




**Denton Central Appraisal District**  
3911 Morse Street  
Denton, TX 76208

(940) 349-3800  
 [www.dentoncad.com](http://www.dentoncad.com)


**Board of Directors Meeting**  
**September 27, 2022**  
**3:00 PM**  
**3911 Morse Street**  
**Denton, Texas**  
**AGENDA**

- ITEM 1. CONVENING OF MEETING
- ITEM 2. ESTABLISHMENT OF QUORUM
- ITEM 3. INVOCATION & PLEDGES OF ALLEGIANCE
- ITEM 4. OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD OF DIRECTORS  
PERSONS DESIRING TO ADDRESS THE BOARD OF DIRECTORS MUST FILL OUT A SPEAKER'S CARD PRIOR TO THE MEETING. NO PRESENTATION SHALL EXCEED THREE MINUTES. THE BOARD CANNOT DELIBERATE ON ANY SUBJECT THAT IS NOT INCLUDED ON THE AGENDA.
- ITEM 5. CHIEF APPRAISER'S REPORT  
INTERIM CHIEF APPRAISER - DON SPENCER
  - A. DENTON CAD INITIATIVES
  - B. UPDATE ON HS EXEMPTION PROGRESS
  - C. RECEIPT OF PRELIMINARY MAP REVIEW RESULTS
  - D. MEETINGS WITH ENTITIES
- ITEM 6. CONSENT AGENDA  
THE ITEMS ON THE CONSENT AGENDA ARE CONSIDERED SELF-EXPLANATORY BY THE BOARD AND WILL BE ENACTED WITH ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A BOARD MEMBER OR CITIZEN SO REQUEST.
  - A. APPROVAL OF MINUTES FROM THE PREVIOUS BOARD OF DIRECTORS MEETINGS
- ITEM 7. DISCUSS AND APPROVE AWARD OF BID FOR BANK DEPOSITORY FOR 2023-2024
- ITEM 8. PUBLIC HEARING FOR THE 2023 DENTON CAD BUDGET
- ITEM 9. CONSIDER AND ADOPT THE 2023 DENTON CAD BUDGET
- ITEM 10. ADJOURN TO EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.074 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES:
  - A. DELIBERATION ON PERSONNEL MATTERS - DISCUSS CHIEF APPRAISER SEPARATION AGREEMENT / DISCUSS APPOINTMENT OF NEW CHIEF APPRAISER
  - B. UPDATE ON ACTIVE LITIGATION
  - C. CONSULTATION WITH LEGAL COUNSEL
- ITEM 11. RECONVENE TO OPEN SESSION AND TAKE ACTION ON ANY NECESSARY ITEMS DISCUSSED IN EXECUTIVE SESSION
- ITEM 12. DISCUSS / SET NEXT MEETING DATE AND FUTURE AGENDA ITEMS
- ITEM 13. ADJOURN

*AS AUTHORIZED BY SECTION 551.071 OF THE TEXAS GOVERNMENT CODE, THIS MEETING MAY BE CONVENED INTO A CLOSED EXECUTIVE SESSION TO OBTAIN CONFIDENTIAL LEGAL ADVICE FROM THE DENTON CENTRAL APPRAISAL DISTRICT'S ATTORNEY ON ANY AGENDA ITEM LISTED HEREIN. THE DENTON CENTRAL APPRAISAL DISTRICT'S BOARD OF DIRECTORS WILL THEN RECONVENE IN AN OPEN SESSION AND TAKE ANY ACTION, AS MAY BE NECESSARY, ON ANY ITEMS DISCUSSED IN A CLOSED EXECUTIVE SESSION.*



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DENTON CENTRAL APPRAISAL DISTRICT

BOARD OF DIRECTORS MINUTES

SEPTEMBER 13, 2022

3:00 p.m.

ITEM 1: CONVENING OF MEETING

Roy Atwood convened the meeting at 3:01 pm.

BOARD MEMBERS PRESENT: Roy Atwood  
Charles Stafford (arrived at 3:24)  
Alex Buck  
Ann Pomykal  
David Terre  
Michelle French, Ex Officio Member

STAFF PRESENT: Hope McClure, Don Spencer, Kim Collins,  
Misty Baptiste

OUTSIDE COUNSEL: David Tabor - Perdue, Brandon, Fielder, Collins  
and Mott, LLP

ITEM 2: INVOCATION

Invocation was given by Michelle French.

ITEM 3: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was stated to the U.S. Flag and Texas Flag by all who were present.

ITEM 4: ADJOURN TO EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.074 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES:

- A. CONSULTATION WITH LEGAL COUNSEL
- B. DELIBERATION ON PERSONNEL MATTERS

The Board went into Executive Session at 3:03.

ITEM 5: RECONVENE TO OPEN SESSION AND TAKE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, AS NEEDED

The Board reconvened from Executive Session at 5:37.

Charles Stafford moved that the Chief Appraiser be placed on paid Administrative Leave effective September 14, 2022 with no obligation to continue to report to the office. Pending negotiation of a final separation agreement and to appoint Don Spencer as Interim Chief Appraiser.

Alex Buck seconded the motion. The motion passed and the vote was unanimous.

ITEM 6: CONSIDER AND APPROVE RETAINING THE LEGAL SERVICES OF FANNING, HARPER, MARTINSON, BRANDT & KUTCHIN, P.C.

Motion by Ann Pomykal to retain legal services of Fanning, Harper, Martinson, Brandt and Kutchin, P.C. to assist with the negotiation of the separation agreement with Hope McClure with the board Point of Contact being Charles Stafford.

David Terre seconded the motion. The motion passed and the vote was unanimous.

ITEM 7: OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD OF DIRECTORS PERSONS DESIRING TO ADDRESS THE BOARD OF DIRECTORS MUST FILL OUT A SPEAKER'S CARD PRIOR TO THE MEETING. NO PRESENTATION SHALL EXCEED THREE MINUTES. THE BOARD CANNOT DELIBERATE ON ANY SUBJECT THAT IS NOT INCLUDED ON THE AGENDA.

- Dr. Lori Rapp - Superintendent from Lewisville ISD - thanked the board for the action taken and listening to the entities. She is looking forward to working with Denton CAD to support Denton County and the students.
- Mitchell Vexler - President of Mockingbird Properties - handed out notebooks on information to the board - stated that Denton CAD is committing fraud - gave a summary of the events including the deposition of Hope McClure and Chuck Saling - claimed that Denton CAD is inflating the income and that DCAD is "rutterless" and "lawless"

ITEM 8. PROGRESS REPORT

**DON SPENCER - INTERIM CHIEF APPRAISER**

- Certification process has been successfully completed - certifying the records in our system and creating a new layer for the 2023 tax year.
- Currently just over 5700 protests left to be worked through
- More hearings will be held on September 28 and more to be held during the week of October 17.
- There is a desperate need for ARB members - call out to entities, public, and any others to provide ARB members - currently there is a shortage of 12 members - it is a paid opportunity to serve the public - without ARB members the protests will not be processed in a timely manner - budgeted for 48 in 2023 - ARB came close

## Minutes - Board of Directors Meeting of September 13, 2022

to starting with what was budgeted but due to various circumstances people leave along the way - during the season there comes a point where no more members can be added due to education required before sitting on a panel - one major issue of getting through protests is having enough ARB members to sit on panels - Last week of protests there were 6 panels running of 3 members due to availability - doesn't allow to timely process - this seems to be common in Dallas and Collin CAD - seems to be more damaging to us because we have a smaller ARB to start with - Collin CAD typically runs 15-18 panels - Denton CAD pays \$175 per day to ARB members - most often currently recruitment is done by current sitting ARB members - there is a possibility that we can do a better job of advertising the possibility - ARB does not report directly to Denton CAD - could that be an issue in recruiting - ARB/TLO does a good job of coordinating schedule

- High Level Numbers from the Certified Totals
- \$183.2 Billion in Market Value
- A little under \$150 Billion in Taxable Value - after exemptions and Special Valuations are removed from Market Value
- Up \$37 Billion in Market or 25.5% and Taxable Value up 20% over the last year
- Appraisal Departments are starting to align the market areas with appraisers so they can start field work and reinspections for 2023.
- Currently receiving tax rates from entities and tax office - which helps us in preparing levy files sent to the tax office - deadline is October 5
- This week hosted a Core Education USPAP class with 14 DCAD employees attending
- Will be having interdepartmental meetings to discuss protest season, ARB members and peers on processes that can be improved on - working on plans for next year to make it better for Property Owners, ARB members, and making sure we are operating as efficiently as possible while still limited number of folks handling the protests
- Looking for seminars throughout industry with focused topics of concern with Lakefront properties and how those are valued to supplement education the appraisers have.
- Look at more platforms to post current and future employment opportunities to make sure DCAD is reaching out as far as we can to get the most qualified candidates - currently post on website, TAAO, TAAD - occasionally reach out on Indeed or Zip Recruiter - look at LinkedIn and IAAO
- Currently have 5-6 open positions which some have been posted for a while - partially attributed to the season we just came out of - need to refresh those postings - make them visible again
- Michelle French asked when Supplements will be available.

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- Don Spencer stated that we are hoping by October 5 - hopefully a few days before
- Michelle French explained that the certified roll is sent with Data Extracts - tax office needs to receive Supplemental files and all changes including name and address updates so that they have as much accurate information as possible.

ASHLEY AGUADO - TAXPAYER LIAISON - No Report at this time.

### ITEM 9: CONSENT AGENDA

THE ITEMS ON THE CONSENT AGENDA ARE CONSIDERED SELF-EXPLANATORY BY THE BOARD AND WILL BE ENACTED WITH ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A BOARD MEMBER OR CITIZEN SO REQUEST.

- A. APPROVAL OF MINUTES OF THE PREVIOUS BOARD OF DIRECTORS MEETINGS
- B. ACKNOWLEDGE RECEIPT OF MONTHLY FINANCIAL STATEMENTS
- C. ACKNOWLEDGE RECEIPT OF VALUE CHANGES

Alex Buck made a motion to approve all items on the Consent Agenda. Ann Pomykal seconded the motion. The motion passed and the vote was unanimous.

### ITEM 10: WORKSHOP 2023 DCAD BUDGET

At this time, Kim Collins made a request to move to Item 11 to accommodate Kallen McCoy who had been waiting to make the insurance presentation to the Board.

Kim Collins stated that there is nothing new prepared. Don Spencer opened the floor for conversation on the budget. There have been several taxing units who have met with concerns and the disapproval of the budget. Mr. Spencer invited dialogue and discussion from the board members. Mr. Spencer acknowledged the feedback from the last public hearing from those concerned over the lack of increase for training. Mr. Spencer would entertain the idea of placing a training line item in the next budget to account for internal and external training of DCAD employees.

Roy Atwood stated the one thing he has heard other than the leadership issues raised, the largest practical issue is the ability to get certified values earlier. Understanding the plea for additional ARB members and additional employees. Ensuring that people are not filing protests because their Homestead exemption has not yet been processed. There will still be a large number of protests and those have to be processed within a finite amount of time. Should the budget be approved for additional ARB members would there be the physical room to accommodate the number of panels? Mr. Spencer responds that with the number of staff we currently have DCAD would not be able to staff additional ARB panels. Mr. Spencer explained that what we are asking for in ARB is what we will be able to staff.

## Minutes - Board of Directors Meeting of September 13, 2022

Mr. Spencer stated one of his goals to address the timely certification issue is to “create more runway” - making sure field work is completed sooner, appraisal notices out earlier, which will help us in the long run.

Ann Pomykal asked about the need for 2 positions in Admin in the 2023 budget at \$150,000 a piece. Mr. Spencer acknowledged that at least one could be removed, also acknowledging that with more people there will be a need for more leadership. Mrs. Pomykal asked for a paragraph for the entities of what the needs were and specifically the increase in each department.

Alex Buck asked for a better description of all the needs that will be met in the 2023 Budget.

Roy Atwood stated he has not heard any entity acknowledge that we do not need additional staff.

Ann Pomykal stated that she is very excited that Mr. Spencer is focusing on training for all the new staff DCAD is hoping to bring in but also for the existing staff. Moving forward, Mrs. Pomykal would like to see a plan for each employee for training.

Michelle French offered the question “Is it possible to hire 18 employees in the next year?” - Questioned the possibility of trimming even one position and then looked at the possibility in the next year.

Don Spencer asked for clarification about taking down the number of FTE’s.

Michelle French clarified to take out one of the Admin positions for 2023 and then looked at adding that position in the future.

Roy Atwood suggested leaving the FTE number the same but recognize that not all will be hired on January 1 so it will not be necessary to budget fully for the entire year. Hesitant to have the budget reduce the number of FTE’s.

Ann Pomykal stated the need for an over/budget where the board can see the line for 2022 where it would show where we currently stand on what has and has not been spent for the current year. Kim Collins clarified the information that is provided in the financial report. Mr. Atwood pointed out there is a summary page in the financial report. Kim Collins pointed out in the expense report for all departments those items are lined out. Mrs. Collins also pointed out that in the narrative provided to the board there are overviews of all requested.

David Terre stated that The City of The Colony wanted to be sure that the correct decision is being made and the new employees will be used most effectively. Mrs. Collins explained that the biggest needs for employees are on the front line - the forward-facing positions - customer service and appraisers. Make sure we are

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allocating resources for people as not to burn them out but offer them help to help DCAD achieve our deadlines.

Alex Buck confirmed that we will not be going over the current budget number. Don Spencer anticipates that it should be less based on the items discussed.

Roy Atwood confirmed the next step is the Public Hearing on September 27, 2002.

Don Spencer will clarify a more concise delivery for the entities of where the needs are and highlight those in the coming budget request.

ITEM 11: CONSIDER AND APPROVE EMPLOYEE GROUP HEALTH, DENTAL, VISION, LIFE, AD&D, LTD, AND LONG TERM CARE

Kim Collins presents Kallen McCoy with AIA Benefits who presents the analysis of medical insurance benefits each year. He goes out each year and makes sure the insurance that we are providing is at the lowest price to offer. DCAD is a partially self-funded plan. Worst case scenario fell underneath 5 of the 6 guaranteed cost plans that were explored. Mr. McCoy explains there are some shifts in the demographics of the Appraisal District which offers a reduction in the benefit plan of about 8%. Increases are 5-12% on average because health insurance does not tend to go down. DCAD membership increased by about 17% from last year however the price only increased by about 7.5% which brings down the per unit cost. The fixed cost/insurance premium reduced this year by \$43,000 - one employee caused the District Liability to go up about \$60,000 because of specific things. We have a great quote from Met Life waiting to be accepted to keep costs from going up at all.

Ann Pomykal asked if Kim Collins had any concerns. Mrs. Collins stated that there are no concerns at this time.

Ann Pomykal made a motion to approve the Employee Group Health Insurance as presented. Charles Stafford seconded the motion. The motion passed and the vote was unanimous.

ITEM 12: DISCUSS RECEIPT OF THE 2021 PROPERTY VALUE STUDY FINDINGS PURSUANT TO SECTION 403.302(k) OF THE TEXAS GOVERNMENT CODE

Don Spencer hands out a copy of a letter from Comptroller, Glenn Hegar. Mr. Spencer explained that this is a requirement from the Texas Comptroller that the Board is notified of 3 school districts that through the PVS by the State are still found to be invalid on the value which means they are in year one of Grace. They will still be assigned local value - they are beginning to do the studies for a consecutive year to pull them out of the invalid status.

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Roy Atwood inquired what it was that led to this result.

Don Spencer explained that these 3 ISD's are in the Northern Quadrant of Denton County and even though booming there is still a lot of rural property. Those school districts are not nearly as populated as others. In an environment where a lot of growth is seen, there is little data available to hit market numbers accurately on school districts. The CAD has to assign market value and it has to be done equally and uniformly. There has to be recognition of seeing the 20-25% increase of market value in the mass approach. There is still the struggle of the lack of data and it is hard to support that increase. Still no excuse to fall out of the Confidence Interval - DCAD is aware and trying to determine where the challenges are with these 3 school districts so it can be addressed so this next PVS can be successful.

Ann Pomykal asked how the districts themselves feel about this issue. Don Spencer explained it is alarming to the districts and administration. At this point they are on notice and on check - if there is more than 2 years of this issue - the districts are subject to the state value instead of the local value and the state value is always going to be higher. If there is a higher assigned value in the study, TEA will capture that value which will mean less funding from the state for those School Districts.

ITEM 13: ADJOURN

Chairman, Roy Atwood, adjourned the meeting at 6:32. Next meeting September 27 at 3:00.

\_\_\_\_\_  
Roy Atwood, Chairman


ATTEST:

\_\_\_\_\_  
Ann Pomykal, Secretary





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DATE: September 21, 2022  
TO: Board of Directors  
FROM: Kim Collins, HR Finance Manager  
SUBJECT: Agenda Item #7 – Discuss and Approve Award of Bid for Bank Depository for 2023 – 2024.

The Texas Local Government Code and Texas Property Tax Code contain sections that clearly guide the requirement for and selection of a public entity's bank depository. A *Request For Proposal* (RFP) is required every 4 years, and the contract is approved by the Board in two, 2-year increments. The renewal at year 3 gives us the option to pursue a new depository if the existing relationship is not beneficial. Our prevailing contract is the second 2-year term of the last RFP conducted in 2018 (covering 2019, 2020, 2021, 2022). The contract was awarded to Wells Fargo for 2019 – 2020, and renewed with the same terms for 2021 – 2022. That contract expires on December 31.

A new contract must be in place on January 1, 2023 to guide the next four years (2023, 2024, 2025, 2026). We engaged Valley View Consulting, an investment management and consulting firm specializing in governmental funds, to guide the RFP process for us, thereby ensuring the District has the best possible banking arrangement. We are attaching their 3-page summary of the procedure followed, financial comparison and recommendation for DCAD.

The analysis shows that Wells Fargo continues to be the best option for the Appraisal District. We have a very good working relationship with Wells Fargo as they are attentive to our requests and provide excellent customer service. We are happy with the prospect of continuing that relationship. Once the Board has awarded the depository, we will notify both of the responding institutions. The Chief Appraiser will execute the agreements necessary to renew the depository relationship.

**RECOMMENDATION:**

To approve the award of bid for Bank Depository for 2023 – 2024 to Wells Fargo and authorize the Chief Appraiser to execute the agreements necessary to renew the depository relationship



August 15, 2022

Ms. Kim Collins  
HR Finance Manager  
Denton Central Appraisal District  
3911 Morse St.  
Denton, Texas 76208

Dear Ms. Collins:

We sincerely appreciated and welcomed the opportunity to assist the Denton Central Appraisal District (the "District") with this Primary Depository Services Request for Proposals (the "RFP") project.

The objective of this engagement was to select a primary depository for a new two-year initial contract which, when approved, will commence on January 1, 2023, and terminate on December 31, 2025. At the option of the District, the contract may be extended for one (1) additional two-year period under the same terms and conditions.

### **Procedure**

The project began with the establishment of a calendar of events to ensure that the required project steps were performed in a timely and sequential manner.

The process for selecting a Primary Depository is governed by the State of Texas Local Government Codes: Section 6.09, Texas Property Tax Code; Chapter 2256, Texas Government Code, "Public Funds Investment Act" as amended; Chapter 2257, Texas Government Code, "Public Funds Collateral Act" as amended; Denton CAD adopted Investment Policy; and Chapter 131, Sub-chapter Z, Sec. 131.903, Conflict of Interest, Texas Local Government Code, "Finances".

In addition to complying with these State statutory requirements, it was necessary to understand and comply with the District's financial and purchasing policies and Investment Policy.

The RFP project was conducted as follows:

1. Analyzed historical bank service usage and balance records.
2. Reviewed the minimum banking services and potential additional services.
3. With the assistance of the District's staff we developed a list of financial institutions that are typically active in responding to RFPs from government entities or had indicated interest in being the depository for the District. Those banks were:

- a. American National Bank & Trust
  - b. First Guaranty Bank
  - c. Guaranty Bank & Trust, N.A.
  - d. Independent Financial
  - e. JPMorgan Chase Bank, N.A.
  - f. PNC Bank, N.A.
  - g. Wells Fargo Bank, N.A. (Incumbent)
4. Contacted the financial institutions to confirm distribution information, describe the process, and identify the designated recipient.
  5. Drafted the RFP for District review and approval.
  6. Posted the notice and advertised the RFP in the *Denton Record-Chronicle*.
  7. Distributed RFPs to the identified and receptive financial institutions.
  8. Held a non-mandatory pre-application conference, attended by the following banks:
    - a. American National Bank & Trust
    - b. Independent Financial
    - c. Wells Fargo Bank, N.A. (Incumbent)
  9. By the closing deadline, applications were received from:
    - a. Independent Financial
    - b. Wells Fargo Bank, N.A. (Incumbent)

The evaluation of the applications was based on, but not limited to, the following criteria, in no particular order of priority:

1. Ability of applicant to perform and provide the required and requested services;
2. References provided and quality of services;
3. Cost of services;
4. Transition cost, retention and transition offers, and incentives;
5. Interest rates on interest bearing accounts and deposits;
6. Earnings credit rate on compensating balances;
7. Previous service relationship with the District;
8. Convenience of location(s);
9. Completeness of application and agreement to points outlined in the RFP; and
10. Financial strength and stability of the institution.

### **Application Analysis**

The application analysis began with an overall review of each financial institution's general financial strength and ability to provide the services necessary to meet the District's current and future service needs. Both applicants exhibited acceptable financial strength and the ability to provide the services the District requested.

Each financial institution's fee schedule was analyzed based on the District's banking service needs and estimated activity levels.

### Financial Comparison

The summary below is for both the two (2) year initial contract term, and the full four (4) year term allowing for the one (1) allowed two-year extensions at the option of the District.

<b>FEE ANALYSIS OF DEPOSITORY SERVICES</b>		
	<b>Independent Financial</b>	<b>Wells Fargo Bank (Incumbent)</b>
Projected Bank Balance	8,731,000	8,731,000
<b>Proposed Fees - Banking Services</b>		
<b>Current Monthly Services Fee Estimate</b>	(556)	(694)
<b>Fees for Two Year Term</b>	(13,335)	(16,653)
<b>Fees for Five Year Term</b>	(26,669)	(33,305)
<b>Earnings Credit</b>		
<b>Rate Basis</b>	Upper End of the Fed Funds Rate	Market Rate
<b>Net Income for Two Year Term</b>	<b>178,112</b>	<b>207,861</b>
<b>Net Income for Four Year Term</b>	<b>356,224</b>	<b>414,722</b>

### Conclusion

Based on the analysis of services offered, the waiver of bank fees, and the attractive interest rate index, District staff determined that the terms offered by Wells Fargo Bank were the most advantageous to the District. We concur with the staff recommendation that the Board award the Primary Depository Services contract to Wells Fargo Bank, N.A. and authorize the Chief Appraiser to execute the agreements necessary to renew the depository relationship.

Please contact Tom Ross, E. K. Hufstedler, Dick Long or me to discuss any questions or additional information needs.

Thank you for this opportunity to provide the Denton Central Appraisal District with our depository consulting services.



Sincerely,



Tim Pinon  
Valley View Consulting, L.L.C.



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DATE: September 21, 2022  
TO: Board of Directors  
FROM: Don Spencer – Deputy Chief Appraiser – Interim Chief Appraiser  
SUBJECT: Agenda Item #8 – Public Hearing for the 2023 Denton CAD Budget

The total budget for 2023 is \$17,809,791.50. The budget increase is an overall total of \$2,485,497.57 or 16.22%. We are utilizing some available fund balance to lower the increase to the entities. The CAD will be asking the entities to fund \$16,785,291.50 of the budget which is a 13.75% increase. This budget includes 17 new full-time employees. We feel this is the most important part of this budget and our best continue our efforts in improving the service provided to all of the entities and the citizens here in Denton County.

We are also asking to increase the total number of ARB members to 42. This increase to the budget is minimal at \$33,255, but also a very important piece to the process of roll certification. As the county continues to grow, the district will need to increase the number of appraisers, customer service representatives, and Appraisal Review Board members so we may continue to offer the level of service to the entities and property owners that they deserve.

Some other categories that were increased in the 2023 budget were Technology and Seasonal Labor, which enhances accuracy and mitigates the need for even more full-time employees with benefits. The other two categories of increase are Legal Notices & Publications and Subscriptions & Contracts. Both of these are due to the rising economy and record-high inflation.

**RECOMMENDATION:** If no changes are to be made, the recommendation would be for the board to approve this budget for the 2023 year at the close of this public hearing for Agenda Item #9.

**2023 BUDGET**

**5100 - PERSONNEL SERVICES**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5110 - SALARIES</b>	<b>\$7,188,342.26</b>	<b>\$8,771,498.24</b>	<b>\$1,583,155.98</b>
FULL-TIME SALARIES & SALARY ADJUSTMENTS <b>\$8,771,498.24</b>			
<b>TOTAL ACCOUNT #5110</b> <b>\$8,771,498.24</b>			
<b>ACCT #5120 - LONGEVITY PAY</b>	<b>\$89,560.00</b>	<b>\$75,500.00</b>	<b>(\$14,060.00)</b>
DCAD RECOGNIZES CONTINUED SERVICE WITH LONGEVITY PAY.			
<b>TOTAL ACCOUNT #5120</b> <b>\$75,500.00</b>			
<b>ACCT #5130 - SOCIAL SECURITY (FICA)</b>	<b>\$595,820.42</b>	<b>\$723,494.79</b>	<b>\$127,674.37</b>
SOCIAL SECURITY IS CALCULATED ON FULL TIME SALARIES AND LONGEVITY.			
<b>TOTAL ACCOUNT #5130</b> <b>\$723,494.79</b>			
<b>ACCT #5140 - RETIREMENT (TCDRS)</b>	<b>\$1,263,990.00</b>	<b>\$1,244,853.27</b>	<b>(\$19,136.73)</b>
RETIREMENT IS APPLICABLE ONLY TO FULL-TIME EMPLOYEES.			
<b>TOTAL ACCOUNT #5140</b> <b>\$1,244,853.27</b>			
<b>ACCT #5150 - WORKERS' COMP INSURANCE</b>	<b>\$51,262.16</b>	<b>\$65,889.96</b>	<b>\$14,627.80</b>
THE DISTRICT PAYS WORKERS' COMPENSATION PREMIUMS ON ALL FULL TIME EMPLOYEES.			
<b>TOTAL ACCOUNT #5150</b> <b>\$65,889.96</b>			
<b>ACCT #5160 - GROUP HEALTH INSURANCE</b>	<b>\$1,509,217.74</b>	<b>\$1,635,904.40</b>	<b>\$126,686.66</b>
GROUP HEALTH INSURANCE IS PROVIDED TO ALL FULL-TIME EMPLOYEES.			
<b>TOTAL ACCOUNT #5160</b> <b>\$1,635,904.40</b>			
<b>TOTAL 5100 - PERSONNEL SERVICES</b>	<b>\$10,698,192.58</b>	<b>\$12,517,140.66</b>	<b>\$1,818,948.08</b>

**2023 BUDGET**

**5200 - EDUCATION & TRAINING**

<b>CLASSIFICATION</b>	<b>2022 BUDGET</b>	<b>2023 BUDGET</b>	<b>INCREASE OR DECREASE</b>
<b>ACCT #5210 - MEMBERSHIPS, SUBSC &amp; DUES</b>	<b>\$22,330.00</b>	<b>\$22,630.00</b>	<b>\$300.00</b>
THIS ACCOUNT IS CHARGED FOR ALL MEMBERSHIPS AND DUES, AND SUBSCRIPTIONS TO EDUCATIONAL MEDIA.			
<b>TOTAL ACCOUNT #5210</b>	<b>\$22,630.00</b>		
<b>ACCT #5220 - TRAINING - SCHOOLS, CONFERENCES &amp; TRAVEL</b>	<b>\$87,740.00</b>	<b>\$102,700.00</b>	<b>\$14,960.00</b>
THIS ACCOUNT IS CHARGED FOR ALL EDUCATIONAL RELATED TRAINING AND TRAVEL.			
<b>TOTAL ACCOUNT #5220</b>	<b>\$102,700.00</b>		
<b>TOTAL 5200 - EDUCATION &amp; TRAINING</b>	<b>\$110,070.00</b>	<b>\$125,330.00</b>	<b>\$15,260.00</b>

**2023 BUDGET**

**5300 - SERVICES RECEIVED**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5310 - APPRAISAL REVIEW BOARD</b>  THIS BUDGET ITEM IS CHARGED FOR PAYMENTS TO THE 42 MEMBER ARB PANEL FOR WORK PERFORMED DURING THE MANDATED EQUALIZATION PROCESS. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$418,035.00	\$451,290.00	\$33,255.00
<b>TOTAL ACCOUNT #5310</b>	<u>\$451,290.00</u>		
<b>ACCT #5315 - OIL, GAS, HEAVY INDUSTRIAL, AND UTILITY VALUATION</b>  THIS BUDGET ITEM IS FOR CONTRACTED SERVICES. IT IS A BID ITEM. THIS ACCOUNT WAS MOVED TO OVERHEAD IN 2023.	\$180,000.00	\$180,000.00	\$0.00
<b>TOTAL ACCOUNT #5315</b>	<u>\$180,000.00</u>		
<b>ACCT #5325 - LEGAL SERVICES</b>  THIS BUDGET ITEM IS CHARGED FOR ALL LEGAL EXPENSES ASSOCIATED WITH DEFENDING VALUES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$450,000.00	\$475,000.00	\$25,000.00
<b>TOTAL ACCOUNT #5325</b>	<u>\$475,000.00</u>		
<b>ACCT #5330 - AUDIT &amp; PAYROLL PROCESSING</b>  THIS BUDGET ITEM IS FOR THE ANNUAL AUDIT AND FOR PAYROLL PROCESSING. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$41,000.00	\$39,500.00	(\$1,500.00)
<b>TOTAL ACCOUNT #5330</b>	<u>\$39,500.00</u>		
<b>ACCT #5340 - SUBSCRIPTIONS &amp; CONTRACTS</b>  THIS BUDGET ITEM IS CHARGED FOR EXPENSES INCURRED TO OBTAIN OWNERSHIP, SALES AND VALUE INFORMATION.	\$624,572.86	\$824,756.86	\$200,184.00
<b>TOTAL ACCOUNT #5340</b>	<u>\$824,756.86</u>		
<b>ACCT #5345 - AUTO EXPENSE REIMBURSEMENT</b>  THIS BUDGET ITEM IS TO COMPENSATE EMPLOYEES FOR THE USE OF THEIR PRIVATELY OWNED VEHICLES DURING THE PERFORMANCE OF THEIR JOB DUTIES.	\$515,008.00	\$610,542.00	\$95,534.00
<b>TOTAL ACCOUNT #5345</b>	<u>\$610,542.00</u>		



2023 BUDGET

5300 - SERVICES RECEIVED (continued)

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5350 - GENERAL INSURANCE</b>  ALL INSURANCE EXCEPT GROUP HEALTH AND WORKERS' COMPENSATION IS CHARGED TO THIS ACCOUNT. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$33,410.62	\$34,929.59	\$1,518.97
<b>TOTAL ACCOUNT #5350</b>	<u>\$34,929.59</u>		
<b>ACCT #5360 - PRINTING SERVICES</b>  THIS ACCOUNT IS CHARGED FOR ALL ITEMS THAT ARE PRINTED AND MAILED. ITEMS THAT ARE PRINTED AND CONSUMED WITHIN THE BUILDING ARE CHARGED TO OFFICE SUPPLIES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$159,355.00	\$159,000.00	(\$355.00)
<b>TOTAL ACCOUNT #5360</b>	<u>\$159,000.00</u>		
<b>ACCT #5370 - POSTAGE AND FREIGHT</b>  THIS ITEM IS CHARGED FOR ALL ITEMS THAT ARE MAILED. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$333,007.78	\$352,700.00	\$19,692.22
<b>TOTAL ACCOUNT #5370</b>	<u>\$352,700.00</u>		
<b>ACCT #5380 - LEGAL NOTICES &amp; ADVERTISING</b>  THIS ACCOUNT IS CHARGED FOR ADVERTISEMENTS IN NEWSPAPERS CONCERNING EXEMPTION MATTERS SUCH AS HOMESTEADS, OVER-65, DISABLED VETERANS, AND PRODUCTIVITY VALUATION MATTERS. OTHER ADVERTISEMENTS HAVE TO DO WITH APPRAISAL REVIEW NOTICES, MISCELLANEOUS, CLASSIFIED ADVERTISING, AND INVITATIONS TO BID. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.  SB 622 requires a line item indicating expenditures for notices required by law to be published in a newspaper by the political subdivision.  2021 Actual Expenses for mandated notices is \$6,783 2023 Budgeted Expenses for mandated notices is \$7,000	\$6,000.00	\$8,000.00	\$2,000.00
<b>TOTAL ACCOUNT #5380</b>	<u>\$8,000.00</u>		
<b>ACCT #5390 - OFFICE SUPPLIES</b>  THE OFFICE SUPPLY BUDGET IS COMPRISED OF EXPENSES INCURRED FOR TRADITIONAL OFFICE SUPPLY ITEMS.	\$69,650.00	\$65,950.00	(\$3,700.00)
<b>TOTAL ACCOUNT #5390</b>	<u>\$65,950.00</u>		
<b>TOTAL 5300 - SERVICES RECEIVED</b>	<u>\$2,830,039.26</u>	<u>\$3,201,668.45</u>	<u>\$371,629.19</u>

**2023 BUDGET**

**5400 - UTILITIES AND MAINTENANCE**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5410 - OFFICE EQUIPMENT MAINTENANCE</b> MAINTENANCE OF ALL OFFICE EQUIPMENT EXCEPT THE PRIMARY COMPUTER, PERIPHERAL DEVICES, AND PERSONAL COMPUTERS IS CHARGED TO THIS ACCOUNT.	\$18,950.00	\$17,400.00	(\$1,550.00)
<b>TOTAL ACCOUNT #5410</b>	<u>\$17,400.00</u>		
<b>ACCT #5420 - INFORMATION TECHNOLOGY MAINTENANCE</b> THIS ACCOUNT IS COMPRISED OF BOTH COMPUTER HARDWARE AND SOFTWARE MAINTENANCE. THIS ACCOUNT IS APPLICABLE TO THE INFORMATION TECHNOLOGY DEPARTMENT. GIS RELATED EXPENSES ARE INCLUDED HERE.	\$861,200.00	\$1,072,200.00	\$211,000.00
<b>TOTAL ACCOUNT #5420</b>	<u>\$1,072,200.00</u>		
<b>ACCT #5430 - ELECTRICITY, WATER, SEWER AND SOLID WASTE</b> THIS BUDGET ITEM IS FOR THE DISTRICT'S UTILITIES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$85,971.00	\$89,020.00	\$3,049.00
<b>TOTAL ACCOUNT #5430</b>	<u>\$89,020.00</u>		
<b>ACCT #5440 - TELEPHONE</b> THIS BUDGET ITEM IS FOR THE DISTRICT'S TELEPHONE EXPENSE. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$99,508.00	\$103,084.00	\$3,576.00
<b>TOTAL ACCOUNT #5440</b>	<u>\$103,084.00</u>		
<b>ACCT #5450 - BUILDING AND GROUNDS MAINTENANCE</b> THIS BUDGET ITEM COMPRISES ALL BUILDING AND GROUNDS MAINTENANCE. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$170,011.00	\$145,011.00	(\$25,000.00)
<b>TOTAL ACCOUNT #5450</b>	<u>\$145,011.00</u>		
<b>TOTAL 5400 - UTILITIES AND MAINTENANCE</b>	<u>\$1,235,640.00</u>	<u>\$1,426,715.00</u>	<u>\$191,075.00</u>

**2023 BUDGET**

**5500 - CAPITAL OUTLAY**

<b>CLASSIFICATION</b>	<b>2022 BUDGET</b>	<b>2023 BUDGET</b>	<b>INCREASE OR DECREASE</b>
<b>ACCT #5510 - FURNITURE AND EQUIPMENT</b>	<b>\$70,000.00</b>	<b>\$70,500.00</b>	<b>\$500.00</b>
AN ASSET SCHEDULE APPEARS AT THE BACK OF THE BUDGET.			
<b>TOTAL ACCOUNT #5510</b>	<b>\$70,500.00</b>		
<b>ACCT #5520 - BUILDING AND LAND IMPROVEMENTS</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>(\$50,000.00)</b>
AN ASSET SCHEDULE APPEARS AT THE BACK OF THE BUDGET.			
<b>TOTAL ACCOUNT #5520</b>	<b>\$0.00</b>		
<b>TOTAL 5500 - CAPITAL OUTLAY</b>	<b>\$120,000.00</b>	<b>\$70,500.00</b>	<b>(\$49,500.00)</b>

**2023 BUDGET**

**5600 - MISCELLANEOUS**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5610 - CONTINGENCY</b>  THE FUNDS IN THIS BUDGET ITEM ARE APPROPRIATED FOR UNANTICIPATED EXPENDITURES. ALL ANTICIPATED EXPENDITURES ARE BUDGETED IN SPECIFIC ACCOUNTS. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$71,161.74	\$76,672.23	\$5,510.49
<b>TOTAL ACCOUNT #5610</b>	<u>\$76,672.23</u>		
<b>ACCT #5620 - MISCELLANEOUS</b>  THIS ACCOUNT IS FOR ITEMS THAT WILL NOT FIT WELL IN ANOTHER CATEGORY. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$39,500.00	\$58,450.00	\$18,950.00
<b>TOTAL ACCOUNT #5620</b>	<u>\$58,450.00</u>		
<b>ACCT #5630 - SEASONAL LABOR</b>  THIS ACCOUNT IS FOR SEASONAL LABOR COSTS. THE DISTRICT BEGAN USING CONTRACT EMPLOYEES IN 2020 WHEN THEY STOPPED USING PART TIME EMPLOYEES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$150,000.00	\$261,250.00	\$111,250.00
<b>TOTAL ACCOUNT #5630</b>	<u>\$261,250.00</u>		
<b>TOTAL 5600 - MISCELLANEOUS</b>	<u>\$260,661.74</u>	<u>\$396,372.23</u>	<u>\$135,710.49</u>

**2023 BUDGET**

**5900 - DEBT SERVICE**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5920 - EQUIPMENT PAYMENTS</b>  THIS ACCOUNT IS CHARGED FOR EQUIPMENT PAYMENTS. EQUIPMENT LEASES WERE MOVED TO SUBSCRIPTIONS & CONTRACTS IN 2022. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$69,690.24	\$72,065.16	\$2,374.92
<u>\$72,065.16</u>			
<b>TOTAL ACCOUNT #5920</b>			
<b>TOTAL 5900 - DEBT SERVICE</b>	<u>\$69,690.24</u>	<u>\$72,065.16</u>	<u>\$2,374.92</u>
<b>TOTAL BUDGET</b>	<b>\$15,324,293.82</b>	<b>\$17,809,791.50</b>	\$2,485,497.68