approved newspaper, generally the most cost effective. The tax office provides a list of newspapers and the costs for such to the Board for review. The tax office uses whichever newspaper the Board selects. The tax office has dedicated staff that monitors these publications to ensure the requirement is met before the tax adoption process can take place.

Tax Certificates and Rollback Tax Calculations – When the District's engineer is platting a new subdivision, upon request, the tax office prepares tax certificates for this platting process. Rollback tax calculations are prepared when agricultural rollbacks are triggered, changing use of land, as subdivisions are being developed. The tax office is diligent in processing these requests for fellow consultants.

Community Support – The tax office sponsors AWBD events, including the workshop held for newly elected directors. The tax office is a member of Fort Bend Chamber of Commerce, supports Fort Bend County Meals on Wheels, Fort Bend County Literacy, and various other organizations.

Highest Level of Customer Service – With over 35 years of experience, the tax assessor collector provides excellent customer service and requires this of all staff members. The Tax Assessor Collector holds a required RTA (Registered Texas Assessor Collector) Certification with the State of Texas and obtains the annual required Continuing Education to maintain that Certification. The tax office immediately responds to taxpayers' calls, with no queue. The tax office strives for quick turn around for callers. The tax office has cross-trained, dedicated employees who take care of taxpayers' concerns. Employees are educated and knowledgeable of the tax collection process. Without knowledgeable handling of taxpayers' calls, these phone calls may roll over to legal counsel, resulting in additional cost to the District. The tax office provides this excellent service with no additional cost to the District. This level of enhanced services provided by this tax office is included in our monthly fee.

Please call me directly on my cell if you have questions or comments.

Esther Buentello Flores, RTA
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