

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 27-2025

**A RESOLUTION PROVIDING FOR THE CITY'S APPROVAL OR
DISAPPROVAL OF THE KERR CENTRAL APPRAISAL DISTRICT'S
FISCAL YEAR 2026 BUDGET**

WHEREAS, the Kerr Central Appraisal District (KCAD) has submitted its proposed fiscal year 2026 budget to the City Council for consideration; and

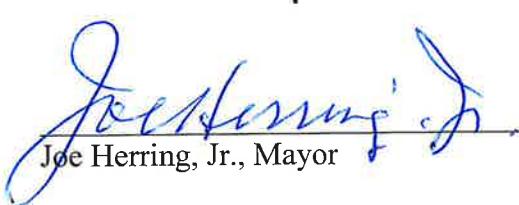
WHEREAS, pursuant to state law, City Council must consider KCAD's budget and in the event Council does not approve, it must indicate this action via a resolution; and

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:**

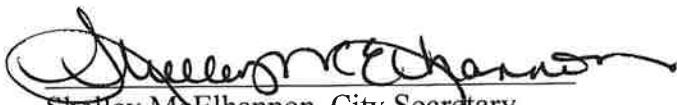
The Kerr Central Appraisal District's proposed fiscal year 2026 budget, as set forth in Exhibit A, is Approved (APPROVED OR DISAPPROVED).

PASSED AND APPROVED ON this the 26 day of August, A.D., 2025.



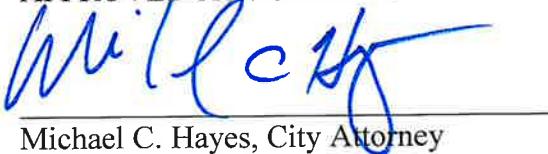
Joe Herring, Jr.
Joe Herring, Jr., Mayor

ATTEST:



Shelley McElhannon
Shelley McElhannon, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes
Michael C. Hayes, City Attorney

2026 Adopted Budget

Kerr Central Appraisal District

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

BOARD MEMBERS

Jack Burch, Chairman
Bob Reeves, CTAC, Vice-Chairman
Amy Billeiter, Secretary
Rolinda Schmidt
Lary Priour
Wesley Holekamp

Sharon Constantinides, RPA, CCA
Chief Appraiser

Line	Item	2025	2026	\$ Diff	% Diff	% Total
5006	Salaries	\$635,500	\$635,500	\$0	0.00%	45.88%
5010	Employer Portion of Ret	\$52,643	\$52,780	\$137	0.26%	3.81%
5012	Medicare Insurance	\$9,215	\$9,215	\$0	0.00%	0.67%
5015	Employee Medical Insur	\$135,321	\$139,511	\$4,190	3.10%	10.07%
5016	TX Employment Comm.	\$1,500	\$1,500	\$0	0.00%	0.11%
5017	Disability Insurance	\$8,750	\$9,000	\$250	2.86%	0.65%
5030	Appraisal Review Board	\$22,500	\$22,500	\$0	0.00%	1.62%
5034	Vehicle Replace. Res.	\$8,000	\$8,000	\$0	0.00%	0.58%
5035	Travel, Mileage & Maint.	\$18,000	\$20,000	\$2,000	11.11%	1.44%
5040	Annual Audit	\$11,850	\$11,850	\$0	0.00%	0.86%
5045	Mapping Expense	\$21,111	\$22,794	\$1,683	7.97%	1.65%
5055	Debt Service-Building	\$61,680	\$61,680	\$0	0.00%	4.45%
5070	Leased Equipment	\$6,954	\$6,954	\$0	0.00%	0.50%
5075	Telephone & Monitoring	\$4,674	\$4,674	\$0	0.00%	0.34%
5080	Utilities	\$8,350	\$9,000	\$650	7.78%	0.65%
5085	Facilities Maintance	\$19,954	\$20,000	\$46	0.23%	1.44%
5090	Consultant - Appraisal	\$71,200	\$71,854	\$654	0.92%	5.19%
5100	Legal & Consultants	\$15,000	\$50,000	\$35,000	233.33%	3.61%
5102	Legal ARB	\$2,000	\$2,000	\$0	0.00%	0.14%
5105	Liab-Workers Comp-Bldng-FF&F	\$11,600	\$16,000	\$4,400	37.93%	1.16%
5110	Taxpayer Assist & Ed	\$4,000	\$4,000	\$0	0.00%	0.29%
5115	Appraisal Guides & Tools	\$23,850	\$23,850	\$0	0.00%	1.72%
5120	Schools/Employee Ed.	\$7,500	\$10,000	\$2,500	33.33%	0.72%
5130	Postage	\$35,000	\$40,000	\$5,000	14.29%	2.89%
5135	Printing	\$15,000	\$15,000	\$0	0.00%	1.08%
5136	Professional Dues	\$2,500	\$2,500	\$0	0.00%	0.18%
5140	Office Supplies	\$9,000	\$10,000	\$1,000	11.11%	0.72%
5145	Furni., Fixture & Equip	\$6,000	\$6,000	\$0	0.00%	0.43%
5150	Board of Directors	\$1,200	\$1,200	\$0	0.00%	0.09%
5155	Equip. Maint & Reserve	\$1,000	\$1,000	\$0	0.00%	0.07%
5170	Building Reserve	\$2,500	\$2,500	\$0	0.00%	0.18%
5180	Software Support	\$71,714	\$94,008	\$22,294	31.09%	6.79%
5200	Banking Fees	\$200	\$200	\$0	0.00%	0.01%
TOTAL TOTALS		\$1,305,266	\$1,385,070	\$79,804	6.11%	100.00%

5006 Salaries:

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

Positions	2025	2026	Years of Experience
Chief Appraiser*	\$112,500	\$112,500	40
Deputy of Appraisal*	\$72,000	\$72,000	24
Deputy of Operations*	\$72,000	\$72,000	23
GIS/Abstractor*	\$65,000	\$65,000	27
Ag Appraiser-RPA*	\$48,500	\$49,500	11
BPP Appraiser-RPA*	\$49,500	\$50,500	9
Appraiser-RPA*	\$46,500	\$48,500	5
Appraiser-II	\$38,500	\$41,500	1
Appraiser-II	\$38,500	\$41,500	1
Appraiser-II	\$38,500	\$41,500	1
Exemption Clerk	\$40,000	\$41,000	3
Excess Funds	\$14,000	0	
TOTALS	\$635,500	\$635,500	

Total Benefits:

Position	2025 Salary	Medical	Retirement	Medicare	Unemp	Disability	Totals
Chief Appraiser	\$112,500	\$12,683	\$9,000	\$1,631	\$136	\$818	\$136,768
Dep-Operations	\$72,000	\$12,683	\$5,760	\$1,044	\$136	\$818	\$92,441
Dep-Appraisals	\$72,000	\$12,683	\$5,760	\$1,044	\$136	\$818	\$92,441
BPP Appraiser	\$50,500	\$12,683	\$4,040	\$732	\$136	\$818	\$68,909
Appraiser-RPA	\$48,500	\$12,683	\$3,880	\$703	\$136	\$818	\$66,720
AG Appr-RPA	\$49,500	\$12,683	\$3,960	\$718	\$136	\$818	\$67,815
Appraiser-II	\$41,500	\$12,683	\$3,320	\$602	\$136	\$818	\$59,059
Appraiser-II	\$41,500	\$12,683	\$3,320	\$602	\$136	\$818	\$59,059
Appraiser-II	\$41,500	\$12,683	\$3,320	\$602	\$136	\$818	\$59,059
GIS/Abstractor	\$65,000	\$12,683	\$5,200	\$943	\$136	\$818	\$84,779
Exemption Clerk	\$41,000	\$12,683	\$3,280	\$595	\$136	\$818	\$58,511
Totals	\$635,500	\$139,511	\$50,840	\$9,215	\$1,500	\$9,000	\$845,560

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 2026 is \$635,500 which reflects an increase of 0% from 2025. 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 \$845,560 an increase of 0.527% over 2025.

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	\$	635,500
KCAD Matching Percentage	\$	<u>X 0.08</u>
KCAD Contribution	\$	50,840
Administration Fee & Bond	\$	<u>1,940</u>
TOTAL	\$	52,780

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	\$ 635,500
Medicare Rate	<u>x 0.0145</u>
TOTAL	\$ 9,215

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 2025-2026 showed an increase of 3.10%

KCAD Contribution Per Month	\$1,056.90
Number of Employees	<u>x 11</u>
Total Monthly Contribution	\$ 11,625.90
Number of Months	<u>x 12</u>
TOTAL Estimate	\$139,511

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 increase by \$250 to \$9,000.

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 2026.

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 increase by \$2,000 to \$20,000 for 2026.

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 2025 financial year audit will be conducted in 2026. The line item will remain at \$11,850 for 2026.

5045 - Mapping Expense: In previous years, Kerr CAD along with Kerr County, City of Kerrville, KPUB 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 2024. The next flyover is scheduled to be flown in January 2027. 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 \$1,683 to \$22,794 for 2026.

Mapping Supplies	\$3,000
Flyover Mapping	\$12,699
Changefinder Technology	\$5,412
ESRI Software License	\$1,683
Total	\$22,794

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 2026.

5070 - Leased Equipment: The CAD leases a copy machine and a postage machine. The line item will remain at \$6,954 for 2026.

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 will remain at \$4,674 for 2026.

5080 - Utilities: The District's utility expense covers city water, sewer and electricity. The line item will increase by \$650 to \$9,000 for 2026.

5085 - Facilities Maintenance: Building and grounds maintenance includes trash pickup, building cleaning, lawn care and pest control. This line item is \$20,000 for 2026. The details of this maintenance are as follows:

<u>Expense</u>	<u>\$/Month</u>	<u>\$/Year</u>
Trash Pickup	\$ 65	\$ 780
Janitorial Service	\$600	\$7,200
Lawn Service	\$100	\$1,200
Annual Fire Inspection & Recharge		\$ 70
Skelton Fire Alarm		
Monitoring, testing & Annual Inspection		\$3,840
Pest Control	\$65/Quarter	\$ 260
Unifirst (Rugs & Restroom Supplies)		\$6,350
Document Shredding		\$ 300
TOTAL		\$20,000

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 Capitol Appraisal Group for 2026 has increased by \$654 to \$16,854 for 2026. A recap of the total for this line item is below:

Capitol Appraisal Group	\$16,854
Eagle Appraisal and Consulting	\$52,000
Litigation Consultant Fee	\$ 3,000
Total	\$71,854

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. Due to the large number of appraisal lawsuits and arbitrations being filed, the line item will increase by \$35,000 to \$50,000 for 2026.

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 2026.

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). Due to increase in premiums, the line item will increase by \$4,400 to \$16,000 for 2026.

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 2026.

5115 - Appraisal Guides & Tools: This line item includes property asset listings, appraisal guides and information services. SB 1801 (Homestead Exemption Audit) requires that an appraisal district implement a program for the periodic review of each residence homestead every 5 years. The district uses True Roll to assist in the required audit. The line item will remain at \$23,850 for 2026.

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 will increase by \$2,500 to \$10,000 for 2026.

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 \$40,000 for 2026.

5135 - Printing: This line item includes expenses such as printing of Notices of Appraised Value. This item remains at \$15,000 for 2026.

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. This line item will remain at \$2,500 for 2026.

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	\$ 240
Texas Association of Assessing Officers	\$ 100
Texas Building & Procurement Commission	\$ 100
Visa Charge Membership	<u>\$ 35</u>
TOTAL	\$2,500

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. Due to increase in cost this line item will increase by \$1,000 to \$10,000 for 2026.

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 2026.

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 for 2026.

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 and BIS has notified the district that the software support and maintenance for this year will be increasing. The line item will increase to \$94,008 for 2026.

True Automation PACS System	\$86,808
BIS Online Backup	\$ 7,200
 Total	 \$94,008

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 2024 values and tax rates. The “official” entity allocation will be available after the certification of the 2025 values and the 2025 tax rates have been adopted by the taxing entities.

	2024 Cert Net Tax or Freeze Adj. Tax	2024 Tax Rate	2024 Levy	Tax on Freeze	Total Levy	% of Total Levy	% of Allocation
City of Ingram	\$155,843,319	0.4019	626,334.30	\$626,334.30		0.5957%	8,250
City of Kerrville	\$2,398,495,583	0.5595	13,419,582.79	4,161,929.74	\$17,581,512.53	16.7206%	231,593
Kerr Emerg. Dist. #1	\$1,150,006,696	0.0122	140,300.82		\$140,300.82	0.1334%	1,848
Kerr Emerg. Dist. #2	\$275,002,335	0.0284	78,100.66		\$78,100.66	0.0743%	1,029
Kerr County	\$5,783,856,897	0.4011	23,199,050.01	7,976,572.54	\$31,175,622.55	29.6491%	410,661
Lateral Roads	\$5,768,547,112	0.0222	1,280,617.46	546,011.36	\$1,826,628.82	1.7372%	24,061
Lake Ingram Estates Rd	\$20,666,223	0.1107	22,877.51		\$22,877.51	0.0218%	301
Center Point ISD	\$435,443,597	0.6669	2,903,973.35	352,180.93	\$3,256,154.28	3.0967%	42,892
Comfort ISD	\$238,465,606	0.9603	2,289,985.21	627,913.46	\$2,917,898.67	2.7750%	38,436
Divide ISD	\$104,192,738	0.708	737,684.59	30,639.53	\$768,324.12	0.7307%	10,121
Harper ISD	\$69,578,660	0.6669	464,020.08	95,621.07	\$559,641.15	0.5322%	7,372
Hunt ISD	\$617,438,232	0.7392	4,564,103.41	488,733.17	\$5,052,836.58	4.8054%	66,559
Ingram ISD	\$747,879,035	0.9269	6,932,090.78	951,519.70	\$7,883,610.48	7.4976%	103,847
Kerrville ISD	\$3,044,041,362	0.8469	25,779,986.29	5,031,525.86	\$30,811,512.15	29.3029%	405,865
Medina ISD	\$16,556,845	0.8787	145,485.00	214.53	\$145,699.53	0.1386%	1,919
Upper Guadalupe River A.	\$8,632,863,982	0.0117	1,010,045.09		\$1,010,045.09	0.9606%	13,305
Headwaters Groundwater	\$8,632,863,982	0.006722	580,301.12		\$580,301.12	0.5519%	7,644
Kerr Emerg Dist #3	\$621,547,784	0.093	578,039.44		\$578,039.44	0.5497%	7,614
Kerr Emerg Dist #4	\$746,435,075	0.017828	133,074.45		\$133,074.45	0.1266%	1,753
TOTAL EST LEVY					\$105,148,514.23	100.000%	
2026 Budget							\$1,385,070