

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 24-2023**

**A RESOLUTION PROVIDING FOR THE CITY'S APPROVAL OR
DISAPPROVAL OF THE KERR CENTRAL APPRAISAL DISTRICT'S
FISCAL YEAR 2024 BUDGET**

WHEREAS, the Kerr Central Appraisal District ("KCAD") has submitted its proposed fiscal year 2024 budget to the City Council for consideration; and

WHEREAS, pursuant to state law, City Council must consider KCAD's budget and in the event Council does not approve, it must indicate this action via a resolution; and

WHEREAS, the City Council finds it to be in the public interest to either approve or disapprove of said proposed budget as indicated below;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

The Kerr Central Appraisal District's proposed fiscal year 2024 budget, as set forth in Exhibit A, is APPROVED (APPROVED OR ~~DISAPPROVED~~).

PASSED AND APPROVED ON this the 25 **day of** July, A.D., 2023.




Judy Eychner, Mayor

ATTEST:



Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

2024 Proposed Budget
Kerr Central Appraisal District

P.O. Box 294387
212 Oak Hollow Dr
Kerrville, TX 78029
(830) 895-5223

BOARD MEMBERS

Carter Crain, Chairman
Bob Reeves, CTAC, Vice-Chairman
Eric Lantz, Secretary
Patrick Freedle
Lary Priour
Jeff Talarico

Sharon Constantinides, RPA, CCA
Chief Appraiser

Line	Item	2023	2024	\$ Diff	% Diff	% Total
5006	Salaries	\$585,700	\$609,730	\$24,030	4.10%	49.18%
5010	Employer Portion of Ret	\$48,336	\$50,319	\$1,983	4.10%	4.06%
5012	Medicare Insurance	\$8,493	\$8,841	\$348	4.10%	0.71%
5015	Employee Medical Insur	\$130,342	\$135,247	\$4,905	3.76%	10.91%
5016	TX Employment Comm.	\$1,500	\$1,500	\$0	0.00%	0.12%
5017	Disability Insurance	\$8,750	\$8,750	\$0	0.00%	0.71%
5030	Appraisal Review Board	\$22,500	\$22,500	\$0	0.00%	1.81%
5034	Vehicle Replace. Res.	\$8,000	\$8,000	\$0	0.00%	0.65%
5035	Travel, Mileage & Maint	\$18,000	\$18,000	\$0	0.00%	1.45%
5040	Annual Audit	\$10,750	\$11,850	\$1,100	10.23%	0.96%
5045	Mapping Expense	\$17,968	\$19,547	\$1,579	8.79%	1.58%
5055	Debt Service-Building	\$61,680	\$61,680	\$0	0.00%	4.97%
5070	Leased Equipment	\$6,350	\$6,350	\$0	0.00%	0.51%
5075	Telephone & Monitorin	\$4,390	\$4,390	\$0	0.00%	0.35%
5080	Utilities	\$7,800	\$8,350	\$550	7.05%	0.67%
5085	Facilities Maintance	\$13,672	\$16,103	\$2,431	17.78%	1.30%
5090	Consultant - Appraisal	\$63,000	\$64,200	\$1,200	1.90%	5.18%
5100	Legal & Consultants	\$15,000	\$15,000	\$0	0.00%	1.21%
5102	Legal ARB	\$2,000	\$2,000	\$0	0.00%	0.16%
5105	Liab-Workers Comp-Bld	\$9,600	\$10,600	\$1,000	10.42%	0.85%
5110	Taxpayer Assist & Ed	\$4,000	\$4,000	\$0	0.00%	0.32%
5190	Appraisal Guides & Too	\$6,000	\$6,000	\$0	0.00%	0.48%
5120	Schools/Employee Ed.	\$7,500	\$7,500	\$0	0.00%	0.60%
5130	Postage	\$30,000	\$35,000	\$5,000	16.67%	2.82%
5135	Printing	\$15,000	\$15,000	\$0	0.00%	1.21%
5136	Professional Dues	\$2,520	\$2,520	\$0	0.00%	0.20%
5140	Office Supplies	\$9,000	\$9,000	\$0	0.00%	0.73%
5145	Furni., Fixture & Equip	\$6,000	\$6,000	\$0	0.00%	0.48%
5150	Board of Directors	\$1,200	\$1,200	\$0	0.00%	0.10%
5155	Equip. Maint & Reserve	\$1,000	\$1,000	\$0	0.00%	0.08%
5170	Building Reserve	\$2,500	\$2,500	\$0	0.00%	0.20%
5180	Software Support	\$57,365	\$66,993	\$9,628	16.78%	5.40%
5200	Banking Fees	\$200	\$200	\$0	0.00%	0.02%
TOTAL	TOTALS	\$1,186,116	\$1,239,870	\$53,754	4.53%	100.00%

5006 Salaries:

* Indicates Registered Professional Appraiser (RPA) designation through the Texas Department Of Licensing and Registration.

Positions	2023	2024	Years of Experience
Chief Appraiser*	\$97,500	\$102,375	38
Deputy Chief*	\$62,500	\$65,625	14
Appraisal Manager*	\$60,000	\$63,000	22
Operations Manager*	\$60,000	\$63,000	21
GIS/Abstractor*	\$62,250	\$63,000	25
BPP Appraiser*	\$43,200	\$45,360	6
Appraiser-II	\$39,250	\$41,210	2
AG Appraiser-RPA*	\$44,750	\$46,985	9
Appraiser-III	\$40,500	\$42,525	3
Appraiser-I	\$36,500	\$38,325	1
Exemption Clerk	\$36,500	\$38,325	1
Excess Funds	\$2,750	0	
TOTALS	\$585,700	\$609,730	

Total Benefits:

Position	<u>2023 Salary</u>	<u>Medical</u>	<u>Retirement</u>	<u>Medicare</u>	<u>Unemp</u>	<u>Disability</u>	<u>Totals</u>
Chief Appraiser	\$102,375	\$12,295	\$8,190	\$1,484	\$136	\$795	\$125,276
Deputy Chief	\$65,625	\$12,295	\$5,250	\$952	\$136	\$795	\$85,053
Appraisal Mgr	\$63,000	\$12,295	\$5,040	\$914	\$136	\$795	\$82,180
Operations Mgr	\$63,000	\$12,295	\$5,040	\$914	\$136	\$795	\$82,180
BPP Appraiser	\$45,360	\$12,295	\$3,629	\$658	\$136	\$795	\$62,873
Appraiser-III	\$42,525	\$12,295	\$3,402	\$617	\$136	\$795	\$59,770
AG Appr-RPA	\$46,985	\$12,295	\$3,759	\$681	\$136	\$795	\$64,651
Appraiser-II	\$41,210	\$12,295	\$3,297	\$598	\$136	\$795	\$58,331
Appraiser I	\$38,325	\$12,295	\$3,066	\$556	\$136	\$795	\$55,173
GIS/Abstractor	\$63,000	\$12,295	\$5,040	\$914	\$136	\$795	\$82,180
Exemp Spec	\$38,325	\$12,295	\$3,066	\$556	\$136	\$795	\$55,173
Totals	\$609,730	\$135,247	\$48,779	\$8,841	\$1,500	\$8,750	\$812,847

It is in the best interest of taxpayers as well as the taxing entities for the district to retain well trained and educated employees. Hiring from other districts for appraisers with an RPA designation and employees with experience and training has heightened due to the Comptroller's MAPS Review. The time required for an employee to earn their RPA designation takes approximately 5 years at a cost of more than \$20,000 to the district. It is vital that Kerr CAD remain competitive with other appraisal districts. There will be a total of 11 staff positions this year unchanged from last year.

The total salary line item for 2024 is \$609,730 which reflects an increase of 4.1% from 2023. The increases reflect wage adjustments to put Kerr CAD salaries in line with other districts. We are required by the Methods Assistance Program administered by the State of Texas Property Tax Assistance Division to display each employee's salary and benefits as well as the total salary and benefits for each employee. The total for salaries plus benefits is \$812,847 an increase of 3.99% over 2023.

5010 - Employers Retirement: KCAD has an independent employee retirement plan through John Hancock. All employees are required to participate in this plan. The Kerr CAD Board of Directors has elected to fund 8% of the employee's salary for their retirement plan. Employees also match an 8% contribution from their salary. Details as shown below:

Total Salaries	\$	609,735
KCAD Matching Percentage	\$	<u>X 0.08</u>
KCAD Contribution	\$	48,779
Administration Fee	\$	<u>1,540</u>
TOTAL	\$	50,319

5012 - Employer Medicare: KCAD is responsible for the Medicare tax on each of the employee's wages. This rate is equal to 1.45 percent of the first \$147,000 paid to each employee per year. Details of this item are as follows:

Total Salaries	\$ 609,735
Medicare Rate	<u>x 0.0145</u>
TOTAL	\$ 8,841

5015 - Employee Medical Insurance: Kerr CAD provides health insurance to its employees through the Texas Association of Counties. The carrier for Texas Association of Counties is Blue Cross / Blue Shield. The Texas Association of Counties rates for the 2023-2024 showed an increase of 3.76%.

KCAD Contribution Per Month	\$1,024.60
Number of Employees	<u>x 11</u>
Total Monthly Contribution	\$ 11,270.60
Number of Months	<u>x 12</u>
TOTAL Estimate	\$135,247

5016 - Texas Employment Commission: KCAD is responsible for the payment of each employee's unemployment tax through the Texas Workforce Commission. This tax is a percentage of the first \$9,000 of the employee's quarterly salary. These rates change annually and are determined by how much the government employees' group has withdrawn for unemployment benefits. Based on the previous year, the line item will remain \$1,500.

5017 - Disability Insurance: The KCAD Board of Directors has elected to pay disability insurance in lieu of social security for KCAD employees. New employees will be under the same vesting requirements as other benefits. The line item will remain \$8,750.

5030 - Appraisal Review Board: KCAD is responsible for the Appraisal Review Board member's stipends. There are five members who serve on the ARB. This line item covers the ARB member's salary, travel, and training expenses and other expenses related to this board. The ARB is paid \$130 per full day and \$75 per half day. This line item will remain \$22,500 for this year.

5034 - Vehicle Replacement Reserve: The allocated amount for vehicle replacement will remain at \$8,000 for this year.

5035 - Travel and Mileage: The heaviest driving period for the CAD is the fall and winter months during our appraisal period. This line item also includes maintenance and tires. This item also includes other travel expense and also pertains to meals and hotel expense when employees are sent to school. The line item will remain at \$18,000 for this year.

5040 - Annual Audit: Section 6.063 of the Property Tax Code requires that the district have an annual audit by a Certified Public Accountant. The 2023 financial year audit will be conducted in 2024. The line item will increase by \$1,100 to \$11,850 for 2024.

5045 - Mapping Expense: In previous years, Kerr CAD along with Kerr County and Kerr 911 cooperated in funding a GIS mapping system called Eagleview (Pictometry). The system is a patented information system that combines aerial imaging with a software system allowing an appraiser to view and measure any structure, intersection, fire hydrant, tree or any feature in the county from a laptop or workstation. This technology has enabled the district to increase productivity, cut down on field trips and enhance appraisal of existing as well as the discovery of new taxable property. The investment in this system began in 2009. New flyover photos are taken every three years with the last scheduled flyover being completed in 2021. The next flyover is scheduled to be flown in January 2024. The Changefinder Technology enables the software to automatically identify structures that have been altered as well as identifying new structures and ones that have been removed. The line item will increase by \$1,579 to \$19,547 for 2024.

Mapping Supplies	\$3,000	
Flyover Mapping	\$11,225	
Changefinder Technology	\$5,322	
Total		\$19,547

5055 – Debt Service (Building): Kerr CAD began construction on the new building May 2017 and moved into new facility December 2017. A construction loan was executed for a period of 24 months with payments of \$4,251.94 thru April 2019. At the end of the 24-month period, the remaining principal after a lump sum payment of \$350,000 rolled over into a permanent 20-year loan with payments of \$5,139.98 starting May 2019. The lump sum payment was from the sale of the old building along with the building reserve that the entities had allowed the district to retain in previous years. The line item will remain at \$61,680 for 2024.

5070 - Leased Equipment: The CAD leases a copy machine and a postage machine. The line item will remain at \$6,350 for 2024.

5075 - Telephone: This item includes basic telephone service, long distance service, and Internet subscription. Additional lines were added in 2018 for the fire alarm and Appraisal Review Board phone hearings that are required to be provided. Also included in this line item are the monitoring fees for fire and security. The line item remains at \$4,390.

5080 - Utilities: The District's utility expense covers city water, sewer and electricity. The line item increases by \$550 to \$8,350 for 2024.

5085 - Facilities Maintenance: Building and grounds maintenance includes trash pickup, building cleaning, lawn care and pest control. Due to the increase in cost, this line item is increased by \$2,431 to \$16,103 for 2024. The details of this maintenance are as follows:

<u>Expense</u>	<u>\$/Month</u>	<u>\$/Year</u>
Trash Pickup	\$ 60	\$ 720
Janitorial Service	\$600	\$7,200
Lawn Service	\$100	\$1,200
Annual Fire Inspection		\$ 30
Skelton Fire Alarm		
Monitoring, testing & Annual Inspection		\$2,200
Pest Control	\$63.25/Quarter	\$ 253
Unifirst (Rugs & Restroom Supplies)		\$4,300
Document Shredding		\$ 200
TOTAL		\$16,103

5090 - Consultant – Appraisal: KCAD contracts out the appraisals on utilities, minerals, pipelines, and industrial properties to the industrial appraisal firm of Capitol Appraisal Group of Austin Texas. The annual contract amount for Kerr CAD's utilities, mineral, pipelines and industrial properties for this year's budget is \$16,200. Kerr CAD also contracts with Eagle Appraisal and Consulting a professional tax appraisal firm that appraises the commercial properties in Kerr County. Beginning 2021, the Eagle Appraisal and Consulting contract included the appraisal of apartments within Kerr County. Many appraisal districts are using contractors as a cost-efficient method of ensuring their values are meeting the stringent requirements of the Comptroller's Property Value Study and the Methods Assistance Program Study. Contracting is a valuable tool in helping ensure that all taxpayers are treated equitably as well keeping expenses down. The contract amount for Eagle Appraisal and Consulting for 2024 is \$45,000. A recap of the total for this line item is below:

Capitol Appraisal Group	\$16,200
Eagle Appraisal and Consulting	\$45,000
Litigation Consultant Fee	\$ 3,000
Total	\$64,200

5100 - Consultant – Legal & Expert Witness: KCAD changed law firms June 2017 to Perdue, Brandon, Fielder, Collins & Mott L.L.P. The monthly retainer fee is \$250. The fees are \$250/hour for attorneys in regard to litigation and \$95/hour for paralegal and legal secretarial work. Other related expenses such as travel expenses as needed are paid by the district. The line item will remain at \$15,000 for 2024.

5102 – Legal ARB : Legislation has mandated Appraisal Review Boards retain separate legal counsel from Appraisal Districts. Historically the need for legal counsel for the Kerr Appraisal Review Board has been minimal. The line item will remain at \$2,000 for 2024.

5105 - Liability & Workers Compensation – Building, FF&E Insurance: This line item covers workers compensation, general liability, automotive liability, errors and omissions, and real and personal property insurance as well as liability related to our retirement program. The carrier for this insurance is the Texas Municipal League Intergovernmental Risk Pool (TML). The line item will increase by \$1,000 to \$10,600.

5110 - Taxpayer Assistance & Education: This line item includes required newspaper advertisements, , tax workshops and related education & assistance directed to taxpayer/appraisal district relations. The line item will remain at \$4,000 for 2024.

5115 - Appraisal Guides & Tools: This line item includes property asset listings, appraisal guides and information services. The line item will remain \$6,000 for 2024.

5120 - Schools and Employee Education: According to Section 5.04, of the Property Tax Code, an appraisal district shall reimburse an employee for all actual and necessary expenses, tuition, other fees and costs of materials incurred in attending, with the Chief Appraiser's approval, a course or training program conducted or by the Texas Department of Licensing and Regulation. The item remains \$7,500 for 2024.

5130 - Postage: Kerr CAD uses an outside mailing firm to print and mail the required appraisal notices. This saves the district some postage and helps ensure a timely mailing of appraisal notices. Kerr CAD elected to mail notices only to property owners whose values increased by more than \$1,000, had a change of ownership, filed a rendition or had new account created for tax year. Significant savings have occurred since this practice was initiated but postage cost have continued to increase along with the cost of being required to send state mandated notices by certified mail. The line item will increase by \$5,000 to \$35,000 for 2024.

5135 - Printing: This line item includes expenses such as printing of Notices of Appraised Value. The state mandated additional mailings per SB2 to begin in 2021. This item remains at \$15,000 for 2024.

5136 - Dues: This line item is devoted to the registration of the district and employees with different state agencies and trade organizations. Registration with the Texas Department of Licensing and Regulation is a requirement by law. Affiliation with the Texas Association of Appraisal Districts allows KCAD to enroll in state classes for reduced tuition and keeps the district informed of changing rules and laws. Being a member of TAAD also requires us to be a member of the local Southwest Chapter. Membership in the International Association of Assessing Officers is now required by the MAPS review and also requires membership in the Texas Association of Assessing Officers. The district receives a discounted price for items purchased through the Texas Building & Procurement Commission. The district also pays a membership for the Visa charge card. A detailed cost description of this line item follows:

Texas Department of Licensing & Regulation	\$ 450	
Texas Association of Appraisal Districts	\$1,500	
Texas Association of Appraisal Districts Southwest Chapter	\$ 75	
International Association of Assessing Officers	\$ 210	
Texas Association of Assessing Officers	\$ 90	
Texas Building & Procurement Commission	\$ 100	
Visa Charge Membership	<u>\$ 35</u>	
TOTAL		\$2,460

5140 - Office Supplies: This line item includes all miscellaneous office supplies used in the district. These items include paper, envelopes, writing utensils, toner cartridges, and other supplies. This line item remains at \$9,000 for 2024.

5145 - Furniture, Fixtures & Equipment: This line item includes upgrading and replacement of desktop computers and printers. Also providing tablets or laptops along with electronic measuring devices for use in the field. This line item remains at \$6,000 for 2024.

5150 - Board of Directors: This line item is utilized to purchase director manual and reference material for the Board of Directors. A portion of this line item is also utilized to purchase awards of appreciation to outgoing board members and name plaques. Because of increased duties, responsibilities as well as increased liability associated with being a board member this line item includes education for board members. The line item will remain at \$1,200.

5155 - Equipment Maintenance: This item includes the maintenance of PC computers, networks, postage machine and copy machines. The line item will remain at \$1,000.

5170 - Building Reserve: The district used this reserve for the land purchase and some of the expenses related to the construction of the new facility. The reserve was also used as part of the lump sum payment for the building loan that was made April 2019. The reserve fund will continue to be used for any future building expenses. The line item will remain at \$2,500.

5180 - Software Support – True Automation: Kerr CAD converted their old appraisal computer system to True Automation in October of 2006. True Automation is the largest CAD appraisal software company in the state. True Automation calls their system the PACS System. This line item provides for continuing maintenance and support of the PACS System by True Automation. This system contains active tax records and rolls for each taxing entity and individual property owner in the county housing almost forty thousand (40,000) property tax parcels. Every property account is recorded, updated, and appraised using this system and the tax roll is generated resulting in the values used to levy taxes for every taxing entity and taxpayer serviced by Kerr CAD. True Automation has notified the district that the software support and maintenance for this year will be increasing. The line item will increase to \$66,993 for 2024.

PACS System	\$64,343
Online Backup	\$2,650
Total	\$66,993

5200 – Banking Fees: We are being assessed service charges on our bank account which will remain \$200 annually.

Note: The "estimated" entity allocation is shown on the next page which is based on the 2022 values and tax rates. The "official" entity allocation will be available after the certification of the 2023 values and the 2023 tax rates have been adopted by the taxing entities.

	2022 Cert Net Tax or Freeze Adj. Tax	2022 Tax Rate	Levy	Tax on Freeze	Total Levy	% of Total Levy	2024 Allocation
City of Ingram	\$122,930,834	0.4329	532,167.58		\$532,167.58	0.4967%	6,158.63
City of Kerrville	\$2,067,265,318	0.5752	11,890,910.11	3,497,869.12	\$15,388,779.23	14.3636%	178,090.18
Kerr emerg. Dist. #1	\$924,668,008	0.0146	135,001.53		\$135,001.53	0.1260%	1,562.34
Kerr Emerg. Dist. #2	\$224,465,394	0.0309	69,359.81		\$69,359.81	0.0647%	802.68
Kerr County	\$4,890,008,433	0.3798	18,572,252.03	6,730,944.73	\$25,303,196.76	23.6176%	292,827.06
Lateral Roads	\$4,874,447,671	0.0253	1,233,235.26	486,565.12	\$1,719,800.38	1.6052%	19,902.79
Lake Ingram Estates Rd	\$17,546,097	0.1335	23,424.04		\$23,424.04	0.0219%	271.08
Center Point ISD	\$380,832,968	0.8546	3,254,598.54	758,517.77	\$4,013,116.31	3.7458%	46,442.71
Comfort ISD	\$182,029,534	1.14796	2,089,626.24	930,628.36	\$3,020,254.60	2.8191%	34,952.59
Divide ISD	\$93,390,023	0.8236	769,160.23	67,789.23	\$836,949.46	0.7812%	9,685.79
Harper ISD	\$62,570,701	0.8546	534,729.21	165,965.72	\$700,694.93	0.6540%	8,108.95
Hunt ISD	\$519,078,860	0.9246	4,799,403.14	880,234.82	\$5,679,637.96	5.3013%	65,728.92
Ingram ISD	\$639,434,229	1.1346	7,255,020.76	1,818,806.12	\$9,073,826.88	8.4694%	105,008.95
Kerrville ISD	\$2,745,071,295	1.0346	28,400,507.62	9,814,624.49	\$38,215,132.11	35.6693%	442,253.40
Medina ISD	\$14,645,933	1.0806	158,263.95	74.02	\$158,337.97	0.1478%	1,832.40
Upper Guadalupe River	\$7,123,674,198	0.0159	1,132,664.20		\$1,132,664.20	1.0572%	13,108.02
Headwaters Groundwater	\$7,123,674,198	0.007003	498,870.90		\$498,870.90	0.4656%	5,773.30
Kerr Emerg Dist #3	\$514,533,809	0.1	514,533.81		\$514,533.81	0.4803%	5,954.56
Kerr Emerg Dist #4	\$607,313,561	0.02	121,462.71		\$121,462.71	0.1134%	1,405.66
TOTAL EST LEVY			81,985,191.67	25,152,019.50	\$107,137,211.17	100.000%	1,239,870.00
2024 Budget						\$1,239,870	

Engagement Mean



Mean Percentile Rank - Industry - Government - Local (City/County/State)

Respondents

Engagement Index

*

73

305



	Respondents	Current Mean	Mean Percentile Rank - Government - Local (City/County/State)	Mean Percentile Rank - Industry - Government - Local (City/County/State)	Company Overall Current Mean
Q00: On a five-point scale, where 5 means extremely satisfied and 1 means extremely dissatisfied, how satisfied are you with your organization as a place to work?	299	4.18	81		4.18
Q01: I know what is expected of me at work.	304	4.56	77		4.56
Q02: I have the materials and equipment I need to do my work right.	304	4.17	63		4.17
Q03: At work, I have the opportunity to do what I do best every day.	301	4.29	80		4.29
Q04: In the last seven days, I have received recognition or praise for doing good work.	292	3.65	64		3.65
Q05: My supervisor, or someone at work, seems to care about me as a person.	302	4.33	64		4.33
Q06: There is someone at work who encourages my development.	303	4.12	71		4.12
Q07: At work, my opinions seem to count.	304	3.76	61		3.76
Q08: The mission or purpose of my organization makes me feel my job is important.	304	4.25	73		4.25
Q09: My coworkers are committed to doing quality work.	302	4.05	57		4.05
Q10: I have a best friend at work.	284	3.39	56		3.39
Q11: In the last six months, someone at work has talked to me about my progress.	297	3.95	63		3.95
Q12: This last year, I have had opportunities at work to learn and grow.	299	4.17	67		4.17