

BOARD OF DIRECTORS OF THE
McLENNAN COUNTY APPRAISAL DISTRICT

NOTICE OF PUBLIC MEETING OF THE BOARD OF DIRECTORS

Take notice that a meeting of the Board of Directors of the McLennan County Appraisal District will be held on Thursday April 16, 2020, at 9:00 A.M., by videoconference, as outlined on the agenda below. Due to health and safety concerns related to the COVID-19 coronavirus, this meeting will not be open to the public and will be conducted by videoconference. At least a quorum of the board will be participating by videoconference in accordance with the provisions of Sections 551.125 or 551.127 of the Texas Government Code that have not been suspended by order of the governor. Members of the public may access this meeting as follows:

- <https://www.gotomeet.me/McLennanCAD>
- or by phone +1 (872) 240-3212, Access Code: 464-795-957.

Public comments related to this meeting must be submitted prior to April 15th, at 10 P.M. via email to ca@mclennanCAD.org, or by voicemail at 254-752-9860. Timely submitted comments will be read or played at the start of the meeting.

The open portions of this meeting will be recorded and made available on the districts website http://www.mclennanCAD.org/General_Info within 7 days.

I hereby certify that such notice was posted by 9:00 a.m., April 13, 2020, at McLennan County Appraisal District and on the district's website at http://www.mclennanCAD.org/General_Info in accordance with govt code 551.05.



JOE DON BOBBITT
ACTING CHIEF APPRAISER

BOARD OF DIRECTORS VIDEO CONFERENCE MEETING
APRIL 16, 2020, 9:00 A.M.
MCLENNAN COUNTY APPRAISAL DISTRICT
315 S. 26TH STREET, WACO, TX 76710

Agenda

Meeting Called To Order

Public Comment

Business Session

Items Requiring Board Action

1. Minutes of February 13, 2020 meeting
2. Trepp Contract for data service
3. Amend Board Policies including committing future excess funds, and striking appointment of ARB Chairman and Secretary
4. Amended contract with Capital Appraisal Group to include Industrial property type
5. Storage device bids from Davenport Group

Discussion Items

6. Financial statements
7. HR audit report from Strategic Government Resources
8. Team Consulting draft report on Appraisal procedures
9. 2021 Draft budget
10. I 35 construction effects on valuation
11. Coronavirus impact on CAD operations, and availability of taxpayer relief

Management And Committee Reports

12. Taxpayer Liaison report.
13. Chief appraiser report to include updates regarding: appraisals, arb, arbitrations, lawsuits, training & education, open records requests, MCAD building, MCAD contracts, PVS results, and miscellaneous issues

Executive Session

- a. The appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of an officer or employee, supervisor, chief appraiser (Tex. Govt. Code sec.551.074) (a)
- b. A private consultation with the board's attorney on matters in which the duty of the attorney to the governmental body under the Texas disciplinary rules of professional conduct of the state bar of Texas clearly conflicts with the open meetings act or pending or contemplated litigation or settlement offer, as authorized by law (Tex. Govt. Code section 551.071)) 2018-3100-4 CATERPILLAR; 2019-3547-4 ACC OP; 2019-3548-4 CONTINENTAL 347 FUND LLC; 2019-3550-4 MADISON LOFT LLC; 2019-3549-4 WACO MEMPHIS LLC; 2019-3432-3 DCII -700 AUSTIN AVENUE, LLC; 2017-2738-5 DCII-700 AUSTIN AVENUE, LLC; 2019-3523-3 STONERIVER, LTD; 2019-3414-5 VANTAGE AT WACO, LLC; 2019-2543-5 VANTAGE AT WACO, LLC; 2017-2519-4 BRAZOS RIVER PARTNERSHIP ONE LP; 2016-3003-4 BRAZOS RIVER PARTNERSHIP ONE, LP; 2019-3543-5 BRAZOS CONDOS I LP; 2019-3544-5 BRAZOS RIVER PARTNERSHIP THREE LP; 2018-2797-5 EIRREK RTT LLC; 2018-3617-3 LCS-DELANEY I LLC; 2019-2897-4 OWENS-BROCKWAY; 2018-2987-4 WACO VILLAGE; 2017-2847-4 BEN E. KEITH; 2018-2665-4 WALGREENS CO; 2019-3038-5 CD PARK 7 WACO OWNER, LP.
- c. Note for agenda items under this heading: the board of directors will be in closed session for these items.
For any agenda items *not* under this heading: If during the course of the meeting covered by this notice, the board should determine that any business session item is permitted/eligible for a closed or executive meeting or session of the board and/or is required for such item, then a closed or executive meeting or session will be held as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551 for any such item(s).

Business Session (Continued)

Other Items

14. Set agenda items, and next meeting date/time
15. Adjournment

Videoconference Info

<https://www.gotomeet.me/McLennanCAD>

or by phone +1 (872) 240-3212, Access Code: 464-795-957

McLENNAN COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS MEETING
FEBRUARY 13, 2020 1:00 P.M.
McLennan County Appraisal District
315 S. 26th St.
Waco, TX 76710

The Board of Directors of the McLennan County Appraisal District (BOD) met at 1:00 p.m. on Thursday February 13, 2020, at the McLennan County Appraisal District, 315 S. 26th St., Waco, TX 76710. The notice of such meeting was duly posted by 1:00 p.m., February 10, 2020.

The members present for the meeting were: Mr. John Kinnaird, Mr. Ben Perry, Mr. Tom Pagel, and Mrs. Mildred Watkins. Also present at the meeting were Mr. Robert Meyers, Mr. Joe Don Bobbitt, Mrs. Lisa Gonzalez, Mrs. Olivia Daniel and Mrs. Betty Sanchez. Mr. Allen Sykes and Mr. Randy Riggs were not present.

John Kinnaird called the meeting to order at 1:05 p.m.

Public Comment: None

Items for Board Action:

Item #1 Minutes of the January 15, 2020 Meeting: Tom Pagel motioned to approve the minutes of the January 15, 2020 meeting. Mildred Watkins seconded. No opposition. Motion passed.

Item # 8 Taxpayer Liaison Report: Betty Sanchez presented stating there are no new complaints and went over ARB upcoming training dates. Betty also passed out Bio's for Donna Mitchell (ARB Chairperson) and Robert Chapman (ARB secretary) who both then addressed the board. Donna Mitchell thanked the board for the opportunity and indicated that she has high hopes for a better outcome for the 2020 ARB season due to changes being made by Joe Don Bobbitt. Robert Chapman also thanks the board for the opportunity and reiterated the same expectations for the 2020 ARB season due to the changes being made by Joe Don Bobbitt. The board thanked both for their service.

Discussion Items

Item #2 Financial statements: Joe Don Bobbitt presented the financial statement from December 2019 and the board discussed noting that there may have been a resolution that needed to be done before the end of the fiscal year 2019 to establish what to do with any surplus funds. Board also questioned if the bulk payment of \$30,000.00 was paid to TCDRS. Joe Don Bobbitt will look into these and let the board know at the next meeting.

Item #3 Potential Reappraisal Plane changes to areas and timing: Joe Don Bobbitt presented the pros, cons and recommended a two-year plan after verifying with other Appraisal Districts the problems that they incurred due to the Property value study requirements. Also suggested maintaining ARB value for the following year. The board discussed and questioned the value of businesses along the I35 corridor that will be affected due to construction, while trying to make everything easier for the taxpayers and staff while maintaining state mandates. Joe Don Bobbitt will look into this and get back to the board.

Item #4 Planned ARB procedures and changes: Joe Don Bobbitt presented the changes that have been done including adding a coffee station, coke machine, as well as tv's and cameras. Training for ARB members this year will include a mock hearing. A town hall meeting that will be citizen focused is in the

works for the end of March to include Randy Riggs. Also discussed the state is now utilizing the Trepp Commercial Data Service, this will affect the district negatively. The board discussed having a presentation of this service in one of the upcoming meetings and notifying the 400 commercial properties that would be affected.

Item #5 Communication and reporting to Entities: Joe Don Bobbitt presented using an example Property ID to show how much tax dollars are involved for pending lawsuits. The board discussed.

Item #6 Meeting with Entities agenda: Joe Dob Bobbitt presented a power point. The board discussed.

Item #7 Expand scope of work with Capital Appraisal Group to include Industrial property type: Joe Don Bobbitt presented that Team Consulting suggested more staff. Joe Don Bobbitt suggested expanding Capital Appraisal Group's scope of work to include handling more of the industrial properties. The board discussed price and service that would be included for around 40K. Joe Don Bobbitt will get quote for next meeting.

Management and Committee Reports

Item #9 Chief appraiser report: Joe Don Bobbitt presented going over the report and included upcoming training and seminar dates. He also reminded the board members that will be attending the TAAD conference at the end of February that Trepp Commercial Data Services will be at the conference so that they can view the services provided in full. Joe Don Bobbitt also stated that both SGR and Team Consulting should both be present for the next board meeting.

Executive Session: The board went into Executive session at 1:59 p.m. Executive session adjourned at 2:27 p.m.

Action on items discussed in closed session: No action taken.

Set next meeting date: The next meeting date and time are March 19, 2020 at 9 a.m.

There is no other business to come before the Board; the meeting adjourned at 2:28 p.m.

Allen Sykes, Secretary

Customer Order Form

1. Customer Details.

a. User Information

- Customer: McLennan County Assessor
- Contact Name: Joe Bobbitt
- Address 1: 315 S 26th St
- Address 2: Waco, TX 76710
- Email: jbobbit@mclelland.org
- Telephone: (254) 752-9864

b. Billing Information (same as User Information)

- Customer:
- Contact Name:
- Address 1:
- Address 2:
- Email:
- Telephone:

2. Authorized Department.

3. Service Details.

Service	# of Users (if applicable)	Monthly Rate	One-Time Fee	Add-On Seat Rate (if applicable)
TreppLoan	All commercial appraisers	\$2,600	N/A	N/A
Mass Income Appraisal Model (as defined below)	N/A	N/A	\$6,240	N/A
Evidence Book (as defined below)	N/A	N/A	\$6,240	N/A

4. Permitted Use (if applicable).

5. Term.

- a. Commencement Date: April 20, 2020
- b. Initial Period: Thirty-six (36) months

6. Additional Terms/Delivery/Usage Details (if applicable).

- TreppLoan Customer Access is All Property Types – TX only.
- Notwithstanding Section 2.2 of the Standard Terms and Conditions, the fees for TreppLoan will increase by 5% on each of the first and second anniversaries of the Commencement Date. Thereafter, at the beginning of each then-current Renewal Period, the fees for TreppLoan shall increase pursuant to Section 2.2 of the Standard Terms and Conditions.
- Notwithstanding Sections 3.4 and 3.5 of the Standard Terms and Conditions, Customer may not add additional Designated Users to this Agreement.
- Trepp will take such precautions as it deems appropriate to protect against the loss, alteration of or improper access to Customer's information and data. However, Trepp assumes no responsibility for loss or security of records or damages, unless caused by Trepp's gross negligence or willful misconduct.
- In addition to the One-Time Fee, Customer will reimburse Trepp for all reasonable out-of-pocket expenses incurred by Trepp in connection with the performance of the Advisory Services (as defined below).
- Customer agrees that Customer shall pay all costs, expense and reasonable attorney's fees incurred by Trepp to enforce this Agreement. The following terms apply with respect to Advisory Services:

1. Scope of Work:

- a. Trepp shall utilize the TreppLoan market valuation workflow tool to create one (1) mass income appraisal model, based on property type, using TreppLoan data and such other data, including any data Customer uploads using "My Portfolio" feature within TreppLoan, that Trepp determines, at its sole discretion, is needed to create such model (the "Mass Income Appraisal Model"). Trepp shall provide the Mass Income Appraisal Model to Customer via e-mail at such time as Trepp completes it in an Excel spreadsheet format.
- b. Trepp shall utilize the TreppLoan data and such other data, including any data Customer uploads using "My Portfolio" feature within TreppLoan, that Trepp determines, at its sole discretion, is needed to create one (1) evidence book which will consist of a template for creation of valuation models (such evidence book, the "Evidence Book", and together with the Mass Income Appraisal Model, the "Advisory Services"). Trepp shall determine, in its sole discretion, the size, scope and content of the Evidence Book. Trepp shall provide the Evidence Book to Customer via e-mail at such time as Trepp completes it in a Word or PDF file format.
- c. Customer acknowledges that any model, data or information provided by Trepp (such model, data or information, collectively, the "Advisory Services Data") in exercising the Advisory Services are the proprietary products of Trepp and that the provision of the Advisory Services Data under any agreement between Trepp and Customer should not be construed to vest in Customer any ownership rights with respect to such Advisory Services Data.

2. Disclaimers and Limitation of Liability:

- a. Trepp does not warrant the validity of any analysis or work product furnished in the course of its Advisory Services nor the accuracy of any Advisory Services Data delivered or used in connection with the Advisory Services. THE ADVISORY SERVICES AND THE ADVISORY SERVICES DATA DELIVERED OR USED IN CONNECTION WITH THE ADVISORY SERVICES ARE PROVIDED SOLELY ON AN "AS IS" BASIS. TREPP EXPLICITLY DISCLAIMS ALL

WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.

- b. IN THE COURSE OF RECEIVING ADVISORY SERVICES, CUSTOMER MAY PROVIDE OR CAUSE TO PROVIDE CERTAIN OF ITS DOCUMENTS, INFORMATION AND ASSUMPTIONS TO TREPP. NOTWITHSTANDING TREPP'S RECEIPT AND USE OF DOCUMENTS, ASSUMPTIONS AND OTHER INFORMATION, CUSTOMER SHALL BE SOLELY RESPONSIBLE FOR THE ACCURACY AND ADEQUACY OF THE INFORMATION TRANSMITTED TO TREPP FOR THE RESULTING ANALYSIS. CUSTOMER SHALL ASSUME ALL RESPONSIBILITY FOR ANY DEFECTS IN THE RESULTANT ADVICE OR WORK PRODUCT ARISING OUT OF ERRORS IN SUCH UNDERLYING INFORMATION AND DATA TRANSMITTED TO TREPP.
- c. FURTHERMORE, CUSTOMER AGREES THAT THE ADVISORY SERVICES DATA IS BASED UPON CERTAIN ASSUMPTIONS AND METHODOLOGIES, AND THAT THERE MAY BE ERRORS OR DEFECTS IN SUCH ASSUMPTIONS OR METHODOLOGIES THAT MAY CAUSE SUCH ADVISORY SERVICES DATA OR ANY OUTPUT THEREFROM TO BE INAPPROPRIATE FOR USE. CUSTOMER HOLDS TREPP COMPLETELY HARMLESS FOR ANY SUCH ERRORS OR DEFECTS.
- d. In no event shall Trepp be liable for any loss of profit or revenue by Customer or for any consequential, incidental, special, punitive or exemplary damages incurred or suffered by Customer, even if Trepp has been advised of the possibility of such loss or damages. Customer agrees that Trepp's liability hereunder for damages regardless of the form of action shall not exceed the amount of fees paid by Customer to Trepp in connection with this Agreement.
- e. None of the Advisory Services provided by Trepp under this Agreement are to be construed as recommendations or shall be used for reliance as the sole source of property valuation within Customer's jurisdiction.
- f. The Advisory Services consist of representative property data contained within TreppLoan or uploaded by Customer based on particular underlying assumptions. Any change to these underlying assumptions may alter the values and/or applicability of Advisory Services Data.

This Customer Order Form, the Standard Terms and Conditions attached hereto and the Terms of Use on <https://www.trepp.com/terms-of-use> and/or <https://www.trepp.com/trepp-default-model-terms-of-use> form the Agreement between Trepp and Customer, and supersedes all prior oral or written understanding between the parties and constitutes the entire agreement with respect to the subject matter in this Customer Order Form.

Without limiting the forgoing, by affixing their signatures below and intending to be bound, the duly authorized representatives of Trepp and Customer indicate their agreement to the terms and conditions of this Agreement, and specifically agree that the Standard Terms and Conditions and Terms of Use are incorporated herein by reference and that each are bound by the terms and provisions in this Customer Order Form, the Standard Terms and Conditions, and the Terms of Use.

TREPP
Trepp, LLC

Signature: _____
Print Name: Annemarie DiCola
Title: Chief Executive Officer

CUSTOMER
McLennan County Assessor

Signature: _____
Print Name: _____
Title: _____

1. Definitions

“**Agreement**” means collectively this Standard Terms and Conditions, the Customer Order Form and the Terms of Use.

“**Authorized Department**” means the department, business unit or division of Customer described on the Customer Order Form, provided in the event the “Authorized Department” is not completed on the Customer Order Form, then it is understood that all departments, business units and divisions of Customer are collectively to be referenced as the Authorized Department.

“**Commencement Date**” means the date of commencement of the subscription to the Service set out on the Customer Order Form.

“**Customer**” means the customer whose name appears on the Customer Order Form.

“**Customer Order Form**” means the order form to subscribe to the Service attached herein and incorporated herein.

“**Data Feed**” means any Trepp Service that is data and information compiled by Trepp from one or more sources, and associated documentation of file formats and data elements, provided in bulk in an electronic format, including but not limited to Trepp Cash Flows, TreppCMBS Data Feed™, TreppCLO® Data Feed, Trepp Bank Navigator Data Feed™, Trepp-ALLR® CRE Data Feed, and Trepp-ALLR® C&I Data Feed.

“**Derived Data**” means any data, models, software, or other information that is created in whole or in part from the data or information provided in or through the Service.

“**Designated Users**” means the specific employees of Customer within the Authorized Department who are authorized to access the Service.

“**Service**” means the Service(s) described on the Customer Order Form.

“**Standard Terms and Conditions**” means these *terms* and conditions.

“**Terms of Use**” means the terms of use set forth on <http://www.trepp.com/terms-of-use> and/or <http://www.trepp.com/trepp-default-model-terms-of-use> in effect as of the Commencement Date, as may be updated from time to time. All references in such Terms of Use to the “Trepp Website” or the “Website” shall be deemed to include the Service and all references to “you” in such Terms of Use mean Customer and its Designated Users.

“**Trepp**” means Trepp, LLC, and its successors and assigns.

2. Term and Termination

2.1. This Agreement shall commence on the Commencement Date and shall continue in full force for an initial period set out on the Customer Order Form (the “**Initial Period**”), and will automatically renew thereafter for successive one (1) year periods, each a “**Renewal Period**” and collectively with the Initial Period, the “**Term**”, unless either party gives the other party written notice of termination at least three (3) months prior to the end of the Initial Period or the then-current Renewal Period. Customer acknowledges that Customer shall not receive notice of a renewal cancellation date and expressly waives the application of New York General Obligation Law section 5-903, and any similar laws.

2.2. Trepp may increase the fees for the Service and the Add-On Seat Rate (defined below) after the Initial Period or after any Renewal Period, provided that Trepp has given Customer written notice of such increase at least four (4) months prior to the end of the Initial Period or applicable Renewal Period; provided that in the event Trepp does not provide any such notice, the fees for the Service and the Add-On Seat Rate after the Initial Period or after any Renewal Period shall automatically increase by the greater of (i) 5% and (ii) the increase in the consumer price index for all urban consumers in the New York / New Jersey Metropolitan area as reported by the Bureau of Labor Statistics of the U.S. Department of Labor.

2.3. Trepp may terminate this Agreement immediately on written notice if Customer fails to make any payment due under this Agreement within ten (10) days of the due date.

2.4. Either party may terminate this Agreement with immediate effect by written notice if the other party:

2.4.1. commits a material breach of any of the terms of this Agreement and (if such breach is remediable) fails to remedy that breach within thirty (30) days of that party being notified under this sub-clause of the breach, such notice to refer to the notifying party’s intent to terminate this Agreement unless the breach is remedied; or

2.4.2. enters any arrangement with its creditors or becomes subject to external administration or ceases to be able to pay its debts as and when they become due or ceases to carry on business.

2.5. If Trepp terminates this Agreement pursuant to Section 2.3 or 2.4, all fees due by Customer through the end of the Initial Period or the then-current Renewal Period are accelerated and immediately due and payable.

2.6. Upon termination or expiration of this Agreement:

2.6.1. Customer must return, delete, or destroy all Trepp data, information, media or other materials, and remove all elements of Trepp data and/or cash flows stored in enterprise databases, either provided to Customer or downloaded and stored by Customer and all Derived Data, in connection with this Agreement, except for archival information required for statutory or regulatory purposes. Furthermore, Customer may no longer use the Service, Trepp data, or Derived Data for research or reporting purposes.

2.6.2. Customer must certify in writing to Trepp as to the return, deletion or destruction of any and all Trepp data, information, media or other materials provided to Customer in connection with this Agreement (and any Derived Data) in accordance with the terms of this Agreement. Such certification shall be signed by an authorized officer of Customer and shall be provided to Trepp within ten (10) days of the termination or expiration of this Agreement.

2.6.3. Notwithstanding anything to the contrary in this Agreement, after the expiration or termination of this Agreement, Customer shall have the right to retain and use for archival or reference purposes any and all reports, presentations, publications and other materials created by Customer during the term of this Agreement that contain any Trepp data provided or Derived Data created as part of the Service; provided that Customer’s retention and use of any such data shall remain subject to the surviving sections of this Agreement.

2.7. The provisions of Sections 2.5, 2.6, 2.7, 4.3, 5, 6.2 and 8 - 12 of this Agreement and obligations to pay fees hereunder shall survive any termination or expiration of this Agreement.

3. Service

3.1. Trepp shall provide Customer with access to the Service in accordance with the terms of this Agreement.

3.2. If the Service includes any Data Feed, Customer’s use of the data/prices from such Service(s) is via a license and therefore Customer does not have the right to duplicate, redistribute, sublicense, assign or otherwise transfer data/prices provided to Customer in connection with such Services.

3.3. To the extent that the Service includes a subscription of TreppTrade® and/or Trepp CMBS Analytics on the Web™, the fees for such Service will include access to TreppWatch™ for the same Designated Users as TreppTrade® and/or Trepp CMBS Analytics on the Web™.

3.4. If an Add-On Seat Rate is quoted for a certain Service, Customer may request additional access to the Service in addition to the initial Designated Users permitted under this Agreement, on the terms described herein.

3.5. Upon enabling the additional Designated Users requested by Customer pursuant to Section 3.4, no further documentation will be

required between Customer and Trepp. Trepp will incrementally bill Customer at the monthly rate described on Customer Order Form per additional Designated User (the "Add-On Seat Rate") on the next applicable invoice. It is understood and agreed that the number of Designated Users may be increased during the term of this Agreement, but may not be decreased. Upon any renewal of the term of this Agreement, with respect to each additional Designated User who was added during the immediately preceding term, Customer will continue to be billed by Trepp for additional Designated User at the Add-On Seat Rate, plus any increase as described in Section 2.2 of these Standard Terms and Conditions.

3.6. If the Service includes installed software, Trepp grants to Customer a non-exclusive, non-transferable, non-sublicensable, non-assignable limited right and license to use that software (the "Software") solely and exclusively for the internal business use of the Authorized Department in connection with accessing and using the Service. Customer may maintain one copy of the Software for archival or backup purposes only. The Software is not intended for use with data not supplied by Trepp. Unless permitted by law, the Software may not be reverse engineered, decompiled, or disassembled. The Software (and all copies thereof) shall be returned to Trepp upon any termination or expiration of this Agreement.

3.7. Any data provided in the Service is not formatted for use with software not supplied by Trepp.

3.8. In the event the Service includes a Data Feed, Trepp's prior written approval is required for Customer to use Trepp Data Feed™ and/or Trepp Financial File Data Feed™ with any third party software application; provided however, that that use of such service with data warehousing, relational database or office productivity software will be deemed approved by Trepp.

4. Payment

4.1. Customer will pay the fees for the Service described on the Customer Order Form. All fees shall be non-refundable.

4.2. To the extent that the fees for any Service are quoted on the Customer Order Form as a "Monthly Rate", Customer will be invoiced annually in advance for such fees. To the extent that the fees for any Service are quoted on the Customer Order Form as "One-Time Fees", Customer will be invoiced for all of such One-Time Fees in advance. All fees are due and payable thirty (30) days from receipt of invoice by Customer. All fees and other payments pursuant to this Agreement shall be in U.S. Dollars. Any fees not paid when due shall bear interest at a monthly rate of 1.5%. It is understood and agreed that no Service for which the "One-Time Fees" apply will be made available to Customer until payment in full of such "One-Time Fees" has been received by Trepp. If Customer fails to make any payment due under this Agreement within ten (10) days of the due date, or is otherwise in breach of any of the terms of this Agreement, in addition to any of its other rights or remedies (including, without limitation, any termination rights set forth herein), Trepp reserves the right to suspend Customer's access to the applicable Service(s), without any liability of Trepp to Customer, until such payments are paid in full or such breach is remedied to Trepp's satisfaction.

Customer will pay Trepp all sales taxes or equivalent non-income based taxes such as VAT charges, as applicable, on the fees. Customer will be responsible for and reimburse Trepp for all fees and costs associated with collection of any past due amount owed by Customer.

5. Use

5.1. The Service is provided for use only by Designated Users of the Authorized Department for the Authorized Department's internal business purposes, and may not be provided to, or used or accessed by any other person or entity (including, without limitation, any employee of any other department, business unit or division of Customer) without Trepp's prior written consent. Notwithstanding anything to the contrary contained herein, Customer shall have the right to use or cite discrete portions of the Trepp data that Customer receives in connection with the Service in internal presentations or presentations to its clients or partners (but not in any filings required or made under or pursuant to any securities laws) provided that (i) Customer shall do so only to the extent that any such action may be taken without violation of the Copyright Act (without

regard to any permission or authorization granted by Trepp), or is expressly authorized in advanced and in writing by Trepp and (ii) Customer properly and conspicuously attributes all such Trepp data as having been received from Trepp.

5.2. Derived Data may not be sold or transferred to any other party without prior written consent of Trepp, except that Customer may show the Derived Data to clients in support of the normal course of its business, provided that Customer shall not employ or disseminate any amount of the Derived Data which could cause the information so used or distributed to be susceptible to use, substantially as a source of, or a substitute for, the Service or to compete with Trepp.

5.3. Notwithstanding anything to the contrary herein, the Service may not in any event be used or be permitted to be used in any manner that is competitive with Trepp's distribution or sale of all or any part of the Service or of any other product or service distributed or sold by Trepp from time to time.

5.4. The Service and any Derived Data may only be accessed and used within the United States. Any distribution of any of the data or information obtained through the Service, or any Derived Data, may not be exported out of the United States or used by any person or entity not located in the United States. Any violation of the foregoing covenant shall be considered a material breach of this Agreement and, notwithstanding anything herein to the contrary, shall give Trepp the immediate right to suspend or terminate this Agreement (at its discretion) upon written notice to Customer.

5.5. Customer shall not reverse engineer, disassemble, de-anonymize, decompile or otherwise attempt to access or determine the source of the data or source code within the Service.

6. Data

6.1. Customer will not print out, download or otherwise copy material amounts of data from the Service during any month without Trepp's prior written consent, which shall not be unreasonably withheld. This Section 6.1 will not apply to downloads or copying data from any Data Feed or Trepp Default Model®.

6.2. Customer recognizes that while Trepp and its information providers rely upon sources believed to be accurate, they have not independently verified significant portions of such data. Trepp does not guarantee or warrant that it provides trading level quality data and makes no representation or warranty as to the accuracy or completeness of such data.

6.3. If the Service includes a Data Feed, Customer will implement and maintain security measures with respect to the Data Feed in Customer's possession that effectively restricts access to the Data Feed only to individuals in the Authorized Department with a need to know such Data Feed in connection with the Permitted Use, and protect the Data Feed from unauthorized use, alteration, access, publication and distribution. In no event shall such security measures be less restrictive than those Customer employs to safeguard its most confidential information. In the event of an actual or suspected breach of such security measures, Customer shall notify Trepp within twenty-four (24) hours of such actual or suspected breach.

7. No Access to Other Trepp Products and Services

7.1. Unless specifically provided for in Section 3.3, access to the Service will not include access to other Trepp products and services, for which Trepp charges separate fees.

8. Passwords and Confidentiality

8.1. Customer will not share or send confidential email alerts from Trepp to anyone outside of its own employees who are bound by industry standard confidentiality obligations as further described in Section 8.3 below.

8.2. Trepp will authorize a password for each Designated User of the Service. That password is personal to the Designated User and such Designated User is obligated to keep the user name and password confidential and may not share the password with any other employee of Customer. Customer may change Designated Users and obtain new

passwords for such Designated Users upon prior written notice to Trepp. Customer, shall immediately notify Trepp if any third party gains or has the potential to gain access to any of Customer's passwords, and shall be fully responsible for any and all activities that occur under any password, whether conducted by a Designated User, other employee or a third party.

8.3. Each party acknowledges that it or its employees may, in the course of performing this Agreement, be exposed to or acquire information which is proprietary to or confidential to the other, its affiliated companies or third parties to whom such party has a duty of confidentiality. Any and all non-public information of any form disclosed by either party in the performance of this Agreement shall be deemed to be confidential and proprietary information. Each party agrees to hold confidential information of the other party in strict confidence and not to disclose such information to third parties or to use such information for any purpose whatsoever other than as contemplated by this Agreement and to advise each of their respective employees, agents or consultants who may be exposed to such proprietary and confidential information of their obligations to keep such information confidential. Confidential information shall not include information which the receiving party can show by objective or verifiable evidence is (i) in or becomes part of the public domain other than by disclosure by a party in violation of this Agreement, (ii) demonstrably known to such party previously, (iii) independently developed by such party outside of this Agreement or (iv) rightfully obtained by such party from third parties. Notwithstanding the foregoing, Customer agrees that the data compilation supplied through the Service is not in the "public domain" but is proprietary to Trepp. If the receiving party is required by law to disclose confidential information, the receiving party may do so without breaching this Section 8 upon prior written notice to the disclosing party, unless legally prohibited, and then only to the extent necessary to comply with the law. Trepp and Customer understand and agree that, in the event of a breach of this section, damages may not be an adequate remedy and each party may be entitled to injunctive relief to restrain any such breach, threatened or actual.

9. Indemnification

9.1. Customer agrees to indemnify and hold harmless Trepp (and its directors, officers, employees or agents)(collectively, the "Indemnified Parties") against any losses, claims, damages, liabilities and reasonable costs and expenses to which any of them may become subject (including any collection agent fees, court costs and attorneys' fees): (i) as a result of a breach of any warranty or covenant of Customer under this Agreement; (ii) as a result of a threatened, pending or completed claim, demand or action, by any person not a party to this Agreement) arising from Customer's use or application of the Service, or their results; and/or (iii) under the Securities Act of 1933, as amended, or similar laws of any nation, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any offering memorandum, prospectus or similar such document, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading.

9.2. If for any reason the foregoing indemnity is unavailable to any Indemnified Party or insufficient to hold any of them harmless, then Customer shall contribute to the amount paid or payable by Indemnified Party as a result of such cost, damage or loss in such proportion as is appropriate to reflect not only the relative benefits received (or contemplated to be received) by Customer on the one hand and such Indemnified Party on the other and/or, if such allocation is judicially determined unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of Customer on the one hand of such Indemnified Party on the other hand, subject to limitation that in any event an Indemnified Party aggregate contribution to all costs, damages, or losses shall not exceed the amount of fees actually received by such Indemnified Party pursuant to this Agreement.

9.3. The rights of any Indemnified Party under this Section 9 shall be in addition to any other rights that any Indemnified Party may be entitled to as a matter of law or otherwise.

10. Incorporation and Inconsistency

10.1. Without limiting anything herein, the provisions in the Terms of Use shall apply to the Service and the Service is provided subject to such provisions.

10.2. The following order of preference shall be applied to this Agreement between Customer and Trepp in the event of a conflict between terms: 1. Customer Order Form; 2. Standard Terms and Conditions; 3. Terms of Use.

11. Notices

11.1. All notices given under this Agreement shall be in writing and in the English language and shall be sent by prepaid post, reputable overnight courier, fax or email to Trepp's or Customer's principal place of business.

11.2. Any notice sent by post shall be deemed (in the absence of evidence of earlier receipt) to have been delivered five (5) days after its dispatch.

11.3. Any notice sent by fax or email shall be deemed (in the absence of evidence of earlier receipt) to have been delivered on the next working day following transmission.

12. Miscellaneous

12.1. This Agreement supersedes all prior oral or written understanding between the parties and constitutes the entire agreement with respect to the subject matter in this Agreement.

12.2. This Agreement shall not be modified or amended except in writing and when signed by authorized representatives of the parties thereto.

12.3. The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions.

12.4. Customer agrees that this Agreement is intended to be kept confidential to the marketplace at large. Therefore, Customer shall not disclose this Agreement, any portion hereof, or any of the terms hereof to any third party.

12.5. Customer acknowledges and agrees that time is of the essence with respect to Customer's obligations under this Agreement.

12.6. Trepp shall not be liable for any failures or delays in the provision of the Services due to causes beyond its reasonable control or anticipation, including, without limitation, fire, war, earthquake, labor controversies, riots, civil commotion, acts or restrictions of any government or governmental agency, orders of court, or failures or delays of third party suppliers.

12.7. In the event the Service includes third party data or services and Trepp's agreement with such third party for such third party data or services is terminated, the Service shall cease to include such third party data and services, and Trepp shall not be deemed to be in breach of this Agreement, provided that Trepp shall use commercially reasonable efforts to replace such terminated third party data or services with equally suitable, functionally equivalent, data or services.

12.8. Customer is not entitled to transfer or assign this Agreement, by operation of law or otherwise, without Trepp's prior written consent. Any transfer of a majority of the stock, membership interests, partnership interests or other evidences of ownership of Customer shall be deemed to be an assignment of this Agreement. Trepp may assign, sub-contract or sub-let this Agreement, or any part hereof or thereof.

12.9. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws. The parties agree that the federal and state courts located in New York County in the State of New York is the exclusive jurisdiction over any dispute arising out of or relating to this Agreement.

12.10. The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded from this Agreement.

Board of Directors Policies and Procedures McLennan County Appraisal District

FORWARD

McLennan County Appraisal District is a political subdivision of the State of Texas created by the Legislature through enactment of the Texas Tax Code.

The district's primary responsibility is to develop each year an appraisal roll for use by taxing units in imposing ad valorem taxes in accordance with the Texas Property Tax Code.

Our mission is to courteously and efficiently serve the property owners and taxing entities (cities, schools, county and special districts) of McLennan County by timely producing an accurate, complete and equitable appraisal roll.

We expect excellence in the services we provide, and recognize that excellence is achieved through individual and team effort on the part of well-trained, motivated personnel. Accordingly, we are committed to creating and maintaining a work environment that provides and supports innovation and change as essential to effective performance in a constantly changing society.

This Board of Directors Policy Manual supplements the most current Appraisal District Director's Manual ("Director's Manual") published by the Texas Comptroller of Public Accounts. The Director's Manual is a comprehensive reference guide that explains constitutional requirements, state laws and rules that govern the conduct of not only appraisal district boards of directors but also the appraisal districts. The scope of this manual is much narrower. It brings together certain written policies that state law specifically requires and summary descriptions of how the board of directors fulfills other statutory requirements about which detailed written policies are not required. This policy manual is not a substitute for or a summary of the various manuals and guidelines for the district's day-to-day operations.

The board of directors governs McLennan County Appraisal District. The board's primary duties are to select the chief appraiser, to adopt the annual budget and to ensure that the district follows policies and procedures set by law. The board does not appraise property or make decisions that affect the appraisal records for particular properties.

BOD-001 COMPOSITION OF THE BOARD OF DIRECTORS

BOD-001.01 Selection

The board of directors has six members. Five voting members are appointed by the taxing units. The McLennan County Tax Assessor-Collector serves as a sixth, non-voting member of the Board.

The board of directors has not made any of the changes in board membership, selection, or recall that are permitted by the Tax Code.

BOD-001.02 Term

Members of the board serve two-year terms beginning on January 1 of even-numbered years. An exception occurs for the Tax Assessor-Collector who serves by statute with no term limitations.

BOD-001.03 Membership – Qualifications

All members of the Board of Directors, save a Tax Assessor Collector participating as a non-voting member, must be residents of the county served by the District and have been so for at least two years prior to taking office.

No employee of any constituent taxing unit of the District may serve as a member of the Board of Directors, unless that person is also a member of the governing body of a taxing unit that participates in the District. Members of governing bodies of any constituent taxing unit may serve on the Board of Directors.

No person may serve on the Board of Directors if that person owes delinquent ad valorem taxes, unless those taxes are subject to a qualified payment plan.

No person may serve on the Board of Directors who is related within the second degree of consanguinity or affinity to the Chief Appraiser or to a person engaged in the business of appraising property for compensation for use in proceedings under the Texas Property Code or representing property owners for compensation and proceedings under the Texas Property Code in the Appraisal District.

See **Appendix H** for information on interest in certain contracts that could be prohibited.

BOD-001.04 Officers of the Board

The board elects a chairman and a secretary at its first meeting each calendar year. To later fill a vacancy in one of these offices, the board elects a replacement at the first meeting after the vacancy occurs.

The duties of the Chairman include:

- Presiding at board meetings.
- Appointing committee members unless otherwise instructed by the board.
- Along with the secretary, signing all legal instruments requiring board signature.
- Performing legal duties as required by statute and functions as designated by the board.

The duties of the Secretary include:

- Presiding at meetings if the chairman is absent.
- Along with the chairman, signing all legal instruments requiring board signature.
- Performing other duties as required by statute and functions as designated by the board.

If both the chairman and secretary are absent from a meeting, the remaining members select by majority vote a temporary presiding officer. The senior board member presides for the purpose of opening the meeting and conducting that vote.

The McLennan County Tax Assessor-Collector serving as a non-voting member may serve as chairman, secretary, or temporary presiding officer.

The presiding officer, other than the McLennan County Tax Assessor-Collector serving as a non-voting member, may vote on any motion.

BOD-001.05 Compensation

Members receive no compensation for service on the board. They are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the district's budget. When board members must travel to represent the district, they are entitled to reimbursement at the rates and by the rules applicable to district employees as set out in the district's Personnel Policy Manual.

BOD-002 OPERATION OF THE BOARD OF DIRECTORS

BOD-002.01 Meeting Schedule and Format

The board ordinarily meets quarterly at 12:30 p.m. at the District offices at 315 S. 26th Street, Waco, Texas. The board may designate a different meeting time, day, or place if needed. Meetings start promptly at the scheduled hour or as soon thereafter as a quorum is present.

A majority of the members of the board constitutes a quorum. The McLennan County Tax Assessor-Collector serving as a non-voting member is counted in determining the presence of a quorum.

The chairman may call special meetings or emergency meetings. During any meeting, the board may vote to call a special or emergency meeting.

The agenda of each meeting shall be published by the Chief Appraiser pursuant to the requirements of the Texas Open Meetings Act. Either the Chief Appraiser, or any Board member, may place an item on the agenda of the Board of Directors by notifying the Chief Appraiser of his or her desire to do so no later than 4:30 p.m. on the fourth day prior to any scheduled meeting.

The chief appraiser prepares agenda packets and meeting notices on behalf of the board. The chief appraiser normally delivers the agenda for the next meeting, supporting information, and the minutes of the last meeting to each member at least forty-eight (48) hours before each regular meeting. The chief appraiser prepares and posts meeting notices as required by law. Only items posted in the meeting notice may be acted upon at a meeting.

The board conducts its meetings under Roberts Rules of Order Revised. The board may hold a closed or executive session that excludes the public to the extent permitted by law. The first order of business at a meeting is approval of the minutes of the preceding meeting. The secretary signs the minutes when approved. The appraisal district personnel will prepare and keep the official minutes on behalf of the Board.

BOD-002.02 Public Access to Board Meetings

McLennan County Appraisal District board of directors shall conduct all meetings in accordance with the Texas Open Meetings Act. The board shall also provide regular opportunities for the public to speak to the board on issues under the board's jurisdiction.

The agenda for each regularly scheduled meeting of the board shall include an agenda item for public comments. At each such meeting, the chairman shall announce that anyone wishing to address the board on issues under the board's jurisdiction may do so. The chairman shall allow each speaker three minutes but may expand the time as needed if doing so will not interfere with the board's completing its business and adjourning its meeting at a reasonable time. The board may refuse to hear comments on subjects not reasonably related to the policies and procedures of McLennan County Appraisal District or McLennan County Appraisal Review Board and comments not reasonably related to other issues under the board's jurisdiction.

Except when the board conducts a public hearing on a particular issue, the board will receive citizen comments only during the period specified by the agenda for public comments.

Public Meeting Guidelines for Conduct

The McLennan County Appraisal District highly values the input of citizens in making important decisions that affect the District. We also believe in the right of citizens to observe Board meetings. To ensure citizens have an opportunity to attend Board meetings and offer citizen comment, and to ensure that the Board can conduct the important business of the District, speakers must observe certain basic rules of conduct. The following guidelines apply to all public comment.

1. All members of the public attending Board meetings must treat each other and the Board with respect.
2. Individuals are not permitted to engage in conduct that interferes with the ability of other citizens to watch the Board meetings, interferes with the ability of other citizens to offer citizen comment to the Board, or interferes with the ability of the Board to conduct its business.
3. Members of the public who intend to offer public comment to the Board must sign up for comment before the start of each Board meeting. The Board Chair has discretion to call on those who have signed up and set the order of speaking. Individuals who sign up to testify to the Board must indicate the topic of their intended testimony.
4. Individuals offering citizen comment must sit at the area designated for their use.
5. Prior to beginning any testimony, individuals must state and spell their last name.
6. Members of the public should not approach the Board Members while the Board is conducting business, unless asked to do so.
7. Each citizen must limit his or her comments to three minutes to allow sufficient time for others to also offer citizen comment. The Board Chair has the discretion to limit the overall time for public comment.
8. 8. Individuals offering citizen comment are not permitted to make personal attacks on any District employee, Board member, other testifier, or member of the public.

Accordingly, all members of the public in attendance at any Regular, Special and/or Emergency meeting shall conduct themselves with proper respect and decorum in speaking to, and/or addressing the Board of Directors; in participating in public discussion before the Board; and in all actions in the presence of the Board. Those members of the public that do not conduct themselves in an orderly and appropriate manner will be ordered to leave the meeting. Refusal to abide by the Board's order and/or continued disruption of the meeting may result in removal from the board meeting.

If a person who does not speak English or a person who communicates by American Sign Language notifies the taxpayer liaison officer in writing at least five business days before a regularly scheduled meeting that he or she desires to address the board and is unable to provide an interpreter, the district shall make reasonable efforts to secure the services of translator or interpreter at the meeting.

McLennan County Appraisal District strives to provide reasonable access to the board by disabled persons. As part of this effort, the District restricts six parking spaces to use only by disabled

persons and maintains wheelchair accessibility to the customer service area and to the boardroom. A person who needs additional assistance for entry or access should notify the taxpayer liaison officer in writing at least five business days before a regularly scheduled meeting.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), persons licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter the room where the Board is meeting with a handgun that is carried openly. The chief appraiser shall post signs prohibiting the carrying of a handgun that is openly carried outside the meeting room of the Board as required under Section 30.07, Penal Code.

BOD-002.03 Resolving Complaints

The board will consider written complaints about the policies and procedures of McLennan County Appraisal District, McLennan County Appraisal Review Board, and the McLennan CAD Board of Directors concerning matters within the board's jurisdiction.

Complaints against the appraisal district, its operations, or the Appraisal Review Board may be filed with the board's Taxpayer Liaison Officer (TLO) in accordance to complaint filing procedures established by the board. ([Appendix F](#))

The board will not consider complaints addressing any of the grounds for challenge, protest, or motion for correction of appraisal roll that are specified in Section 41.03, 41.41, and Section 25.25, respectively.

The board of directors has no authority to overrule an agreement between the chief appraiser and a property owner on a matter specified in Section 1.111(e) or a determination of McLennan County Appraisal Review Board on a challenge, protest, or motion for correction made under authority of Section 41.07, 41.47, and Section 25.25, respectively.

Written complaints addressed to the board are forwarded to the TLO. The agenda for each regularly scheduled meeting of the board shall include an agenda item for a report by the TLO. At each such meeting, the TLO shall report to the board of directors on the nature and the status of resolution of all complaints filed.

Board deliberations concerning complaints must comply with the applicable provisions of the Texas Open Meetings Act. Until final disposition of each complaint and unless doing so would jeopardize an undercover investigation, the board shall notify the parties to the complaint at least quarterly of the status of the complaint.

BOD-002.04 Authority of the Board

The board of directors establishes general policies in conformity with the requirements of state law. The board may exercise its authority only by majority vote with a quorum present in a properly posted meeting. An individual member may not bind the board by any statement or action.

The board may establish committees as needed to carry out its responsibilities. The chairman appoints committee members to serve until successors are appointed or until the committee is disbanded. A committee acts only as an adjunct to the board and may not take any action, which in any way usurps the power or responsibilities of the board of directors.

Appointments to standing committees are normally made as soon as possible after the board begins a new term. Except as otherwise stated in this policy manual, each committee establishes its own written operating procedures, subject to approval by the board of directors.

BOD-003 STATUTORY RESPONSIBILITIES OF THE BOARD

BOD-003.01 Establishment of an Appraisal Office

The administrative offices of McLennan County Appraisal District are located at 315 S. 26th Street, in Waco, Texas. The board may lease additional office spaces as needed.

The district's normal business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Departments involved in public contact must maintain sufficient personnel throughout these hours. The board and the chief appraiser periodically review office space requirements, lease arrangements, and other requirements related to the establishment of appraisal district offices. (Section 6.05, Property Tax Code)

BOD-003.02 Appointment of Chief Appraiser

The chief appraiser is appointed by the board and serves as the appraisal district's chief administrative officer, implementing the goals and objectives set by board policy in compliance with Section 6.05 of the Property Tax Code, Comptroller rules, and other applicable laws. The chief appraiser is selected in accordance with procedures as approved by the board ([Appendix C](#)).

The chief appraiser is an officer of the district for purposes of the nepotism laws. The district may not employ or contract with the chief appraiser's spouse, parent or stepparent, child or stepchild, or the spouse of any of these.

The qualifications for the chief appraiser are determined by the board and set forth in the document, "Chief Appraiser Qualifications" ([Appendix A](#)). The chief appraiser is expected to competently and effectively perform his or her duties. ([Appendix B](#)).

The chief appraiser serves at the pleasure of the board of directors. The board normally evaluates the chief appraiser annually in December. The board uses a written form to assist in the evaluation of the chief appraiser ([Appendix D](#)).

BOD-003.03 Appointment of Taxpayer Liaison Officer

The board appoints a Taxpayer Liaison Officer (TLO). The TLO shall administer the public access function required by law, and is responsible for resolving disputes not involving matters that may be protested under Section 41.41 of the Texas Property Tax Code. Neither

the chief appraiser nor any other person who performs appraisal services for the appraisal district for compensation is eligible to be the district's TLO.

The TLO's goal will be to improve relationships with the public and assist the public with their information needs. The TLO will work with the chief appraiser and district staff to accomplish the board's goals. The liaison will develop and implement the public access function including access to non-English speaking and handicapped persons thus enabling the public the opportunity to speak at board meetings and process complaints.

The TLO shall report to the board at each meeting on the status of all complaints filed with the board. (Section 6.04(g) PTC). The TLO is responsible only to the board of directors, and serves at the pleasure of the board. The Responsibilities of liaison officer are outlined in [Appendix G](#). Compensation is set by the board within limitation provided by the appraisal district budget. (Section 6.052, Property Tax Code)

BOD-003.04 Approval of Budget

Before June 15 of each year, the chief appraiser prepares a preliminary budget and delivers copies to each board member and each participating taxing unit with a request for their comments and recommendations.

The board shall consider and adopt the annual budget before September 15 of each year, after giving notice to the public and taxing units and conducting a public hearing as required by law.

Once the board adopts a budget, expenditures in excess of the total budget require budget amendment in the manner provided by Section 6.06 of the Tax Code. Fund transfers that do not increase the total amount of the budget are not considered budget amendments. The board approves all transfers of unencumbered balances between accounts. In the event that a budget amendment becomes necessary, a copy of the proposed amendment will be delivered to the presiding officer of each taxing unit participating in the district not later than the 30th day before the date the board acts on it. (Section 6.06, Property Tax Code)

In accordance with the Property Tax Code, the McLennan County Appraisal District Board of Directors has determined that it would be in the public interest to obligate the excess funds resulting from the budget in an amount to be determined when the final audit of the District is concluded each year and will be committed for the purpose of maintaining sufficient reserves for anticipated expenses as they may determine at a later date, and will refund any uncommitted excess budgeted funds each year by crediting the audited amount for excess funds, as determined by the District's outside auditor, to the entities to offset their quarterly contributions toward the next year's budget (Section 6.06(j), Property Tax Code).

BOD-003.05 Annual Financial Audit

The board contracts for an annual audit by an independent certified public accountant. The chief appraiser delivers copies of the audit report to the presiding officers of the county, cities, schools, and districts participating in the district. (Section 6.063, Property Tax Code)

BOD-003.06 Designation of Depository

The board solicits bids for the district depository at least once every two years. In choosing a depository, the board selects the institution(s) that offer the most favorable terms and conditions for the handling of district funds. Funds must be secured in the manner provided by law for county funds. The board and the depository may agree to extend a depository contract for one additional two-year period. (Section 6.09, Property Tax Code)

To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, they shall be secured in the manner provided by law for the security of funds of counties. The District shall invest all funds in accordance with the approved investment tools of TEX. GOV'T CODE § 22.56.009 *et seq.*

BOD-003.07 Competitive Bidding Requirements

The district is subject to the same requirements and has the same purchasing and contracting authority as a municipality under Chapter 252, Local Government Code. (Section 6.11, Property Tax Code)

BOD-003.08 Officer Selection for Appraisal Review Board

Appraisal Review Board members are appointed by the Administrative District Judge who is assisted by the Tax Liaison Officer. See [Appendix G](#).

After individuals have been selected for the appraisal review board, the local administrative judge enters an appropriate order designating such members and setting the member's respective term of office. The Appraisal Review Board (ARB) shall consist of citizen members who serve two-year, staggered terms. (Section 6.41, Property Tax Code)

The local administrative judge shall select a chairman and a secretary from among the members of the ARB.

BOD-003.09 Appraisal Contracts

The chief appraiser, with the approval of the board, may contract annually with private appraisal firms to perform appraisal services for the District. (Section 25.01 (b)(c), Property Tax Code)

BOD-003.10 Periodic Reappraisal

The McLennan County Appraisal District performs a comprehensive reappraisal of all property within the district on a three-year basis which follows in the board of directors' Biennial Reappraisal Plan.

In addition, the appraisal district reviews market factors of all real and personal property categories on an annual basis and adjust property values as deemed necessary to update and maintain current market values. The appraisal district exercises due diligence at all times to ensure equal and uniform taxation in accordance with Article VIII, Section I of the Texas Constitution.
(Section 25.18, Property Tax Code)

BOD-003.11 Agricultural Advisory Board

The chief appraiser of each appraisal district shall appoint, with the advice and consent of the board of directors, an agricultural advisory board composed of three or more members as determined by the board.

The agricultural advisory board members must be landowners of the district whose land qualifies for appraisal under Subchapter C, D, E, or H, Chapter 23, and who have been residents of the district for at least five years.

The board shall meet at the call of the chief appraiser at least once a year.

An employee or officer of an appraisal district may not be appointed and may not serve as a member of the agricultural advisory board.

A member of the agricultural advisory board is not entitled to compensation.

The board shall advise the chief appraiser on the valuation and use of land that may be designated for agricultural use or that may be open space agricultural or timber land within the district.

(Section 6.12, Property Tax Code)

BOD-003.12 Conflicts Disclosure

Each member of the board of directors shall disclose any conflicts pursuant to the requirements of TEX. LOC. GOV'T CODE § 176.003 if such is appropriate. A member of the board of directors shall file such an affidavit if the board of directors is considering entering a contract with a person with whom that member has an employment or other business relationship or a family member of the board member has such a relationship resulting in taxable income of \$2,500.00 or more during the previous twelve-month period. The board member shall also file such a disclosure if the person or entity seeking a contract with the district has given one or more gifts to that board member or family member of the board member aggregating more than \$250.00 in the preceding twelve-month period. Such disclosure shall be filed with a secretary of the board not later than the second business day on which the member becomes aware of the potential conflict. The Disclosure Statement shall comply with the provisions of TEX. LOC. GOV'T CODE § 176.004.

The requirements of this section shall also apply to the Chief Appraiser.

The names of the board of director's members shall be posted on the district's web site in an accessible form for all vendors. Furthermore, all Disclosure Statements shall similarly be made available on the district's web site.

BOD-003.13 Records Management

The board of directors appoints the Assistant Chief Appraiser to be the records management officer of the Appraisal District and instructs that the District shall operate and maintain its records in compliance with TEX. LOC. GOV'T CODE chapter 203.

BOD-003.14 Public Information

The Appraisal District shall maintain its records and make them available to the public in compliance with the Texas Public Information Act, TEX. GOV'T CODE chapter 552. The Chief Appraiser, or his designee, shall be the Public Information Officer of the Appraisal District.

BOD-004 OTHER BOARD DUTIES

BOD-004.10 Reports from Chief Appraiser

The board of directors will require and evaluate reports from the chief appraiser concerning the operations and financial status of the district.

BOD-004.02 General Operational Policies

The board will require the development and adoption of district policies for the sound operation and financial management of district funds.

BOD-004.03 District Legal Counsel

The board will select and approve the litigation firm or firms who will represent the district in legal matters. The board shall periodically review contracts of such legal firms.

BOD-004.04 Purchasing Authority

The appraisal district is subject to the purchasing and contracting authority as stated in Chapter 252 of the Texas Local Government Code.

Before the district may enter into a contract that requires an expenditure of more than \$50,000 the district must first comply with the competitive sealed bidding requirements as prescribed by Chapter 252 of the Local Government Code (LGC). In addition, the district must use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or comply with a method described by Chapter 252, Local Government Code.

The district may use the competitive sealed proposal procedure for high technology procurements and for the purchase of insurance.

The board of directors shall approve all contracts to which the district is a party, assuming the contract is for an expenditure of \$5,000.00 or greater or is not for a budgeted expenditure.

BOD-004.05 Authority to Settle Lawsuits

The Chief Appraiser is authorized to approve settlements of lawsuits bought under Chapter 42 of the Texas Property Tax Code.

BOD-004.06 Policies of Appraisal District

The board of directors considers and acts on policies for the McLennan County Appraisal District.

BOD-004.07 Other Duties

Performs other duties as required to govern the district and permitted by law.

BOD-004.08 Indemnification of employees

In the event that the Texas Department of Licensing and Regulation (TDLR) imposes an administrative penalty on a person who is employed by the appraisal district, resulting from an act or omission by the person in the course and scope of the person's employment with the appraisal district, the appraisal district shall indemnify the person for the amount of the administrative penalty and the costs of challenging the imposition of the administrative penalty. Notwithstanding the prior sentence, the appraisal district is not required to indemnify a person upon whom an administrative penalty is imposed if the penalty was imposed because the person acted with gross negligence or in bad faith or with conscious indifference or reckless disregard for TDLR rules or regulations or for the appraisal district's rules or policies.

BOD-004.09 Ex Parte Communications; Penalty
(Section 6.15, Texas Property Code)

A member of the board of directors of an appraisal district commits an offense if the member directly or indirectly communicates with the chief appraiser on any matter relating to the appraisal of property by the appraisal district, except:

- (1) In an open meeting of the appraisal district board of directors or another public forum;
or
- (2) In a closed meeting of the board of directors held to consult with the board's attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and the board's attorney; or
- (3) that a member of the board of directors may transmit in writing to the chief appraiser, without comment, a complaint by property owner or a taxing unit about the appraisal of a specific property.

A chief appraiser commits an offense if the chief appraiser directly or indirectly communicates with a member of the board of directors of the appraisal district on any matter relating to the appraisal of property by the appraisal district, except in:

- (1) An open meeting of the board of directors or another public forum; or
- (2) A closed meeting of the board of directors held to consult with the board's attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and the board's attorney.

APPENDIX A

McLennan County Appraisal District Chief Appraiser Qualifications

- Obtained a bachelor's or associates degree from accredited college or university. The board may waive degree requirements commensurate with qualified appraisal and/or administrative experience.
- Comprehensive knowledge of modern real and personal property appraisal principles and practices; thorough knowledge of property tax appraisal laws; skill in making difficult real property appraisals; ability to plan and supervise the work of property appraisers and others.
- Management-level experience is required.
- Candidate must be designated as a Registered Professional Appraiser (RPA) in the State of Texas.
- Knowledge of governmental budgeting, finance, personnel management, media relations, and Texas property tax laws is necessary.
- Must exhibit an understanding and willingness to implement the goals and objectives as determined by the McLennan County Appraisal District board of directors.
- Must not be related within the second degree by consanguinity or affinity to a person who appraises property for compensation for use in proceedings before the appraisal review board or represents property owners for compensation before the appraisal review board.
- Must not own property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency.
- The ability to physically perform required job functions.
- Be of strong moral character, and comply with the Property Tax Code, Texas Local Government Code, Comptroller rules, and other applicable laws.
- This may not be an all-inclusive list of qualifications; please see Section 6.05 of the Property Tax code for more details.

APPENDIX B
CHIEF APPRAISER DUTIES
(Appraisal of Property)

MAIN DUTIES: Prepares preliminary budget, hires staff, manages the appraisal district, produces the appraisal roll and administers exemptions.

GENERAL STATEMENT OF DUTIES: Plans and supervises the mass appraisal of real and personal property for assessment purposes.

SCOPE OF DUTIES: This is a technical and supervisory position involving responsibility for the administration of the McLennan County Appraisal District real and personal property appraisal system. Supervision is exercised over the work of managerial, subordinate appraisers and supporting staff.

EXAMPLES OF WORK: (Not a comprehensive list)

- Supervise the discovery of all taxable property in the jurisdictional boundaries of the appraisal district.
List and maintain current and past records of ownership, deed changes, sales prices, and other vital information pertaining to mass appraisal process and required by law.
- Supervise the valuation, appraisal, and reappraisal of all real and personal property in the district; including the appraisal of urban and rural land, acreage tracts, and newly annexed property.
- Supervise the activities of department managers and coordinators; including residential, industrial, commercial, clerical, and information systems/mapping.
- Prepare reports on appraisals for the governing bodies of taxing units, including a summary of new appraisals and reappraisals.
- Prepare and certify appraisal rolls to taxing unit governing bodies on or before July 25 of each year.
- Assign and instruct appraisers regarding property or area to be appraised.
- Keep abreast of appraisal procedures, market trends, and construction costs and make such information available to staff supervisors and appraisers.
- Personally assist and advise district manager and appraisers on unusual or complicated appraisal assignments and job tasks.
- Work closely with district litigation attorneys in the settlement or judicial appeals of protested properties. Maintain good working relationship.
- Establish priorities and general guidance to the district's mineral and industrial property valuation firm, Capitol Appraisal Group. Maintain good working relationship.

McLENNAN COUNTY APPRAISAL DISTRICT
JOB DESCRIPTION

CHIEF APPRAISER

SALARY SET BY BOARD

EXEMPT

POSITION SUMMARY / PURPOSE:

The Chief Appraiser is the chief administrative officer of the McLennan County Appraisal District and is appointed by and serves at the pleasure of the Appraisal District Board of Directors.

MAIN DUTIES: Prepares preliminary budget, hires staff, manages the appraisal district, produces the appraisal roll and administers exemptions.

DUTIES / RESPONSIBILITIES:

- Plans, coordinates, and implements programs and policies of the Appraisal District as directed by the Board of Directors.
- Plans work programs and proposes an annual budget for the operation of the Appraisal District and administers the budget as approved by the Board of Directors.
- Approves all purchases and invoice payments.
- Appoints such additional District staff as authorized by the District's budget, and provides overall administrative direction and supervision to the staff.
- Keeps the Board of Directors informed of important items related to District affairs and presents policy recommendations and necessary resolutions and contracts for Board consideration.
- Coordinates the preparation and distribution of agendas for all Board of Directors' meetings' and attends meetings of the Board for appropriate instruction and policy direction and to provide required administrative support.
- Presents recommendations designed to increase the efficiency and economy of District operations.
- Represents the District in a variety of meetings and public functions and coordinates the activities of the District with other governmental agencies, private groups, and citizens.
- Establishes and supervises a system of property appraisal and accounting records to meet the requirements of the State Property Tax Code.
- Plans and directs the development and maintenance of necessary support systems, such as data processing, tax maps, and records, to successfully accomplish the required functions of the Appraisal District.
- Provides other duties as may be required by State law or delegated to the Chief Appraiser by the Board of Directors.

SKILLS / ABILITIES:

- Knowledge of management theory and practice and of the principles, laws, and standards applying to the appraisal and valuation of property for tax assessment purposes as required by the Texas Property Tax Code
- Ability to supervise and to delegate authority and responsibility; to plan, direct, and coordinate a varied work program; and to gain and retain good working relationships with the community at large, the Board of Directors, District staff, and public officials of other jurisdictions.
- Must have a Registered Professional Appraiser (RPA) in the State of Texas

REQUIREMENTS / EXPERIENCE:

Bachelor's degree in business administration, public administration, real estate or related field.

Ten (10) years of professional experience, five (5) years of which has been in progressively responsible administrative positions. Local governmental management and administrative experience desired. Must have a private vehicle available for own transportation on the job. Must possess and maintain a valid Texas driver's license and minimum state-mandated liability insurance. Must have a Registered Professional Appraiser (RPA) designation with Texas Department of Licensing and Registration. Some of the above requirements may be waived for equivalent designation and/or experience.

APPENDIX C
CHIEF APPRAISER SELECTION PROCEDURE

Upon vacancy of the position of chief appraiser, the McLennan County Appraisal District board of directors will follow the outlined procedure for seeking a qualified applicant.

I. Preliminary Selection Activities:

- A. Seek the advice of district legal counsel.
- B. Acknowledge the resignation, termination, retirement, or death of the preceding chief appraiser either at the next regularly scheduled board meeting or at a special meeting, as deemed necessary by the board.
- C. Name an Interim Chief Appraiser.
The board will first consider selection of Interim Chief Appraiser from the qualified appraisal district employees. The board may consider a qualified candidate for this position from outside the district.
- D. Review job description and qualifications of the chief appraiser position.
- E. Discuss reasonable salary range and compensation package.
- F. Establish a schedule or calendar for the selection process.

II. Section Activities:

- A. Announce that McCAD is accepting applications for the Chief Appraiser position. The board may employ various method to attract potential candidates, including but not limited to:
 - 1. Professional trade organization publications.
(Examples include: the Texas Association of Appraisal Districts (TAAD); Texas Association of Assessing Officers (TAAO); International Association of Assessing Officers (IAAO))
 - 2. Invitation letters to qualified candidates throughout the state.
 - 3. Letters to Human Resource departments of selected appraisal districts.
 - 4. Other methods deemed appropriate by the board of directors.
- B. Schedule and implement a preliminary screening of qualified candidates as determined by the board of directors.

- C. Conduct interviews with qualified candidates.
- D. Discuss making a job offer or conducting a second interview with finalists.
- E. Make final job offer.

III. Post-Section Activities:

- A. Discuss terms of employment agreement and/or contract with selected candidate.
 - 1. Probationary period and beginning salary.
 - 2. Benefit Package.
 - 3. Vehicle allowance.
 - 4. Other matters deemed appropriate by the board of directors.
- B. Review job criteria, standards, and methods of evaluation. Modification may be made as needed.
- C. Assist the new Chief Appraiser in his/her position.
 - 1. Formal letter of announcement from board of directors to appraisal district staff.
 - 2. Announce to public by publication in area newspaper.
 - 3. Introduction to community leaders.
 - 4. Personal assistance by individual board members.
 - 5. Any other action deemed appropriate by the board of directors.

APPENDIX D
MCLENNAN COUNTY APPRAISAL DISTRICT
CHIEF APPRAISER PERFORMANCE EVALUATION REPORT

Chief Appraiser:
Initial Date of Employment:
Date of Employment as Chief Appraiser:

PURPOSE

The Board of Directors of the McLennan County Appraisal District has established this annual evaluation and development program for the Chief Appraiser. The goal of the report is to communicate the expectations of the Board and ensure that the Chief Appraiser continues to maintain and enhance knowledge of mass appraisal, management, leadership, and the skills required to be an effective administrator. The Chief Appraiser coordinates and implements the goals and objectives established by Board policy, provisions of the Texas Property Tax Code and other applicable laws and rules. The Chief Appraiser's responsibilities include numerous statutory responsibilities related to the development of accurate appraisal rolls and the administration of the District.

RATING SCALE

5 - OUTSTANDING ACHIEVEMENT OF JOB DUTY: Performs at an exceptional level. Work is of the highest quality; "self-starter"; striving for new knowledge and ideas; makes superior judgments with regard to work, staff and public.

4 - EXCEEDS JOB STANDARDS: Minimum of supervision is required; employee is innovative; demonstrates ability to handle the more complex aspects of the position in the best interests of the district.

3 - MEETS JOB STANDARDS: Assignments are completed in a timely manner, meets expectations and performance is at a satisfactory level.

2 - BELOW JOB STANDARDS: Performs the routine elements of the position; requires continual supervision to assure the timeliness, quantity, and quality of the position; individual needs to improve job performance.

1 - DOES NOT MEET MINIMUM STANDARDS: Performance falls far short of position expectations; immediate improvement is needed.

JOB RESPONSIBILITY SURVEY

Please mark the survey below with an appropriate number which you think is represented in the work performed.

1) Delegates, at his discretion, to appraisal district personnel duties and authority with the knowledge that such does not relieve the chief appraiser of the final responsibility for the action taken under such delegation.

2) Accepts responsibility for the general efficiency of the appraisal district, for the development and overall welfare of the appraisal district staff.

3) Conducts annual performance evaluation of appraisal district staff and grants salary adjustments deemed appropriate within budget constraints.

- 4) Conducts periodic reviews and analysis of personnel work efforts and products to determine achievement of established objectives, standards and deadlines.
- 5) Assumes responsibility for the use and care of appraisal district facility.
- 6) Makes sound decisions and exhibits good judgment.
- 7) Keeps abreast of the latest trends in the appraisal field and changes in the law by attending educational seminars and conferences, and by providing training opportunities for appraisal district staff responsible for carrying out those duties.
- 8) Maintains a positive and productive working relationship with the board of directors and/or taxing entities.
- 9) Attends and effectively participates in all meetings of the Board of Directors.
- 10) Reports to the Board and/or entities such matters as deemed necessary to the understanding and proper management of the appraisal district, or as the Board or entities may request.
- 11) Carries out the personnel guidelines established by the Board and advises them of needed changes or revisions.
- 12) Develops and effectively implements a bi-annual comprehensive Reappraisal.
- 13) Assumes responsibility for the overall financial planning of the annual budget recommendations and submits to the Board and entities for review and approval. .
- 14) Establishes and maintains efficient procedures and effective controls for expenditures of appraisal district funds in accordance with the adopted budget.
- 15) Provides adequate information to the Board on all financial matters.
- 16) Displays effective personal leadership attributes.
- 17) Maintains an effective and professional relationship with the public and news media.

PERSONAL CHARACTERISTICS

- 18) Seeks and accepts constructive criticism of his work.
- 19) Defends principles and convictions in face of pressure and partisan influence in a professional manner.
- 20) Expresses himself well when working with the Board and/or taxing entities.
- 21) Thinks well on his feet when difficult situations occur.
- 22) Understands people and is quick to respond to their desires.
- 23) Promotes high professional standards for all appraisal district employees by his actions.
- 24) Supports board policies that run contrary to his personal recommendations.
- 25) Conducts all official business with the Board as a whole and not with portions of the Board or individual members.

OVERALL APPRAISAL AND RECOMMENDATIONS

Overall appraisal of the Chief Appraiser is:

- _____ Shows excellence
- _____ Exceeds what is expected in meeting job requirements
- _____ Meets job requirements
- _____ Below what is expected in meeting job requirements
- _____ Inability in meeting job requirements

Comments or recommendations:

Chairman

Chief Appraiser

Secretary

Date

Directors - Please bring this form with you when conducting the annual chief appraiser evaluation. This evaluation will be conducted in executive session.

APPENDIX F
INSTRUCTIONS FOR FILING A COMPLAINT
TAXPAYER LIAISON OFFICER

(Modified in part from Taxpayers' Rights, Remedies, & Responsibilities as published by the Texas Comptroller of Public Accounts)

If you have a complaint concerning the appraisal district and its operations, with the exception of the valuations and exemptions which fall under the jurisdiction of the Appraisal Review Board (ARB), you may file your complaint with the district's Taxpayer Liaison Officer (TLO). The TLO is appointed by the board of directors and acts as an intermediary between the taxpayer and the board. Contact information for the TLO can be obtained from the appraisal district office.

In order to file a complaint, the following procedures should be followed:

1. The complaint must be in writing and must adequately describe the specific facts which give rise to the complaint along with specific remedies being sought by the complainant.
2. The TLO will research the complaint for remedies. If the TLO and the taxpayer can resolve the problem, the TLO will report the complaint along with the resolution to the board. If the complaint cannot be resolved through the TLO, the complaint will be placed on the agenda as an action item at the next meeting of the board. At this meeting, the taxpayer will be given the opportunity to present the complaint to the board in person.
3. The taxpayer must give the TLO adequate time to research the complaint and attempt to resolve the situation. If the complaint must be presented to the board, adequate time must be allowed in order for the district to call a meeting and comply with the posting requirements of the Open Meetings Act.
4. A taxpayer must further outline to the TLO any special assistance or arrangements that will be required in order to make his presentation to the board, such as translators for non-English speaking or deaf persons, or special needs for a person having any physical, mental, or development disability. The services must be requested at least five (5) working days in advance of the meeting.
5. If a taxpayer has a physical impairment and cannot present his complaint in writing, the complaint can be recorded and will be played for the Board in lieu of the written complaint.

While a complaint is under investigation, the TLO must report on the status of the complaint to both the taxpayer and to the board at their monthly meeting until the complaint is resolved, unless notification would jeopardize an investigation.

Please remember, the board of directors does not participate in the appraisal process. If you have a complaint concerning the appraisal of your property, this matter does not fall under the jurisdiction of the board of directors. Property valuations and exemption issues must be protested to the Appraisal Review Board pursuant to Section 41.41, Texas Tax Code.

APPENDIX G

RESPONSIBILITIES OF THE TAXPAYER LIAISON OFFICER

The board of directors for an appraisal district created for a county with a population of more than 120,000 shall appoint a taxpayer liaison officer who shall serve at the pleasure of the board. The taxpayer liaison officer shall administer the public access functions required by Sections 6.04(d), (e), and (f), and is responsible for resolving disputes not involving matters that may be protested under Section 41.41. In addition, the taxpayer liaison officer is responsible for receiving, and compiling a list of, comments and suggestions filed by the chief appraiser, a property owner, or a property owner's agent concerning the matters listed in Section 5.103(b) or any other matter related to the fairness and efficiency of the appraisal review board established for the appraisal district. The taxpayer liaison officer shall forward to the comptroller comments and suggestions filed under this subsection in the form and manner prescribed by the comptroller.

Purpose:

The taxpayer liaison officer shall provide to the public information and materials designed to assist property owners in understanding the appraisal process, protest procedures, the procedure for filing comments and suggestions under Subsection (a) or a complaint under Section 6.04(g) of Property Tax Code, and other matters. Information concerning the process for submitting comments and suggestions to the comptroller concerning an appraisal review board shall be provided at each protest.

Responsibilities:

- Provides clerical assistance to the local administrative district judge in the selection of appraisal review board members and with surveys at ARB.
- Delivers to the local administrative district judge any applications to serve on the board that are submitted to the officer and shall perform other duties as requested by the local administrative district judge. The officer may not influence the process for selecting appraisal review board members.
- Report to the board at each meeting on the status of all comments and suggestions filed with the officer and all complaints filed with the board.
- Assist property owners with physical, mental, or developmental disabilities in order they may have reasonable access to the board.

- Develop and implement policies and procedures designed to guarantee access to the board by non-English speaking persons.
- Preparing information of public interest describing board functions and procedures involving how complaints are filed and resolved by the board.
- Assist the chief appraiser and his/her staff in developing and disseminating information and materials designed to assist property owners and the general public in understanding the appraisal process, protest procedures and related matters.
- Collaborate with chief appraiser in developing and providing information to media outlets, civic groups, professional organizations, and the general public.
- Perform other duties and responsibilities as assigned.
- Serve as the spokesperson for the Board of Directors, providing information to news media, taxing units, and the general public on the policies and procedures for:
 - (a) Access to the Board,
 - (b) Complaints and their resolutions,
 - (c) Access for disabled persons, and
 - (d) Access for non-English speaking persons.

APPENDIX H

INTEREST IN CERTAIN CONTRACTS PROHIBITED

(Section 6.036, Property Tax Code)

- (a) An individual is not eligible to be appointed to or to serve on the board of directors of an appraisal district if the individual or a business entity in which the individual has a substantial interest is a party to a contract with:
 - (1) the appraisal district; or
 - (2) a taxing unit that participates in the appraisal district, if the contract relates to the performance of an activity governed by this title.

- (b) An appraisal district may not enter into a contract with a member of the board of directors of the appraisal district or with a business entity in which a member of the board has a substantial interest.

- (c) A taxing unit may not enter into a contract relating to the performance of an activity governed by this title with a member of the board of directors of an appraisal district in which the taxing unit participates or with a business entity in which a member of the board has a substantial interest.

- (d) For purposes of this section, an individual has a substantial interest in a business entity if:
 - (1) The combined ownership of the individual's spouse is at least 10 percent of the voting stock or shares of the business entity; or
 - (2) The individual or the individual's spouse is a partner, limited partner, or officer of the business entity.

- (e) In this section, "business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or other entity recognized by law.

- (f) This section does not limit the application of any other law, including the common law relating to conflicts of interest, to an appraisal district director.

(Enacted by Acts 1989, 71st Leg., ch. 796 (H.B. 432), § 5, effective September 1, 1989)

ADOPTION AND AMENDMENT

These policies may be altered, amended, or repealed, and adopted by the board at any meeting of the board at which a quorum is present, provided written notice of the proposed change is forwarded to each director 72 hours prior to the meeting at which official action is to be taken.

DULY PASSED AND APPROVED THIS 16th DAY OF APRIL, 2020.

ATTEST:

**MCLENNAN COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS**

By: _____

John Kinnaird/Chairman of the Board

By: _____

Allen Sykes/Secretary of the Board

Storage Device Purchase

Currently we have a 12TB storage device that is past warranty and is approaching capacity.

The 2020 budget estimated a \$15,000 replacement device.

We have two quotes from one vendor on a National Assoc. Cooperative Purchasing program that meets the state bidding requirements. A second vendor provided a rough estimate.

The first option is for a 20TB device using hard disc drives (longer life) for \$17,158.

The second option is for a 20TB device using solid state drives (speed, reliability) for \$22,167.

My recommendation is to request a 14-16TB solid state drive to keep the price under \$18,000 and still get the speed of solid state which has additional slots to add drives in subsequent years.

Quote

Prepared For:

McLennan County, TX
Joe Don Bobbitt
315 S. 26th Street
Waco, TX 76703
US
jboobbitt@mcclennanacad.org

Quote Information:

Quote Number: BZLNQ2478
Date: 1/20/2020
Quote Expiration: 2/19/2020

Qty	Description	Unit Price	Ext. Price
Texas State NCPA Contract Code # C000000005818			
1	Dell EMC ME4024 Storage Array 12Gb SAS 8 Port Dual Controller (12) 2.4TB 10K RPM SAS 12Gbps 512e 2.5in Hot-plug Hard Drive ME4 2U Bezel Power Supply, 580W, Redundant Rack Rails 2U (6) 12Gb HD-Mini to HD-Mini SAS Cable, 2M (3) SAS 12Gbps HBA External Controller, Low Profile (12) Hard Drive Filler 2.5in, single blank (2) Powercord,125 Volt,15Amp,10 Foot, C13 to NEMA 5-15 ProSupport: Next Business Day Onsite Service After Problem Diagnosis - 3 Years ProSupport: 7x24 HW/SW Technical Support and Assistance - 3 Years	\$17,158.00	\$17,158.00
	Shipping	\$0.00	\$0.00
		Total	\$17,158.00



davenportgroup

Quote

Prepared For:

McLennan County, TX
Joe Don Bobbitt
315 S. 26th Street
Waco, TX 76703
US
jboobbitt@mcclennanacad.org

Quote Information:

Quote Number: BZLNQ2477
Date: 1/20/2020
Quote Expiration: 2/19/2020

Qty	Description	Unit Price	Ext. Price
	Texas State NCPA Contract Code # C000000005818		
1	Dell EMC ME4024 Storage Array 12Gb SAS 8 Port Dual Controller (14) 1.92TB SSD SAS Read Intensive 12Gbps 512 2.5in Hot-plug ME4 2U Bezel Power Supply, 580W, Redundant Rack Rails 2U (6) 12Gb HD-Mini to HD-Mini SAS Cable, 2M (3) SAS 12Gbps HBA External Controller, Low Profile (10) Hard Drive Filler 2.5in, single blank (2) Powercord,125 Volt,15Amp,10 Foot, C13 to NEMA 5-15 ProSupport: Next Business Day Onsite Service After Problem Diagnosis - 3 Years ProSupport: 7x24 HW/SW Technical Support and Assistance - 3 Years	\$22,167.00	\$22,167.00
	Shipping	\$0.00	\$0.00
	Total		\$22,167.00



davenportgroup

McLennan County Appraisal District
General Fund
Financial Statements
December 31, 2019
(With Accountant's Compilation
Report Thereon)

Draft



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 761E | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrb.com

To the Board of Trustees of
McLennan County Appraisal District:

Management is responsible for the accompanying financial statements of McLennan County Appraisal District (the "District"), which comprise the general fund balance sheet as of December 31, 2019, and the related general fund statements of revenues, expenditures and changes in fund balance – budget and actual for the one month and twelve months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that receivables from exchange-like transactions be recognized at the time of the exchange, with revenue recognized only to the extent that the resources will be received soon enough to be used to liquidate liabilities of the current period. The District recognizes one-fourth of annual assessment fee revenue at the beginning of each quarterly reporting period during its fiscal year. Management has not determined the effect of the departure from accounting principles generally accepted in the United States of America on the accompanying financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's assets, liabilities, fund balance, actual revenues and expenditures, and budgeted revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to McLennan County Appraisal District.

February 8, 2020

McLennan County Appraisal District
General Fund
Balance Sheet
December 31, 2019

Assets

Cash:	
Extraco money market	\$ 1,052,411.56
Extraco bank cash	1,287,648.53
Extraco flex spending	8,591.94
Accounts receivable	403,718.07
Prepaid expenditures	25,134.95
Total assets	<u>\$ 2,777,505.05</u>

Liabilities and Fund Balance

Accounts payable:	
Accounts payable	\$ 22,407.71
Accrued liabilities:	
Flex Spending Plan	1,252.92
Pension payable	29,839.53
Unearned revenue	1,089,602.75
Total liabilities	<u>1,143,102.91</u>
Fund balance - Committed for Litigation	300,000.00
Fund balance - Committed for Capital Improvement	80,663.00
Fund balance - Committed for Technology & Professional Services	735,845.82
Fund balance - unassigned	517,893.32
Total fund balance	<u>1,634,402.14</u>
Total liabilities and fund balance	<u>\$ 2,777,505.05</u>

McLennan County Appraisal District
General Fund
Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

	Actual 1 Month Ended <u>December 31,</u> <u>2019</u>	Actual 12 Months Ended <u>December 31,</u> <u>2019</u>	Original Annual <u>Budget</u>	Amended Annual <u>Budget</u>	Remaining <u>Budget</u>
Revenues:					
Revenue from taxing entities	\$ 0.00	\$ 4,451,232.01	\$4,451,232.00	\$4,451,232.00	\$ (0.01)
Interest on investments	0.00	0.00	150.00	150.00	150.00
Miscellaneous revenue	1,324.60	16,310.25	4,000.00	4,000.00	(12,310.25)
BPP rendition penalty revenue	0.00	8,185.59	10,000.00	10,000.00	1,814.41
	<u>1,324.60</u>	<u>4,475,727.85</u>	<u>4,465,382.00</u>	<u>4,465,382.00</u>	<u>(10,345.85)</u>
Expenditures:					
Current:					
Salaries					
Administration	24,098.78	280,448.51	293,475.00	293,475.00	13,026.49
Appraisal	72,741.74	966,069.30	953,020.00	953,020.00	(13,049.30)
Mapping	20,302.29	252,044.22	267,585.00	267,585.00	15,540.78
Clerical	22,511.68	269,541.35	396,102.00	396,102.00	126,560.65
Auto and phone allowance	9,543.04	129,791.81	137,020.00	137,020.00	7,228.19
Total salaries	<u>149,197.53</u>	<u>1,897,895.19</u>	<u>2,047,202.00</u>	<u>2,047,202.00</u>	<u>149,306.81</u>
Benefits					
FICA tax expense	10,811.66	137,979.54	153,900.00	153,900.00	15,920.46
Health insurance	16,536.39	201,420.80	227,900.00	227,900.00	26,479.20
Disability long term insurance	552.78	6,991.71	6,100.00	6,100.00	(891.71)
Life insurance	721.37	7,963.21	8,600.00	8,600.00	636.79
Longevity	0.00	13,440.00	13,500.00	13,500.00	60.00
Pension	19,355.68	276,882.51	262,200.00	262,200.00	(14,682.51)
Pension UAAL	0.00	0.00	30,100.00	30,100.00	30,100.00
Unemployment compensation	46.21	2,164.05	9,200.00	9,200.00	7,035.95
Workman's compensation	0.00	9,968.18	16,500.00	16,500.00	6,531.82
Health insurance:PB&H- deductible	972.12	20,569.89	33,700.00	33,700.00	13,130.11
Total benefits	<u>48,996.21</u>	<u>677,379.89</u>	<u>761,700.00</u>	<u>761,700.00</u>	<u>84,320.11</u>

See accompanying accountant's compilation report.

McLennan County Appraisal District
General Fund
Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

	1 Month Ended <u>December 31,</u> <u>2019</u>	12 Months Ended <u>December 31,</u> <u>2019</u>	Original Annual <u>Budget</u>	Amended Annual <u>Budget</u>	Remaining <u>Budget</u>
Professional services					
Appraisal review board	0.00	119,180.11	80,000.00	119,200.00	19.89
Appraisal services	10,500.00	35,300.00	30,000.00	30,000.00	(5,300.00)
Audit	0.00	6,850.00	6,500.00	6,850.00	0.00
Board of directors	600.00	1,050.04	1,200.00	1,200.00	149.96
Computer services	93.00	5,182.32	20,000.00	20,000.00	14,817.68
Arbitration	494.00	17,378.00	5,000.00	19,000.00	1,622.00
Payroll service fee	981.25	4,505.10	4,869.00	4,869.00	363.90
Personal property lists	0.00	2,820.00	2,800.00	2,800.00	(20.00)
Shredding service	0.00	266.00	500.00	500.00	234.00
Temp service	0.00	26,534.03	60,000.00	60,000.00	33,465.97
Consulting services: accounting	650.00	8,450.00	11,700.00	11,700.00	3,250.00
Consulting services: Homestead Audit Services	0.00	112,266.00	110,600.00	112,300.00	34.00
Legal services:retainer	1,900.00	20,900.00	24,000.00	24,000.00	3,100.00
Legal services:court cost	6,097.86	100,024.43	300,000.00	155,000.00	54,975.57
Legal services:misc legal services	1,770.00	22,936.50	20,000.00	20,000.00	(2,936.50)
Legal services:ARB legal counsel	0.00	178.58	5,000.00	5,000.00	4,821.42
Total professional services	<u>23,086.11</u>	<u>483,821.11</u>	<u>682,169.00</u>	<u>592,419.00</u>	<u>108,597.89</u>
Office operation					
Dues and memberships	35.00	3,515.14	6,000.00	6,000.00	2,484.86
Insurance	0.00	8,383.90	7,700.00	7,700.00	(683.90)
Legal publications	0.00	7,012.70	8,000.00	8,000.00	987.30
Mileage reimbursement	0.00	278.22	1,000.00	1,000.00	721.78
Small equipment and furniture	0.00	1,254.94	2,000.00	2,000.00	745.06
Small software	0.00	559.95	3,000.00	3,000.00	2,440.05
Subscriptions and books	5,966.40	43,710.23	20,000.00	44,000.00	289.77
Training and education	3,500.00	23,726.55	17,000.00	17,000.00	(6,726.55)
Travel	32.90	11,728.43	15,000.00	15,000.00	3,271.57
Misc expenses	0.00	0.00	1,000.00	1,000.00	1,000.00
Forms and printing:notices	0.00	23,696.47	28,000.00	28,000.00	4,303.53

See accompanying accountant's compilation report.

McLennan County Appraisal District
General Fund
Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

	<u>1 Month</u> <u>Ended</u> <u>December 31,</u> <u>2019</u>	<u>12 Months</u> <u>Ended</u> <u>December 31,</u> <u>2019</u>	<u>Original</u> <u>Annual</u> <u>Budget</u>	<u>Amended</u> <u>Annual</u> <u>Budget</u>	<u>Remaining</u> <u>Budget</u>
Forms and printing:renditions	0.00	7,173.82	7,500.00	7,500.00	326.18
Forms and printing:misc	56.00	2,002.00	5,000.00	5,000.00	2,998.00
Office equipment rental:postage machine	662.81	5,082.43	5,000.00	5,000.00	(82.43)
Office equipment rental:copiers	823.59	9,961.38	10,000.00	10,000.00	38.62
Postage and freight:postage	0.00	76,041.35	95,000.00	95,000.00	18,958.65
Postage and freight:freight	24.25	219.65	1,500.00	1,500.00	1,280.35
Supplies:office supplies	3,158.59	23,315.98	24,000.00	24,000.00	684.02
Utilities:phone and internet	2,314.00	13,251.79	14,000.00	14,000.00	748.21
Utilities:electric	1,778.39	21,065.47	23,000.00	23,000.00	1,934.53
Utilities:water and sewer	238.64	4,137.35	4,000.00	4,000.00	(137.35)
Total office operation	<u>18,590.57</u>	<u>286,117.75</u>	<u>297,700.00</u>	<u>321,700.00</u>	<u>35,582.25</u>
Maintenance					
Building	582.00	16,557.42	10,000.00	16,000.00	(557.42)
Elevator	0.00	20.00	5,000.00	5,000.00	4,980.00
Lawn service	200.00	3,395.00	3,000.00	3,000.00	(395.00)
Computer equipment-hardware	0.00	690.00	6,000.00	6,000.00	5,310.00
Small equipment and furniture	0.00	1,871.00	3,000.00	3,000.00	1,129.00
Janitorial services	1,317.00	15,804.00	20,000.00	20,000.00	4,196.00
Software maintenance:true automation	77,430.56	199,603.30	129,000.00	274,000.00	74,396.70
Software maintenance:software service	715.30	2,567.65	6,000.00	6,000.00	3,432.35
Software maintenance:ESRI	0.00	9,974.25	10,000.00	10,000.00	25.75
Total maintenance	<u>80,244.86</u>	<u>250,482.62</u>	<u>192,000.00</u>	<u>343,000.00</u>	<u>92,517.38</u>
Contingency fund					
General contingency fund	0.00	0.00	100,000.00	14,750.00	14,750.00
Total contingency fund	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>14,750.00</u>	<u>14,750.00</u>

McLennan County Appraisal District
General Fund
Statements of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual

	<u>1 Month</u> <u>Ended</u> <u>December 31,</u> <u>2019</u>	<u>12 Months</u> <u>Ended</u> <u>December 31,</u> <u>2019</u>	<u>Original</u> <u>Annual</u> <u>Budget</u>	<u>Amended</u> <u>Annual</u> <u>Budget</u>	<u>Remaining</u> <u>Budget</u>
Capital Outlay:					
Capital outlay					
Building improvements	0.00	0.00	5,000.00	5,000.00	5,000.00
Small equipment	2,493.78	2,530.52	5,000.00	5,000.00	2,469.48
Large equipment	0.00	47,281.92	50,000.00	50,000.00	2,718.08
Large furniture	0.00	0.00	1,000.00	1,000.00	1,000.00
Aerial photography	0.00	184,714.15	196,000.00	196,000.00	11,285.85
Total capital outlay	<u>2,493.78</u>	<u>234,526.59</u>	<u>257,000.00</u>	<u>257,000.00</u>	<u>22,473.41</u>
Debt service:					
Debt service					
Debt service interest-building	0.00	46,735.63	46,735.00	46,735.00	(0.63)
Debt service principal-building	0.00	80,875.75	80,876.00	80,876.00	0.25
Total debt service	<u>0.00</u>	<u>127,611.38</u>	<u>127,611.00</u>	<u>127,611.00</u>	<u>(0.38)</u>
Total expenditures	<u>322,609.06</u>	<u>3,957,834.53</u>	<u>4,465,382.00</u>	<u>4,465,382.00</u>	<u>507,547.47</u>
Net change in fund balance	<u>(321,284.46)</u>	<u>517,893.32</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 517,893.32</u>
Fund balance at beginning of period	<u>1,955,686.60</u>	<u>1,116,508.82</u>			
Fund balance at end of period	<u>\$ 1,634,402.14</u>	<u>\$ 1,634,402.14</u>			

See accompanying accountant's compilation report.

Summary of Team Consulting Recommendations

Residential Department:

- Reduce number of neighborhoods
- Increase quality control procedures
- Develop and implement written procedures on capturing data during appeals

Commercial Department:

- Continue use of MAI to reduce appeal burden on staff
- Engage consultant to develop cap rates, income models, and assist with procedures
- Reconfirm exempt entities are still appropriate and properly valued
- Evaluate processes to complete valuations timely
- Update and revise cost tables
- Create income models
- Utilize a clerk

Business Personal Property:

- Create video of "How to file rendition"
- Update and revise manuals and public information
- Expand electronic processing of renditions

Mapping:

- Mapping Techs assist Records Techs to until plats are current
- Supervisor should attend GIS/IAAO conference

Sales Data and Ratio Studies:

- Implement time adjustment
- Expand statistical analysis outside of appraisal software if necessary

Annual vs Periodic Assessments:

- Periodic reassessments is not recommended

Appeals:

- Develop electronic appeal tracking system. (Software has it, but lacks visibility)

Public Relations:

- Additional training for customer service to reduce amount of transferred calls.
- Promote online homestead form
- Create emergency management plan with County's EM team
- Revise website

Personnel:

- Update titles and positions more in line with industry standards

Planning:

- Develop strategic 5 year plan

Part I

INTRODUCTION

TEAM Consultants met with the staff of the McLennan County Appraisal District on January 27 – 30, 2020 at the CAD headquarters. TEAM members interviewed the individuals in all the Sections during private confidential interviews with three TEAM consultants. Interviews were held with the Acting Chief Appraiser, Section Supervisors, appraisers, GIS Mapping Tech and many clerical staff persons. Not all staff members were interviewed. The personal property consultant met with the Personal Property Section staff on January 27 and did not participate in the interviews with the other sections.

All interviewees were informed that the interviews were confidential. There are no comments or quotes from any individual in this report in order to respect this confidentiality.

RESIDENTIAL VALUATION SECTION

The CAD consists of approximately 100,000 residential properties and the market has been strong in both the number of sales increasing and the values rising for the last several years. Waco is the hometown of Chip and Joanna Gaines which have become stars due to the popular HGTV show “Fixer Upper”. This has seemed to be the catalyst in the upturn in residential values.

General Comments:

The department may want to consider when listing new construction that staff measure the home the first time on the property and not just flag it for measure later. This would save staff work time and gas and wear and tear on staff’s vehicles.

The CAD has 1,100 residential neighborhoods which is way too many for a jurisdiction of this size.

Consider having staff work the same geographic area year after year. This allows for gaining valuable knowledge about the area which is a significant advantage for the appraisers during appeals. Concerns about appraisers potentially keeping values low in their areas can be eliminated by quality control processes including sales ratio analysis.

Recommendations:

- **A complete analysis and review must be conducted to reduce the number of neighborhoods. This is a large task that could be performed by an outside contractor with assistance from staff to learn the process. Another option could be creating an analyst position to re-delineate the neighborhoods using the CAMA and GIS systems, establish the new land values associated with the neighborhood changes, updating replacement cost new, and develop depreciation schedules and other technical analysis.**
- **Combine neighborhoods with similar homes, and sale prices if neighborhoods could be considered as competing market areas by potential homebuyers.**
- **The CAD does not seem to have a good total quality control process in place. This should be reviewed and then included in the strategic plan and the written processes and procedures.**
- **There should be a written process and procedure for capturing information submitted during appeals and assure that all appropriate data is retained within the CAMA system.**

Issues from CAD:

During the interviews with the Residential Property Section staff a number of issues were discussed that the staff addressed and sought ideas to assist them in solving these issues.

- One theme came up a number of times regarding the CAMA system on Quality Factor of residential housing and the number of choices of the Class. The CAMA system has 8 class choices and then (+, -) for each class, with Average being (4). Staff feels that this is maybe excessive, their thoughts are to do away with the (+, -) factor for each class.
- The staff talked about the Chip and Joanna Gaines from the cable show “*Fixer-Upper*” effect on homes that they have remodeled and sold. The issue seems to be that the current system is not able to obtain the market value of these homes. The problem may be in the Condition Classification within the CAMA system.
- Solar panels installed on real property are exempt from property taxes in accordance with State statutes. The CAD lists and includes the cost to property value in the Cost Approach. The final value exempts that equal value from the

value for taxation. The issue is handling the solar panels in the comparable sales grid.

- There is an issue with residential homes that are privately owned and located on land leased from a private university. Market studies do not indicate a value for the land.
- The Residential section has inherited the residential condominiums for the upcoming year and had questions on how to value the land and common area.

Recommendations:

- **For Quality Factor (+, -) issue test different scenarios then conduct a sales ratio studies for analysis. These scenarios would be:**
 1. **Remove the plus and minus.**
 2. **Remove the plus and move the minus to the next class down.**
 3. **Move the plus one class up and remove minus.**
- **Currently the CAMA system does not have a Very Good (VG) grade for condition. Create a VG condition within the system and move all the Excellent (EX) to VG and build a new model for EX.**
- **For the adjustment for solar panels in the comparable sales grid, conduct a sales ratio studies for analysis to determine if there is a market value for solar panels. If the analysis determines that there is a value that value would then be an adjustment factor.**
- **Residential homes on leased land owned by a university create multi parcels with unique parcel numbers, one each for the individually owned residential homes and another parcel for the land.**
 - **Their needs to a legal review of the issue of the exemption of the university own land for these leased parcels to determine if the land is exempt or taxable in accordance with State Statues and court decisions. The fact the land is owned by a non-taxable university may not mean that land leased to private owners may also be exempt.**
- **Valuation of condominium land a suggestion is to determine a land to building ratio and an average sale price for the complex. Multiply the land percentage by the average sale price to determine a land value. Multiply the determined land value per unit by the number of units to come up with a total land value. Multiply the unit's percent ownership by the total land value to determine land value per unit.**

COMMERCIAL VALUATION SECTION

TEAM members interviewed all the individuals in the Commercial Section during private confidential interviews with three TEAM consultants as perilously described in the methodology section at the beginning of the report. Additionally, discussions were held with Commercial Section appraisers on a one-on-one basis to explore the issues in more depth.

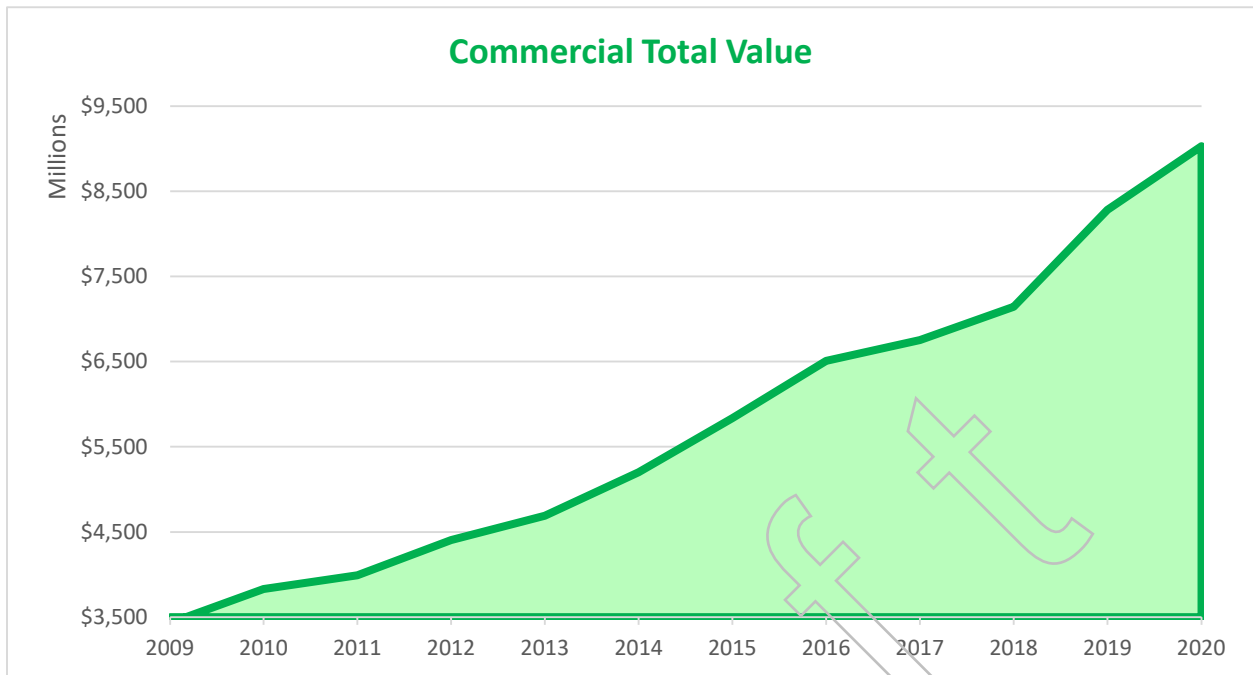
General Comments:

The CAD has engaged the services of a MAI from College Station, Texas for commercial appeals and litigation. They have now signed a contract for this MAI to spend one-week a month working on litigation for the CAD.

At the initial interviews it was very unclear if the income approach to value was used and if so, how it was used. Originally it was stated the CAMA system was not used but an income value calculated in Microsoft ACCESS® and the value entered into the CAMA system. Then there was a discussion about manually calculating within the CAMA system. It was only after considerable questions and demonstrations that the process became clearer. It is our understanding that the valuation methodology used is a series of spreadsheets to store the data, put individual data into CAMA where appropriate and then let the CAMA system calculate an income value. This creates more of a leased fee versus a fee simple value.

There are roughly 14,220 commercial parcels and approximately 10,000 of these are taxable. Starting this year, the Commercial Section has turned over the valuation of residential condos to the Residential Section. The exempt properties are not currently being entered into the CAMA or updated in the CAMA if there is new construction or the existing exempt properties are re-inspected.

The market has been active over the last several years as witnessed by increase in commercial values in the past ten years as shown below.



Consistent comments from the Commercial Section staff complain of insufficient staff, inability to hire qualified staff, the need for a proficient clerical staff member and the lack of support from other departments within the CAD.

Recommendations:

- **Continue to use a MAI for assistance with appraisals and for litigation assistance to lessen the burden on staff.**
- **Outside consultants would also be beneficial to;**
 - **develop capitalization rates,**
 - **build income models,**
 - **review the collection and recording of data,**
 - **assist in writing processes and procedures, etc.**
- **Develop a systematic process to inspect all properties currently listed as exempt to confirm that status is still appropriate.**
- **Reorganization of the office processes and procedures is needed to assure that all valuation notices are sent in a timely manner.**

Cost Approach Comments

The base cost was established in the 1960's and does not include basic items that are typical for commercial property. Example: Data characteristics such as heating and number of fixtures for a hotel must be collected as those items are additions to the base cost. Both a current and local cost multiplier is updated by extracting cost new from limited sales. If the base cost is actually from the 1960's as indicated, the current cost multiplier appears low.

There appears to be a great amount of effort spent on listing items that have little or no contributory value to properties such as carports, canopies, fencing, etc. A further review indicated this was an issue with the current CAMA cost new table which has not been updated in many years and does not reflect today's costs.

The commercial section has planned for years to create a matrix for each property type that would add a base rate per square foot for items such as plumbing, heating/cooling, etc. based upon a quality rating and thus would eliminate the need of collecting those items separately. This task has not been started and there is no indication of completing this task in the future.

Recommendations:

- **Use a nationally recognized cost service such as Marshall Swift® to establish the base cost-rates. This would require that all entries treated as additional cost items that are now in the new base cost must be deleted.**

OR

- **Update the new base cost rates to the current market costs**

OR

- **Create the matrix as discussed above and enter into the CAMA system. This would also require that all entries treated as additional cost items that are now within the matrix, be deleted. We believe this is the least desirable option.**

Income Approach Comments

There are approximately 2,100 of the 10,000 taxable commercial properties valued by the income approach. The commercial supervisor originally stated that they collected data and then entered the data on each property in Excel® spreadsheets, but did not build any income models in CAMA and basically calculated any income values manually. After further questioning and speaking with one staff appraiser, this statement appears to be somewhat inaccurate. The information for each property type is

maintained on spreadsheets. The appraiser enters the necessary information such as rent, vacancy, expenses and capitalization rates for any individual property into the CAMA system for each property. Therefore, the CAMA system is used to generate a value but the necessary data is manually entered. No income models are built in CAMA. Then the CAMA system generates an income value by Direct Capitalization. The income section of the CAMA system is very robust as the system allows the following options for valuation: Direct Capitalization, Schedule, Pro Forma, DCF, Actual and Settled.

There are a very large number of spreadsheets for various property types with income and sales data. All data collected through the appeal process including information from fee appraisals is also entered into the spreadsheet for the property. The spreadsheets are very extensive. Some statistics are calculated such as range of rents and sales, median, etc. For cases going to appeal, they can select the appropriate data and enter that into the CAMA appeal document. This creates somewhat of a boilerplate for the appeal documents. An appeal document for a Sonic fast food restaurant was provided and in our opinion is a very complete and informative document.

There is a spreadsheet that has rents in Texas and highlights the properties that are in the CAD. Data analysis in the spreadsheet for all the rents in Texas shows the following under both Range and Average:

- \$ Rent per Year,
- \$ Rent per Month,
- \$ Rent per Year by Square Foot,
- \$ Rent per Month by Square Foot,
- Lease Date and
- Square Foot.

Only the properties located within the CAD are used in the analysis but these same items analyzed are not shown. they show sales from multiple locations but then stratify to just local. They show the various units of comparison for all of Texas but then fail to stratify the local data

A series of folders in EXCEL are set-up with data to assist in the appeal process and is labeled as "ARB Evidence Com". The folders are by property type and consist of:

Apartment – Multi-Family	Auto Parts Stores
Auto Repair & Quick Lube	Car Washes
Convenience Stores	Dollar Stores
Drug Stores	Fast Food Restaurant
Office MOB Bank Rent	Retail Rent
Theaters Rents	Warehouse/Factory Rents

A spreadsheet titled Equal and Uniform Analysis is used to adjust comparable properties to the subject to assist in the determination of equity.

The CAMA system has a reconciliation page that gives the appraiser the options of: Cost Value, Income Value, Sales Value, ARB Value, Distribute Value and Special Appraisal.

Recommendations:

- **Analysis and create the income model data within the appropriate spreadsheets and enter the models into CAMA.**
- **In the appeal document where the rent analysis is shown, calculate the properties within the CAD that were used in the valuation of the appealed property it would than match the data used to determine and support the value.**
- **Create a complete set of written processes and procedures.**

There are no written processes and procedures in place. A common complaint from staff in this section was a need for a clerk with basic property valuation knowledge to assist with the clerical function, yet history seems to indicate that when additional staff was provided for the Commercial Section, no or little training was conducted for the person hired in order to perform the function in a competent manner.

Recommendations:

- **Create a position for technical assistance. Some possible tasks this position may assist is: help enter data into spreadsheets, conduct research for market data for each approach to value, data entry all new or modified parcels, data enter and proof income and expense models.**
- **Reorganization of the staff with review of staffing, titles, workload, responsibilities and establishing an improved process of setting priorities in relationship to statutory and office deadlines.**

Cadastral Mapping

Cadastral Mapping Section appears to be generally functioning efficiently complying with the current industry standards. The only concern is that they are 6 months behind in entering new plats into the CAMA system. The holdup is in-records processing and not in entering the new plats in the GIS.

Recommendations:

- The holdup problem appears to be with the new software *Just Appraised*.[®] This may be due to a staff learning curve with the new software or the software itself. I would suggest that if possible, the GIS Mapping Techs assist the Records staff on a temporary basis until the plats processing is up to date and the Records staff is sufficiently trained.
- The GIS/Mapping Supervisor should periodically, if not annually, attend the GIS/IAAO Conference. If the Supervisor cannot attend, then one of the GIS Techs should be sent in place of the Supervisor.

Sales Data and Ratio Studies

The CAD currently performs a number of ratio studies. The CAMA system has a number of reports built-in that enable the CAMA to produce reports that meet IAAO standards for ratio studies. The CAMA reports included statistics such as mean, median, weight mean, Coefficient of Dispersion (COD), Standard Deviation and Price Related Differential (PRD).

One valuation analyses function that the CAMA system does not seem to have is the ability to adjust the sales price for time (time-trending). It is believed there is an option in the CAMA system to do this but the CAMA company does not say if it works or not.

The CAMA can produce reports by property type but not by property characteristics such as age, condition, quality, etc. nor can the jurisdiction perform ratio studies by combinations of property characteristics specified by staff on an ad-hoc basis.

The CAMA is not able to produce graphs nor graph the output of the data reports.

Recommendations:

- If the time adjustment function does not work, the data should be moved to EXCEL or other software to analysis and apply as needed.
- The purpose of conducted ratio studies by property characteristics is to examine the values for any bias. These additional studies should be conducted and if not in CAMA, then outside software such as EXCEL.
- The CAD develops a plan that outlines the areas that will be re-inspected on an annual basic to show the Comptroller's Office that all properties are inspected in a three-year cycle. Typically, all properties in a school district are re-inspected in the same year. Sales ratio studies are an important tool to determine if any inequities exist. As equity is of equal footing as market

value in Texas, ratio studies should be conducted to look for and correct any inequities.

- Confidence intervals are a powerful tool and should be considered.
- Calculating the same “sold-unsold properties test that is used by the Comptroller’s Office in advance could be beneficial for any challenge by the CAD of the Comptroller’s study.
- Something as simple as a graph of the median ratio by property type over a number of years could be a powerful public relation tool.

Annual versus Periodic Assessments

The issue of annual versus a three-year periodic assessment was being considered by the CAD. The issue being discussed concerns only revaluing the properties in the year of re-inspection. Texas laws require the CAD to annually value all properties but to re-inspect all properties every three years.

The International Association of Assessing Officers “*Course 402 – Property Tax Policy*” provides the following definitions relating to keeping values current.

Annual Assessment Programs – Annual valuation of all properties.

Periodic Revaluation Programs – “At least every five years with or without interim trending.”

Rolling Revaluation Programs – “Annual trending of un-revalued properties.”

If the CAD chose to only revalue every three years with the inspection cycle, this would result in a periodic revaluation without trending. Trending is adjusting the non-re-inspected properties, by use of ratio studies, to keep those properties at market value. If trending is applied to the non-re-inspected properties, it is the same result as annual market valuation.

Although some property owners may initially believe that every three years is good tax policy potentially keeping their tax payments from raising every year, however, they will change their beliefs as market conditions change and they potentially see a large increase in one-year, the third year of the cycle. There really are no positive results from revaluing every three years, just negative results. Therefore, what follows are the negative results.

Increasing Market:

- The value is changed annually to reflect the market. The property owner may not like the annual increases but assessment history shows they would like the large increase every three years even less. The typical comment is, “why couldn’t they have not done this a little at a time.” Thus, the property owner is requesting an annual valuation.
- If the two-thirds of the CAD values are not trended, great inequities in similar property values will occur. There could be two properties exactly alike across the road from each other but in different school districts and thus different re-inspection cycles. One property would be increased to reflect the market and the other equally valued property would not have a value change for potentially two more years.
- The largest problem for the CAD would be failing the state ratio study and thus having a major effect on school funding.

Decreasing Market:

- If the market is decreasing and no trending occurs, the property owners would be upset because they are over-valued and it will be one or two more years before their property is re-inspected and thus revalued.
- Just as in an increasing market, value inequities will occur.
- The largest problem again for the CAD would be failing the state ratio study and thus having a major effect on school funding.

There is no upside for the CAD to go away from annual market value appraisals.

Personal Property Review

Within the Personal Property Valuation Section there is a chain of command in place to verify values and review all work. The rate of renditions filed by personal property owners is 80% which is a good rate of return.

The Section is organized on a geographic basis, that is appraisers are assigned a set geographic area that does not change from year to year. The appraisers are very knowledgeable regarding the geographic areas that they are assigned thus allowing for a historical view perspective of properties located in their areas.

Sending the appraisers for field work in pairs seems to function effectively accomplishing the field work faster and more accurately. The personal property appraisers are responsible for renditions and appeals from the geographic area that they field reviewed. This procedure seems to work effectively in the CAD. This is a standard practice in many districts in the State of Texas and other jurisdictions in the United States.

The CAD annually holds a seminar for the public regarding the state requirement for filing of renditions. Staff works with the public instructing on how-to file a rendition. This process has generated tremendous feedback as positive customer service. As the county grows that may become increasingly difficult to hold these seminars as the number of persons attending may become too large a group for an interactive session.

Over all the Business Personal Property Section is operating correctly by state law and IAAO standards. The processes in place assure accurate valuations and detailed data. The CAMA system allows for overlap of data and automation of value calculations. All this monitored by staff through edits. With 11,000 Business Personal Property accounts these policies seem to be working well, but if the county continues to grow at its current fast pace the policies that are working now will need to be reviewed and very possibly changed. Need to keep an eye on the future and begin planning for it.

Recommendations:

- **Creation of a video for “How-to File a Rendition” that would be accessible on the website.**
- **Continue to update the cost tables and date the version of the table.**
- **The manual needs to be updated with a more current depreciation table. It currently states 2018.**
- **The manual needs to have page numbers to make is easier for the public to follow.**
- **Review the definition for Intangible personal property. This should be defined as corporate stocks, bonds, money on deposit, goodwill, patents, trademarks, and franchises. The levels of trade are not considered intangible. Level of trade is personal property at the level at which it is found. Ex: manufacturing level, wholesale level, and retail level (raw materials, goods in process, finished goods).**
- **Update references from telephone books and add internet, Facebook, etc. as telephone books are rarely utilized anymore for discovery purposes**
- **There is some references to the state tax code, but those references should be expanded.**

- There is a section listing entities being worked by appraiser's A/B and C/D; need to put a date on these pages so anyone reading will know how current those assignments are. By putting a date this will also assist management in creating a timeline for reviewing assignments.
- Place a date on the SIC list that will indicate the date of the latest update.
- On the title page of the manual needs to be dated and additional dates added as the manual is amended/updated.
- Monitor account growth in future years and begin a planning process for handling an increase in accounts.
- Develop and implement on-line process that will allow CAD's bar-coded renditions along with nonbar coded renditions be filed electronically. Several districts have already implemented a process and should be able to give guidance.

Appeals

Recommendations:

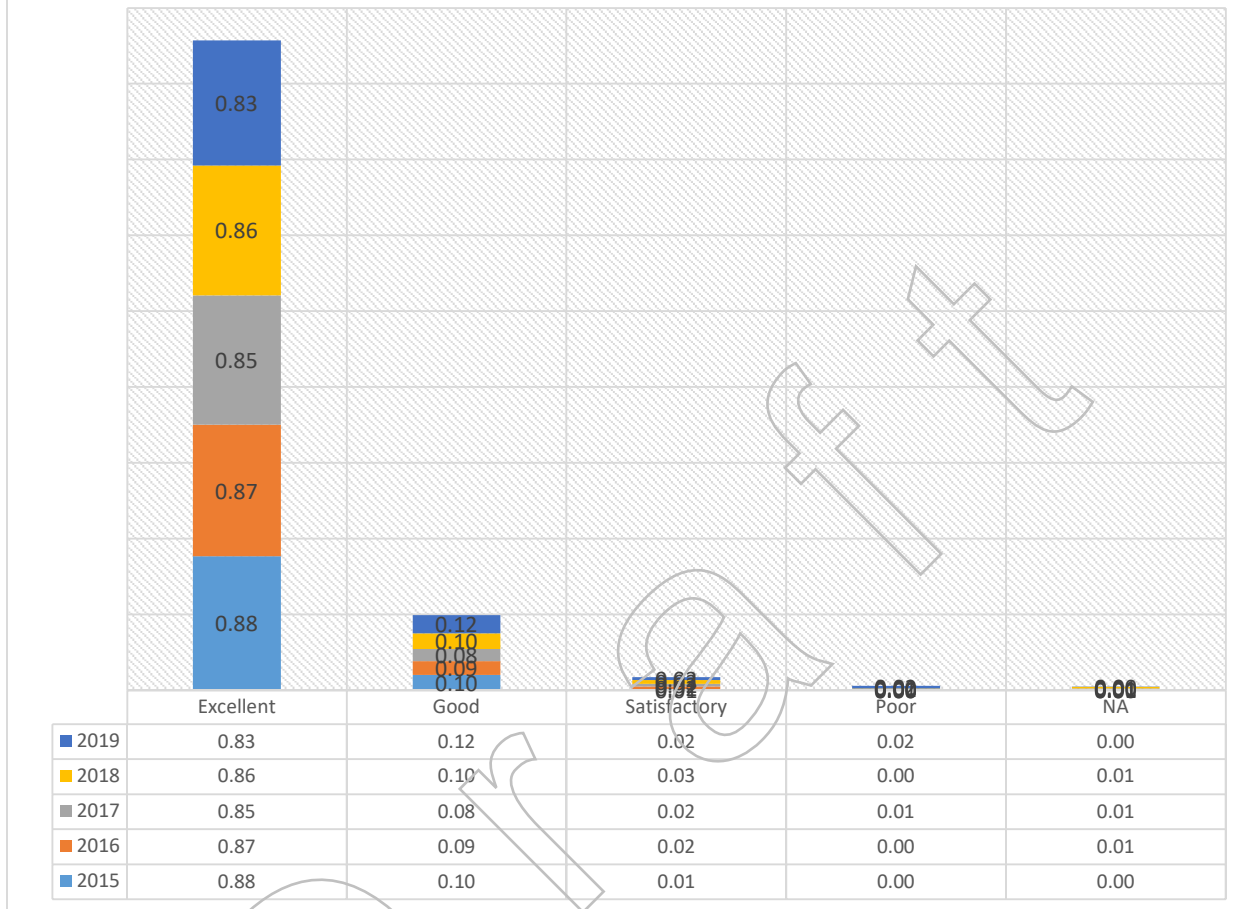
- The CAD should develop an electronic appeal tracking system, whether as an add-on to the existing CAMA system or as a supplement. The system should track the appeal for each year for each possible level of appeal on a per parcel basis. This would allow for staff to inquire on a parcel and see the any current and historical appeal information.

Public Relations Programs

The CAD has a Customer Service Section that handles public and taxpayer information requests, exemption filings and other general inquires. The Customer Service has a customer satisfaction survey that is given to the public when they come into the CAD office. It is also available on line.

The results of the customer survey for the years 2015 to 2019 is in the chart show below. The results to the question of rating the satisfaction with the "level of service you received" are an overwhelming high (excellent).

Customer Satisfaction Survey Results 2015 to 2019



There is a Taxpayer Liaison Officer that handles ARB hearing coordination and outreach programs and process sales questionnaire that are sent to both the seller and buyer of residential properties, approximately 8,000 to 10,000 questionnaires per year.

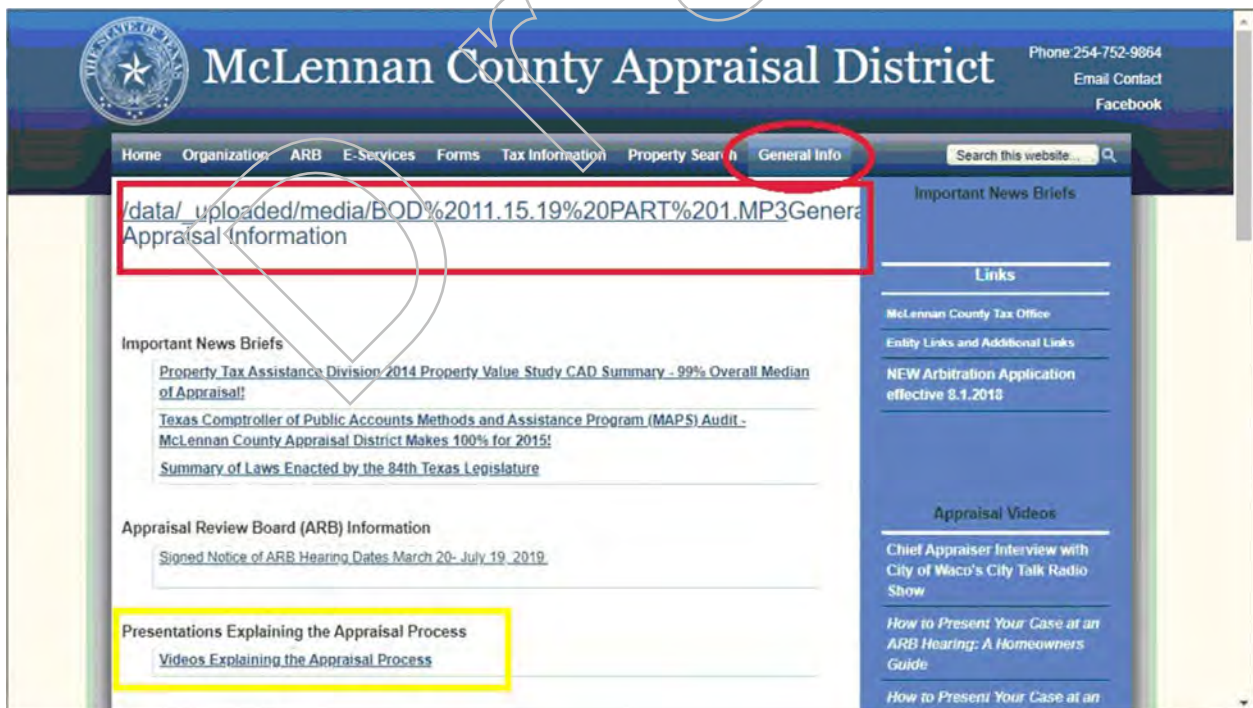
The CAD has an excellent website with considerable information available to taxpayers and the public. There are on-line forms for filing appeals, downloading parcel information and uploading documents for Appeal Review Board (ARB) hearings. There are a few areas on the website that should be reviewed or changed.

Recommendations:

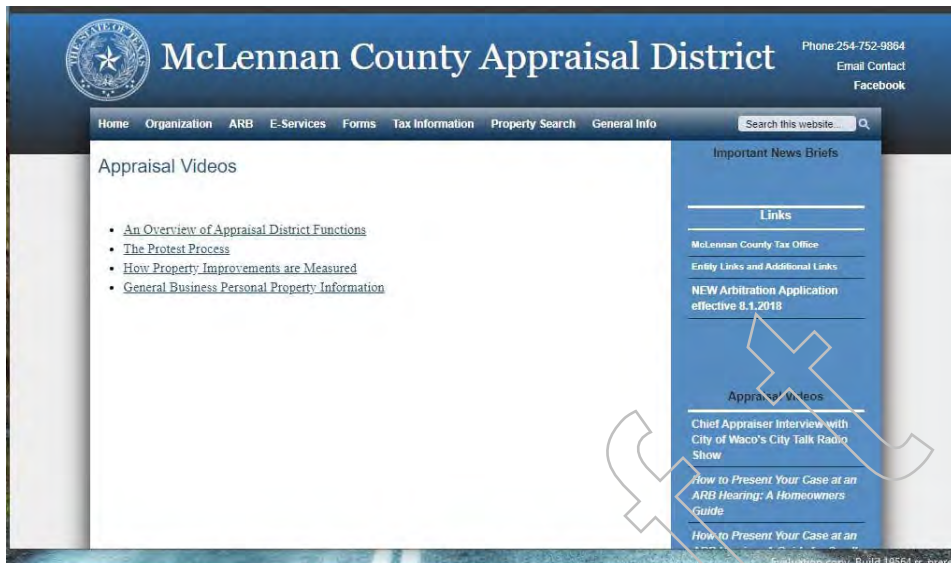
- **Additional written documentation for customer support staff in the areas of handling taxpayer inquires. Often the staff handling telephone inquiries forward the caller to the appraisal section rather than assisting the caller**

with basic information or directing the caller to the CAD website where much of the information is available.

- The on-line Homestead exemption form should be promoted by the customer service representative for those persons that are comfortable using online forms.
- The CAD should create an emergency plan with County Emergency Management for supporting the County's EM Team. The plan should include contacts, phone numbers and personal assistance assignments.
- Website recommendations:
 - A link to the GIS maps should be available on all pages of the website such as in the 'blue space' on the right-hand side of the website and not just under the "Property Search" dropdown.
 - The 'Property Search' label on the top header of the website should have two drop down choices – 'Parcel Search' and 'Map Search' rather than the current one dropdown and the ability of click on 'Property Search' to go to the parcel search page.
 - When click on the 'General Info' label on the top header of the website brings the user to the following. The link at the top (boxed in red) brings up an audio file that is not clear.



The link 'Video Explaining the Appraisal Process' (circled in yellow in the screenshot above) brings the user to the following page.



Clicking on the first two links brings the user to "Comptroller, Texas.gov website with information concerning the subject. Clicking on the last two links brings the user to McLennan CAD manuals. These links are not a problem but are mislabeled and a bit misleading to the users. The links need to be renamed or if there are videos for these topic areas then the links need to be fixed.

Personnel

The Scope of Work for this report did not include a review or a request for recommendations of staffing of the CAD. A separate study is being conducted by Strategic Government Resources to review Human Resources of the CAD. This report therefore does not address Human Resource issues. However, after reviewing the Organization Chart and reviewing the current staffing there is two recommendations. Included in Appendix A of the report is an updated current organization chart that reflects the status of the organization with individuals currently in those positions. There is also a proposed reorganization chart incorporating the recommendations listed below.

Recommendations:

- **The position of "Director of Appraisal" should be eliminated. Currently the individual that is in this position is also the "Commercial Supervisor". In actual practice currently in the CAD is the appraisal section supervisors report to the "Acting Chief Appraiser". The Acting Chief Appraiser position should return to an Assistant Chief Appraiser after the Chief Appraiser**

position is filled and this individual would coordinate the appraisal divisions.

- **The nomenclatures of “Appraiser” and “Staff Appraiser” are not common in the assessment industry. A more functional nomenclature would be Appraiser I, Appraiser II, Appraiser III and possibly an Appraiser IV. This system would change the current “Appraiser” to “Appraiser I” and “Staff Appraiser” to “Appraiser II” leaving the level III and IV positions for the future needs of appraisers with higher skill levels. The positions could be linked to levels of certification at the state and national levels.**

Planning

The CAD does not currently conduct a formal planning process. The CAD should begin the process of developing a strategic plan for the CAD. This would be conducted by CAD Board and senior executives, with emphasis placed on determining the organization mission, vision and overarching strategy. Strategic planning is also an ongoing process, where management continuously reviews and appropriates resources to initiatives that need to be prioritized. Long term planning is about setting the process by which the strategic plan will be achieved. It's about aligning your project to fit in with your strategic goals and coordinating departments so that they're in sync and ready to hit the organizations' targets. In contrast to Strategic planning, Long term planning is normally given a timeframe, often over five years depending on the strategic objective it is trying to accomplish.

Above all, strategic planning is about defining policy and a mission statement that the organization wants accomplish and to promote, like customer service for example. Strategic Planning is about allocating resources to meet these demands. Both strategies are imperative, and both aid growth and profitability, so it's important that organizations get them right.

Many organizations begin the process by conducting a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and so a SWOT analysis is a technique for assessing these four aspects of the CAD. A simple template is shown in Appendix B. The first SWOT session might be held with senior management and the Board. Many organizations find the using an outside moderator who has conducted SWOT sessions is extremely important in guiding the group in the process and keeping the group focused and on tract. The local university might be a source for an individual

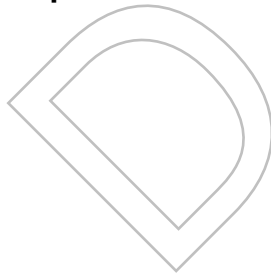
with SWOT experience and the university may even donate the staff person's time as a public service to a local government agency.

Following the first SWOT session additional session should be held with all staff as "bottom up" input is critical to a successful strategic plan and goal setting for the organization. A "top down" plan will not succeed in accomplishing buy-in from the staff.

These processes will take a period of time to put in place and do require a major commitment of time and energy of both the Board and senior management however, all organization whether public or private to be successful must have a stated clear mission and strategic plans to set the goals of the organization.

Recommendations:

- **Start the strategic planning process.**
- **Conduct a SWOT analysis by senior management**
- **Conduct additional session(s) with all staff**
- **Develop:**
 - **Mission statement**
 - **Vision statement**
 - **Strategic Plan**
 - **Long Term Goals**
 - **Operational Goals for the CAD**
 - **Operational Goals for the sections**



PART II

Chapter 1: Environment

1. **What distinguishes the jurisdiction by geography, economy and market situation?**

This and most of the following questions in Chapter 1 are descriptions and checklists of the jurisdiction, state legal process tax policy environment that the jurisdiction operates. These are not pass/fail questions but narrative descriptions.

2. **What are the functions of the assessment agency, and what assessment-related functions (if any) are carried out by other agencies?**

Descriptive information.

3. **Does the law contain features conducive to current-market-value assessment?**

Descriptive information.

4. **Does the law contain features detrimental to current-market-value assessment?**

Descriptive information.

5. **Does the property tax system have measure that ensure that the jurisdiction has the capacity to perform its assessment functions effectively?**

Descriptive information.

Chapter 2: Management and Staffing

1. **Does the jurisdiction keep abreast of changes in laws, regulations and court decisions?**

Yes. The CAD receives information from state organization such as Texas Association of Appraisal Districts (TAAD). ***In compliance.***

2. **Does the jurisdiction regularly monitor the local economy, development patterns and property market trends?**

Yes. ***In compliance.***

3. **Does the jurisdiction engage in formal planning?**

No. There is no formal planning process that takes place in the CAD. The Sections have operational plans for each appraisal year. ***Not in compliance.***

4. **Has the jurisdiction prepared a written estimate of necessary human resources?**
No. However the CAD has engaged a firm to review human resource needs and salary levels and competitiveness. ***Not in compliance.***
5. **Has the jurisdiction prepared an estimate of necessary physical resources?**
Yes. ***In compliance.***
6. **Does the budgeting process employed by the jurisdiction explicitly consider outputs, in addition to inputs so that the prospects of obtaining adequate funding are improved?**
Yes. In compliance.
7. **Is the jurisdiction well organized?**
Yes. ***In compliance.***
8. **Is the staff well managed?**
Yes. In compliance.
9. **Do the members of the staff have the right set of skills and experience?**
Maybe. ***In compliance.***
10. **Are salaries and benefits competitive?**
Maybe. As stated above in Question #4 the CAD has engaged a firm to review human resource needs and salary levels and competitiveness. Should be in compliance if the recommendations of the report are implemented.
11. **Are skills in procurement and contract management sufficient?**
Yes. ***In compliance.***
12. **Are exemption and other property tax reduction measure well managed?**
Exemption for individuals are well managed but exemptions to properties based on their use and or ownership. such as religious, charitable etc., are not well managed or valued. ***Not in compliance.***
13. **Is the quality assurance program of the jurisdiction adequate?**
Yes. In compliance.

Chapter 3: Information Technology

1. **Does a modern database management system with its expected services and interfaces underline the assessment system?**
Yes. The CAD uses Harris Govern PACS Appraisal CAMA system. ***In compliance.***

2. **Does the database improve quality and minimize potentially inconsistent redundancies?**
Yes. *In compliance.*
3. **Does the database enable added functionality?**
Yes. *In compliance.*
4. **Do the database tools provide for modern support for temporal and spatial variables?**
Yes. *In compliance*
5. **Does the database provide support for parcel aggregates and sub-parcel records?**
Yes. *In compliance*
6. **Does the valuation software allow for flexibility and adaptation?**
Yes. *In compliance.*
7. **Does the valuation modeling software produce results capable of being timely applied?**
Yes. *In compliance.*
8. **Can the valuation software produce data on the confidence of its estimates?**
No, the CAMA system does not produce point estimates produced by models are typically more or less accurate within a given range, which may be termed a confidence interval, *Not in compliance.*
9. **Does the valuation modeling software support its estimate of parcel's value with a small set of comparable properties, sold or unsold, that have had their estimates adjusted to reflect how they would compare to the subject property after adjusting for the differences between them?**
No. The CAMA system does not have this capability *Not in compliance.*
10. **Can the valuation software permit the implementation of analyses not contemplated by the original design, either by customizing reserved variables and processes in the core DBMS, by facilitating third party interfaces, or both?**
Yes. *In compliance.*
11. **Can the system take advantage of the benefits of integrated CAMA/geographic information technology?**
Yes. *In compliance.*

12. Does the system provide advanced workflow processing and management, including those relevant for appeals document at the various required levels?

No. The CAMA system does not have this capability Appeal workflow systems are done outside of the CAMA system. ***Not in compliance.***

13. Does the system provide advanced document management?

Yes. It has the ability to attach documents to a parcel record such as appeal filings. The system is also used for FOI (Freedom of Information) request tracking. ***In compliance.***

14. Does the agency keep abreast of potentially relevant technological developments?

Yes. CAMA staff attends Harris Govern True Automation users meeting and learning sessions, TAAD meetings, IAAO Conference. ***In compliance.***

15. Does the computer system maintain a frozen record of the property at the time of sale?

Yes. ***In compliance.***

Chapter 4: Cadastral Mapping

Chapter 4 of the CEAA (Certificate of Excellence in Assessment Administration) from the IAAO (International Association of Assessing Officers) is titled Cadastral Mapping. Based upon this review, the CAD currently would not pass this chapter until all plats are updated in PACS.

1. Do the cadastral maps enable the jurisdiction to have reasonable assurance that all taxable parcels have been identified and no parcels have escaped inclusion in the system?

Yes. ***In compliance.***

2. Do the cadastral maps provide the basic information specified in the IAAO standard?

Yes. ***In compliance.***

3. Does the jurisdiction maintain a complete set of cadastral maps showing the identity, size, shape, and location of each parcel in the jurisdiction as of each assessment date that remains subject to ongoing litigation?

Yes. ***In compliance.***

4. Are maps and related records maintained on a timely basis?

No, ***Not in compliance.*** Currently 6 months in arrears in PACS.

5. **Are all parcels assigned a unique identifier that is associated with its current configuration and size?**
Yes. *In compliance.* 15-digit Parcel Identifier.
6. **Do cadastral maps include representations of improvements as well as the legal boundaries of the parcels?**
No, *Not in compliance.* Building footprint layer are not included in the cadastral maps.
7. **Are maps spatially references and capable of meeting national map accuracy standards or IAAO standards, including those cited by reference, such as the American Society for Photogrammetry and Remote Sensing (ASPRS) standards? Do they meet the standards when plotted at the scales cited in the IAAO standard?**
Yes. *In compliance.*
8. **Are maps (or a geographic information system) capable of significantly enhancing the mass appraisal system?**
Yes. *In compliance.*
9. **Does the GIS or mapping system display and support valuation areas and identifiers?**
Yes. *In compliance.*
10. **Can market areas and neighborhoods be updated with GIS?**
Yes. *In compliance.*
11. **Does the jurisdiction perform advanced spatial analyses possible only with a GIS?**
Yes. *In compliance.*

Chapter 5: Property Use Codes, Market Areas, and Neighborhoods

1. **Does the jurisdiction employ a logical property type classification scheme?**
Yes, through the CAMA system. *In compliance.*
2. **Does the CAMA system provide for mixed use properties?**
Yes. *In compliance.*
3. **Has the jurisdiction developed separate geographic areas and location identifiers for each major property type?**
Yes. *In compliance.*

4. Do appraisers determine geographic areas used for valuation purposes?

Appraisal managers do but not individual appraiser. *In partial compliance.*

5. Are geographic areas sufficiently large to afford adequate market data for analysis?

No. A generated report showed the following: There is approximately 1,100 neighborhoods (NBHD's) currently used in the CAD. There are 91 NBHD's with less than 10 parcels and with 14 NBHD's with only one parcel. *Not in compliance.*

6. Does the jurisdiction validate the assignment of property use codes and geographic identifiers?

Yes. *In compliance.*

Chapter 6: Property Data Collection and Maintenance

1. Do computer records contain information on current property use, highest and best use, and indicators of legal uses, such as zoning

The records typically show the current use of the property. If the property is residential and qualifies for a homestead exemption, the CAD is required to appraise at the current use. On commercial properties the zoning is used for determining highest and best use.

In partial compliance. The partially exempt properties are not completely listed.

2. Does the jurisdiction have documented rationale for the data it collects, including its decisions on interior vs. exterior inspections and the frequency of each type of inspection?

In partial compliance. As in most mass appraisal situations the majority of the properties, especially for residential, is exterior only. No documentation for the rationale currently exists. All interior and exterior data is collected for use in the current CAMA system.

3. Does the jurisdiction maintain computerized data on land attributes important in the local market?

Yes. *In compliance.*

4. Does the jurisdiction physically inspect properties at least every four to six years?

Yes. *In compliance.* The state requires that all property be physically inspected every three years. This inspection is a combination of on-site and use of change

detection via oblique imagery aerial photographs A query run in the CAMA system by the CAD indicated there may be under five parcels that have been missed.

5. Does the jurisdiction regularly obtain copies of building permits, occupancy permits, or both, and does it conduct physical inspections of affected properties?

In partial compliance. Permits are received and a process is in place for inspections on the residential side. Commercial has been struggling to timely measure and list new construction. The valuation date is January 1 and any incomplete structures are shown as a partial completion by the Residential Section. We do not know how Commercial Section processes structures that are incomplete on the assessment date or how follow-up for the next assessment date is tracked as the CAD does not use any occupancy permits as it does not affect the valuation process.

6. Is the residential property record card designed to facilitate collection and review, and is it supported by a data-coding manual and training program?

Yes. ***In compliance.***

7. Does the office use mobile electronic devices for field data collection?

Will be in compliance after the devices are in use. Mobile field collection devices have been purchased and it is anticipated at least August of 2020 before any training will occur.

8. Does the assessment office have computerized edits that include both range and consistency checks?

Yes, ***In compliance.*** The CAMA system is used by a large number of appraisal jurisdictions in Texas and the United States. CAD's in Texas have some flexibility in modifying CAMA and therefore no canned queries are within CAMA. The CAD runs a series of queries throughout the year and uses ACCESS to conduct the analysis and quality control.

9. Are property data collected or at least reviewed by experienced appraisers?

Yes. ***In compliance.***

10. Does the jurisdiction have explicit data accuracy standards?

Yes. ***In compliance.*** There are standards within the appraisal manual and the exact verbiage follows:

Structures are measured to the nearest foot using exterior dimensions for the ground floor in accordance with IAAO Standard on Mass Appraisal of Real Property:

- 3.3.2.4 Data Accuracy Standards• The following standards of accuracy for data collection are recommended.

- Continuous or area measurement data, such as living area and exterior wall height, should be accurate within one foot (rounded to the nearest foot) of the true dimensions or within 5% of the area.

Residential appraisers work Schools Districts in the reappraisal plan by neighborhoods. As an appraiser completes an assigned School District, they document the date finished on the project board. When the neighborhoods are finished, each one is put through a series of queries to define whether they have followed code sheets and directions to reappraise properties. Any problem or miscoding is returned to each appraiser for correction. After corrections the queries are re-run to ensure that all corrections were completed.

The goal of these queries is to achieve no less than a 95% rate of accuracy on objective data and 90% for subjective data. The queries are divided into two groups, appraiser run and supervisor run queries. Supervisors run both sets of queries to double check.

11. Does the jurisdiction have a data quality control program?

In partial compliance. There are quality control programs in place for the residential section but the impression was no quality control for commercial, GIS, personal property, etc.

12. Does the jurisdiction avail itself of valuable third-party data sources?

Yes, *In compliance* As Texas is a non-disclosure state, the CAD uses more outside sources than typical appraisal jurisdictions.

13. Does the jurisdiction obtain and make appropriate use of electronic photographs?

Yes, *In compliance.* A three-year contract for new street-view images has just been completed. The CAD uses oblique photography for desktop review of property changes.

14. Does the jurisdiction capture property data available from marketing materials or blueprints?

Yes. *In compliance.*

15. Does the jurisdiction capture information submitted during appeals?

In partial compliance. Commercial appears to be doing this but it is hit and miss within the residential section. However, all data to be presented by the property

owner or their representative at the ARB (Appraisal Review Board) is scanned by the CAD staff prior to the hearing.

Chapter 7: Sales Data and Ratio Studies

1. Are all transfers of property (sales) uniquely identified and captured?

Yes. ***In compliance.***

2. Are real estate sales properly screened and appropriate adjustments made?

Yes. ***In compliance.***

3. Are sales used in valuation analyses and ratio studies adjusted to the valuation date (time-trended)?

No. ***Not in compliance*** It is believed there is an option in the CAMA system to do this but the CAMA company does not say if it works or not.

4. Are ratio studies conducted at timely intervals during the valuation process?

Yes, ***In compliance.*** As required by the State Comptroller which is the state oversight agency.

5. Does the jurisdiction conduct ratio studies by property groups and subgroups?

Yes ***In partial compliance***, by property type as required by the Comptroller's Office but not by property characteristics such as age, condition, quality, etc.

6. Does the jurisdiction use ratio studies as a tool for planning both reappraisals and staff needs?

No. ***Not in compliance.***

7. Can the jurisdiction perform ratio studies by combinations of property characteristics specified by staff on an ad-hoc basis?

No. ***Not in compliance.***

8. Does the statistical program used to produce the ratio study compute the IAAO standard measures of level (median, mean, weighted mean ratio), horizontal uniformity [coefficient of dispersion (COD)], and vertical uniformity [price-related differential (PRD) and coefficient of price-related bias (PRB)]?

In partial compliance All except the PRB which is not required or considered by the Comptroller's Office.

9. Does the jurisdiction compute confidence intervals for the statistics it computes as described in section 8 above?

No. **Not in compliance.**

10. Does the jurisdiction compute additional study-validating measures for the statistics it computes as described in section 8 above?

No. **Not in compliance.** The Guide states the jurisdiction should use and describe any tests that are used to address side issues, such as the normality of the data, the representativeness of the sample, or other considerations.

11. Does the jurisdiction test that sold and unsold properties have been appraised similarly (to ensure sample representativeness)?

Not in compliance however the jurisdiction can make an argument that this a Jurisdictional Exception¹. This test is conducted by the Comptroller's Office

12. Do the ratio studies include appropriate graphics?

No. **Not in compliance.**

13. Do the jurisdiction's ratio studies compare favorably with any the oversight agency may conduct, possibly an appraisal-rather than sales ratio study?

Yes. **In compliance.**

Chapter 8 Land Valuation

Based upon this review, the CAD currently would not pass this chapter. In order to pass the chapter, the CAD needs to update size adjustments based on market analysis and develop adjustment factors for relevant features based on market analysis for square foot tables.

1. Is the land valuation process clearly documented?

Yes. **In compliance.** Land valuation process is documented and can be found on website.

2. Is all land assigned an appropriate unit of comparison?

Yes. **In compliance.** Lots are in square foot up to 2 acres. Duplexes are on a site value and rural land uses acre tables.

¹ CEAA [Statement on Jurisdictional Exceptions](#), IAAO, November 2017

3. **Aside from areas with few sales, is land valuation based primarily on the sales comparison approach, using either a standard unit or base lot method?**

Yes, **In compliance.** square foot countywide, acre in the rural area by ISD.

4. **Are size adjustments regularly developed based on market analysis?**

No, **Not in compliance.** No information on when they were last updated.

5. **Are adjustment factors regularly developed for relevant features based on market analysis?**

Yes, **In compliance.**, Adjustment factors developed on acres and no on square feet.

6. **Does land valuation employ spreadsheet or statistical software?**

Yes, **In compliance.** Spreadsheet software

7. **Does land valuation employ computerized mapping or GIS software?**

Yes, **In compliance.** Software used is Appraiser GIS.

8. **When current year sales are insufficient for reliable analysis, does the office supplement them with prior sales and/or employ supplemental land valuation methods?**

Yes, **In compliance.**

9. **Are land valuation tables or models regularly updated?**

Yes, **In compliance.** Updated yearly.

10. **Are sales ratio studies regularly conducted for vacant land?**

Yes, **In compliance.** Conducted four times per year.

11. **Is agricultural and time land appraised in compliance with legal requirements using appropriate methods and techniques?**

Yes, **In compliance.**

12. **Are mineral properties appraised in compliance with statutory requirements using appropriate methods and techniques?**

Yes, **In compliance.** There are no minerals within the jurisdiction.

Chapter 9 Residential Valuation

Based upon this review, the CAD currently would not pass this chapter. In order to pass the chapter, the CAD needs do an update of their depreciation schedules and reduce the number of neighborhoods.

1. Is primary reliance placed on the sales comparison approach in the appraisal of single-family homes, condominiums, and townhomes?

Yes, *In compliance*. Sales comparison is the primary reliance for SF, Condos and Townhomes.

2. Are sales used in residential valuation adjusted to the valuation date?

No, *Not in compliance*. There is not enough data available to support a time adjustment. Based upon discussions, it appears the CAMA system will not calculate or apply a time adjustment for market conditions.

3. Are residential valuation models, equations, and tables recalibrated each revaluation year?

Yes, *In compliance*. Models, equations and tables are recalibrated each year.

4. Are single-family residential neighborhoods adequate in size?

No, *Not in compliance*. There are too many neighborhoods for the size of the CAD.

5. Do residential sales comparison models include those property characteristics that contribute significantly to value?

Yes, *In compliance*. SFLA (Square Foot of Living Area), Age, Condition, Quality, Bathrooms, Garages and Porches are in the sales comparison model. For the CEAA application the characteristics listed in the Guide must be addressed individually to show if they contribute to value.

6. How are atypical homes valued?

Yes, *In compliance*. They are made to fit a schedule. Some examples are tiny houses and storage containers.

7. How are homes subject to flooding, tornadoes, hurricanes, contamination, or other external obsolescence issues valued?

Yes, *In compliance*. Economic adjustments are made subject to a Governor's declaration of disaster.

8. How are condominiums and townhomes valued?

Yes, *In compliance.* Townhomes are valued like by dollars per square foot (\$/SF) and this will be first year that condominiums will be also valued by dollars per square foot.

9. Are condominium and townhome neighborhoods adequate in size?

Yes, *In compliance.*

10. Are appropriate procedures in place for the valuation of mobile/manufactured homes?

Yes, *In compliance.* They have their own schedules.

11. Are appropriate procedures in place for the valuation of cottage and recreation properties?

Yes, *In compliance.* They have their own schedules.

12. Do construction costs manuals reflect the local market?

Yes, *In compliance.*

13. Are depreciation schedules market-derived?

No, *Not in compliance.* The depreciation schedules have not been touched recalibrated for years.

14. Are cost values reconciled to the market?

Yes, *In compliance.*

15. Are values checked for accuracy, uniformity, and compliance with IAAO ratio study standards?

Yes, *In compliance.* The CAD's standards exceed the standards recommended by IAAO.

16. When multiple approaches are used, how are values reconciled?

Yes, *In compliance.* Typically, at market value at highest and best use.

Chapter 10 Commercial Valuation

Upon reviewing the current practice and procedures of the Commercial Valuation Section, the CAD currently would not receive a passing score for this chapter. In order to receive a passing score for this chapter, the CAD needs to use all the data stored in the spreadsheets, analyze the data and use it to build models in the CAMA system. This would avoid the need to manually use the income approach valuation system in CAMA one-parcel at a time as needed.

Chapter 11 Personal Property Assessment

1. What personal property is assessable in the jurisdiction?

The CAD follows the Texas Property Tax Code in assessing all property that is not classified as real property. The CAD has processes for several different types of property that are assessed in the jurisdiction and their processes covered all types of properties such as: inventory, fixed assets, vehicles, heavy equipment. ***In compliance.***

2. Is a thorough personal property discovery program in place?

Yes. The CAD relies more on social media than phone books and newspapers. They utilize Facebook and the internet to follow new business's, out of business notices, bankruptcies, etc. This is supplemented by publications and various reports/permits from business organization and tax units. ***In compliance.***

3. How is personal property appraised?

They have a thorough manual with details on how to find, how to value, how to enter into the CAMA. This document covers new employee introduction, discovery, valuation, field work, supplementing, deleting, and valuation of specialty properties. ***In compliance.***

4. Is personal property valuation automated?

Yes, using a personal property valuation module integrated with the CAMA system It is well established and is updated continuously by Harris Govern the CAMA vendor. This system automates all valuation processes, appeals processes, and supplemental process. ***In compliance.***

5. Are the real and personal property systems linked to each other?

All personal property accounts have a property identification number (PID) for the corresponding real-estate account and are linked. There is dual communication

between the Business Personal Property (BPP) Section and the Commercial Section regarding new commercial construction so that each has the information needed to create accounts and link properly. ***In compliance.***

6. Does the jurisdiction provide taxpayers with required reporting forms each year?

Each year reporting documents (renditions) are mailed to all new and existing BPP accounts. Also the CAD's website has online forms in two sections of the website "Rendition Forms - Personal Property and Real Property" and "Special Inventory - Applications, Declaration Forms and Statement Forms" [See Personal Property online forms](#)

Yes, *In compliance.* The BPP Section also sends out invitations to a workshop given every year where property owners and accountants or others that file the renditions on behalf of their client taxpayers, can learn about the renditions and receive help in filling out the required forms. They also send out letters/forms as required by state law for specific properties. For example: warehouse, airplane, abatement, Freeport (inventory shipped into state for processing to be shipped out in limited number of days) and VIT (Vehicle Inventory Tax)..

7. Has the jurisdiction taken steps to facilitate reporting by taxpayers?

Yes, *In compliance.* As stated above they fully incorporate the public in the sessions regarding the filing of renditions. They post the depreciation tables each year so business' can fill out their forms completely if desired. In Texas a rendition is considered confidential so in order to see the prior year rendition the property owner has to request a copy. The CAD processes these requests in a timely manner.

8. Does the jurisdiction take remedial action when a taxpayer fails to respond?

Yes, *In compliance.* If a rendition comes back with a declared value lower than the prior year or lower than the field review indicated, the CAD does not have to accept the rendition. Per Texas Tax Code the CAD sends notification to the owner requesting further information to justify the value difference. They also will apply the penalty for not filing a rendition as described in the tax code. They make note on the record to conduct a more detailed physical inspection the following year. At that time there may be a need to revalue and that is also documented in their BPP manual.

9. **Are personal property returns retained in a central repository?**

Yes, *In compliance.* Renditions are kept the required time as stated by the records retention policy of Texas Library and Archives. Each is scanned into the CAMA record.

10. **Does the personal property system flag abnormal year-to-year changes?**

Yes, *In compliance.* The flagging of properties that change dramatically are done at the time of reviewing and processing the filed rendition. The Section also monitors new or remodeled commercial properties under construction for revaluation the next year.

11. **Does the office conduct routine audits?**

No, *Not in compliance.* There is no legislation or rule in the Texas Property Tax Code that allows for audits. There is a process where by a CAD may request a subpoena to see financials, etc. A protest has to be filed by the CAD and a hearing with the Appraisal Review Board (ARB) must be schedule. The ARB will have to rule in favor of the subpoena before a CAD can issue one. The hearing has to allow for both the taxpayer and the CAD to have an opportunity to speak on behalf or against such a request. Even if the ARB rules in favor a taxpayer may file suit with district court to disallow the issuance of a subpoena. Such action has been taken by Texas courts who have ruled against issuing a subpoena. Texas is a nondisclosure state on sales, income, expenses, and business financial books. Because of this the cost and time involved pretty much prohibits any CAD from the subpoena process. ***The CAD is not in compliance however the jurisdiction can make an argument that this a Jurisdictional Exception. See CEAA "Statement on Jurisdictional Exceptions²".***

Chapter 12: Value Defense

1. **Has the jurisdiction evaluated both the review and appeal system under which it operates and its role in the system?**

Yes. All CAD's in the State of Texas operate in accordance with State statute and the supervision of the Comptroller of the State. ***In compliance.***

2. **Are taxpayers encouraged to discuss concerns with the jurisdiction informally before lodging a formal appeal?**

² Ibid

Yes. The CAD encourages taxpayers to discuss their valuation prior to the format appeals. ***In compliance.***

3. Does the jurisdiction have documented procedures for handling taxpayer inquiries and formal appeals?

Yes. There are written procedures for both internal and for taxpayers. ***In compliance.***

4. Does the jurisdiction track the status of each formal appeal to ensure that proper preparations are made for the hearing, that it is appropriately disposed of, and that records are properly updated?

Yes. A staff person is assigned this task on a full time during the appeal process period. ***In compliance.***

5. Does the jurisdiction take steps to present its case effectively?

Yes. Appraisers from the appropriate sections (residential or commercial) are present at all hearings by the Appraisal Review Board (ARB) meetings. ***In compliance.***

6. When a formal appeal involves difficult appraisal issues and considerable values is at stake, can the jurisdiction obtain outside expert assistance?

Yes. The CAD frequently engages outside consultants. Recently the CAD has hired a MAI on a part-time regular basis to handle appeals. ***In compliance.***

7. Does the jurisdiction allow - or have a strategy for allowing - online appeal filings?

Yes. The CAD website has links to a taxpayer or taxpayer representative portal that allow the taxpayer to file an appeal, upload documents for the appeal and download CAD valuation information for the property. The online site also allows the taxpayer to withdraw the appeal. ***In compliance.***

8. Does a supervisory agency or review body have the power to review values and valuation methods on its initiative, or is the jurisdiction required to submit valuations to a regulatory body for approval before taxes can be levied?

Yes. The CAD is required to submit values to the State Controller which reviews values and conducts ratio studies prior to granting approved for tax bills to be created and taxes collected. If a CAD is not in compliance then districts within the CAD are not allowed to send tax bills. ***In compliance.***

Chapter 13: Communications and Taxpayer Assistance

1. Does the jurisdiction have an active public information and assistance program?

Yes. The CAD has a very robust website with information on appeals, manuals used for the valuation of properties, exemption filing forms, GIS maps and parcel information. The CAD has a Customer Service Department that interfaces with the public and taxpayers. There is a position of 'Taxpayer Liaison Officer' that handles the ARB appeals and the informal appeals. This staff person also coordinates outreach programs for the CAD. ***In compliance.***

2. Does the jurisdiction employ appropriate communications channels in addressing its constituents' concerns and needs?

Yes. The CAD has a Customer Service Department that interfaces with the public and taxpayers. ***In compliance.***

3. Can property records be accessed online by parcel identifier, situs address, owner, and geographically?

Yes. The web site has all of the above features. ***In compliance***

4. Does the jurisdiction have informational materials available for the public?

Yes. The web site has appraisal manuals and detailed information on appeals and the ARB process. ***In compliance.***

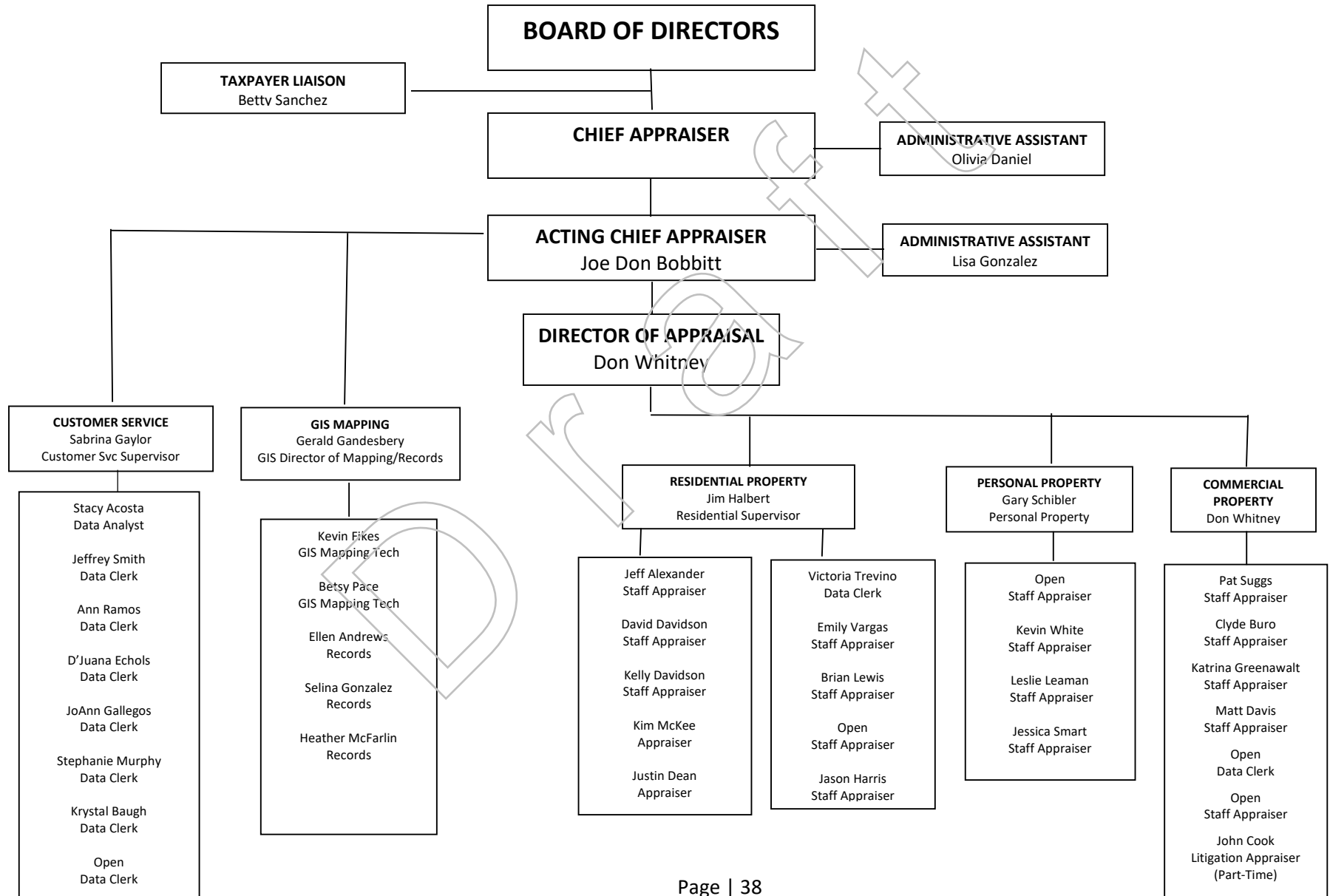
5. Does the jurisdiction have contingency plans for responding to crises and emerging issues?

Partially. The CAD has plans for crises situation involving the office. The CAD does not have a formal plan or coordination with other County Emergency Management agency or team. ***In compliance***

APPENDIX A

ORGANIZATION CHARTS

McLENNAN COUNTY APPRAISAL DISTRICT ORGANIZATIONAL CHART – 2020

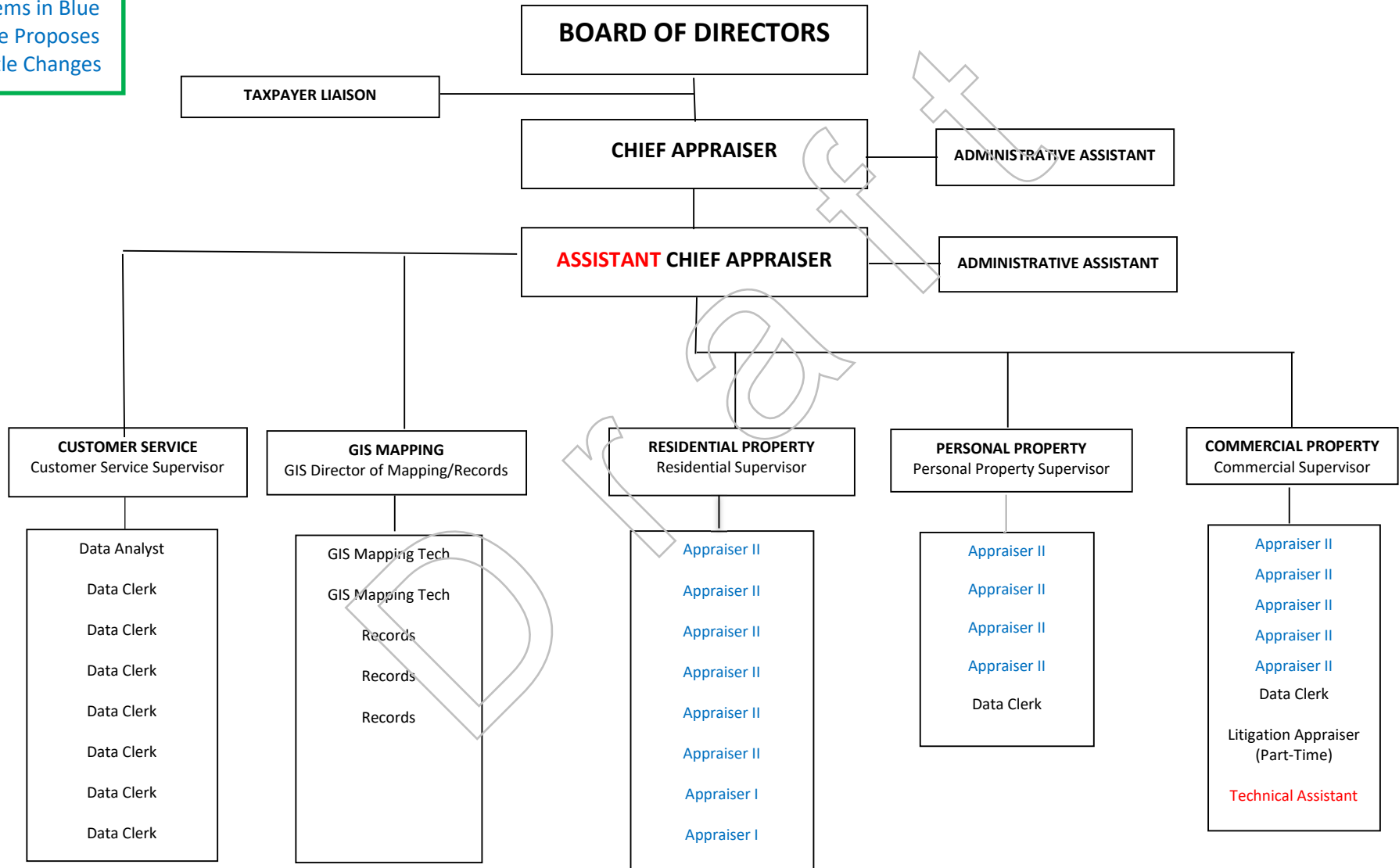


McLENNAN COUNTY APPRAISAL DISTRICT ORGANIZATIONAL CHART – PROPOSED

Legend

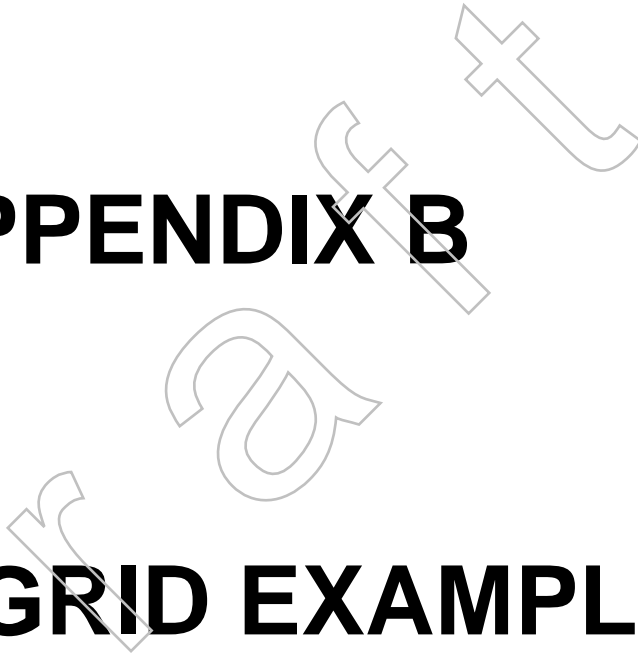
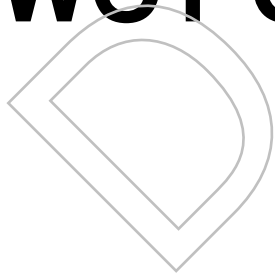
Items in Red
are Changes

Items in Blue
are Proposes
Title Changes



APPENDIX B

SWOT GRID EXAMPLE



SWOT		
Advantages	STRENGTHS OPTIONS The conditions we are able to support the successful implementation of the goals <i>What does it easier?</i>	OPPORTUNITIES OPPORTUNITIES What will be improved, what will be by the realization of goals achieved <i>What do we improve?</i>
	WEAKNESSES RISK conditions that may frustrate the achievement of goals <i>What does it make it harder?</i>	THREATS THREATS which forces us to realize the dangerous possibilities that awaited us <i>What are we referring to?</i>
Deficiencies	Internal	External

**MCLENNAN COUNTY APPRAISAL DISTRICT
2021 PRELIMINARY ANNUAL BUDGET**

	2020 BUDGET	2021	\$ CHANGE	PERCENT CHANGE	Comment
5000 SALARIES					
5001 ADMINISTRATION	301,775	311,950	10,175	3.4%	
5002 APPRAISAL	997,242	1,055,027	57,785	5.8%	
5003 MAPPING	270,895	279,400	8,505	3.1%	
5004 CLERICAL	408,317	454,177	45,860	11.2%	
5008 AUTO & PHONE ALLOWANCE	137,020	143,500	6,480	4.7%	
TOTAL SALARIES	2,115,249	2,292,054		8.36%	
5100 BENEFITS					
5105 FICA TAX EXPENSE	162,600	172,100	9,500	5.8%	
5110 HEALTH INSURANCE	228,200	239,000	10,800	4.7%	
5110-1 PB&H DEDUCTIBLE (HRA)	33,700	35,100	1,400	4.2%	
5113 DISABILITY	7,200	7,600	400	5.6%	
5115 LIFE INSURANCE	9,100	9,600	500	5.5%	
5120 LONGEVITY	15,700	15,100	(600)	-3.8%	
5125 PENSION	277,100	293,700	16,600	6.0%	
5126 PENSION UAAL	30,000	30,000	0	0.0%	
5130 UNEMPLOYMENT COMPENSATION	9,200	7,600	(1,600)	-17.4%	
5135 WORKMANS COMPENSATION	17,300	18,300	1,000	5.8%	
TOTAL BENEFITS	790,100	828,100		4.81%	
5200 PROFESSIONAL SERVICES					
5201 APPRAISAL REVIEW BOARD	100,000	100,000	0	0.0%	
5205 APPRAISAL SERVICES	26,000	66,000	40,000	153.8%	MAI appraiser to assist in resolving
5210 AUDIT	6,500	6,700	200	3.1%	litigation
5215 BOARD OF DIRECTORS	1,200	1,200	0	0.0%	
5217 COBRA	0	0	0	0.0%	
5218 COMPUTER SERVICES	4,500	4,500	0	0.0%	
5220 CONSULTING SERVICES	0	0	0	0.0%	
5220-1 ACCOUNTING	13,110	13,110	0	0.0%	
5220-2 MISC CONSULTING	25,000	0	(25,000)	-100.0%	Moved to subscriptions
5220-5 HOMESTEAD AUDIT	0	0	0	0.0%	
5229 ARBITRATION	15,000	15,000	0	0.0%	
5230 LEGAL SERVICES	0	0	0	0.0%	
5230-1 RETAINER	22,800	22,800	0	0.0%	
5230-2 COURT COST	250,000	150,000	(100,000)	-40.0%	Reserve fund balance
5230-3 MISC LEGAL SERVICES	10,000	10,000	0	0.0%	
5230-4 ARB Legal Counsel	3,000	3,000	0	0.0%	
5233 MOVING SERVICE	0	0	0	0.0%	
5234 PAYROLL SERVICE FEE	4,869	4,869	(1)	0.0%	
5235 PERSONAL PROPERTY LISTS	2,800	2,800	0	0.0%	
5239 SHREDDING SERVICE	500	1,500	1,000	200.0%	Clean out containers of files past
5240 TEMP SERVICES	25,000	25,000	0	0.0%	retention period
TOTAL PROFESSIONAL SERVICES	510,279	426,479		-16.42%	

5300	OFFICE OPERATING EXPENSES					
5301	DUES AND MEMBERSHIPS	8,000	8,000	0	0.0%	
5305	FORMS AND PRINTING	0	0		0.0%	
	5305-1 NOTICES	28,000	28,000	0	0.0%	
	5305-2 RENDITIONS	5,500	5,500	0	0.0%	
	5305-3 MISC	4,000	4,400	400	10.0%	
5310	INSURANCE	8,500	8,500	0	0.0%	
5315	LEGAL PUBLICATIONS	8,000	8,000	0	0.0%	
5317	MILEAGE REIMBURSEMENT	300	300	0	0.0%	
5320	OFFICE EQUIPMENT RENTAL	0	0		0.0%	
	5320-1 POSTAGE MACHINE	5,000	5,000	0	0.0%	
	5320-2 COPIERS	10,000	10,000	0	0.0%	
5330	POSTAGE AND FREIGHT	0	0		0.0%	
	5330-1 POSTAGE	94,000	148,100	54,100	57.6%	Additional notice requirements
	5330-2 FREIGHT	1,000	1,000	0	0.0%	
5335	SMALL EQUIPMENT AND FURNITURE	1,500	1,500	0	0.0%	
5336	SMALL SOFTWARE	1,500	1,500	0	0.0%	
5340	SUBSCRIPTIONS AND BOOKS	24,000	88,200	64,200	267.5%	Reclassified 25,000 from consulting, new appraisal data service
5345	SUPPLIES	0	0		0.0%	
	5345-1 OFFICE SUPPLIES	24,000	24,000	0	0.0%	
5350	TRAINING AND EDUCATION	22,000	25,000	3,000	13.6%	
5355	TRAVEL	15,000	15,000	0	0.0%	
5360	UTILITIES	0	0		0.0%	
	5360-1 PHONE AND INTERNET	14,000	13,500	(500)	-3.6%	
	5360-2 ELECTRIC	23,000	21,000	(2,000)	-8.7%	
	5360-4 WATER AND SEWER	3,500	4,000	500	14.3%	
5365	MISC EXPENSE	1,000	1,000	0	0.0%	
	TOTAL OFFICE OPERATING EXPENSES	301,800	421,500			
			39.66%			
5400	MAINTENANCE EXPENSES					
5401	BUILDING	15,000	15,000	0	0.0%	
	5401-1 JANITORIAL SERVICES	15,840	15,840		0.0%	
5402	ELEVATOR	1,000	1,000	0	0.0%	
5403	LAWN SERVICE	4,000	4,000		0.0%	
5405	COMPUTER EQUIPMENT-HARDWARE	3,000	2,000	(1,000)	-33.3%	
5410	SMALL EQUIPMENT AND FUNITURE	2,000	2,000	0	0.0%	
5415	SOFTWARE MAINTENANCE	0	0	0	0.0%	
	5415-1 TRUE AUTOMATION	137,436	168,902	31,466	22.9%	Increase for Mobile platform and disaster recovery
	5415-5 SOFTWARE SERVICE	4,000	4,000	0	0.0%	
	5415-6 ESRI	9,900	9,900	0	0.0%	
	TOTAL MAINTENANCE EXPENSES	192,176	222,642			
			15.85%			

5500	CAPITAL OUTLAY					
5501	BUILDING IMPROVEMENTS	7,000	5,000	(2,000)	-28.6%	
5502	SMALL EQUIPMENT	1,500	2,500	1,000	66.7%	
5505	LARGE EQUIPMENT	15,000	10,000	(5,000)	-33.3%	
5510	LARGE FURNITURE	1,000	1,000	0	0.0%	
5525	AERIAL PHOTOGRAPHY	196,000	75,000	(121,000)	-61.7%	Street level Photography contract ended
	TOTAL CAPITAL OUTLAY	220,500	93,500			
					-57.60%	
5600	DEBT SERVICE EXPENSE					
5601	DEBT SERVICE INTEREST--BUILDING	43,324	39,452	(3,872)	-8.9%	
5605	DEBT SERVICE PRINCIPLE--BUILDING	85,083	88,955	3,872	4.6%	
	TOTAL DEBT SERVICE EXPENSE	128,407	128,407			
					0.00%	
6000	CONTINGENCY FUND					
6010	GENERAL CONTINGENCY FUND	125,000	100,000	(25,000)	-20.0%	
	TOTAL CONTINGENCY FUND	125,000	100,000			
					-20.00%	
	TOTAL OPERATING BUDGET	\$ 4,383,511	\$ 4,512,682	129,171	2.9%	
					2.95%	
	LESS BUDGETED GENERAL INCOME					
4033	INTEREST ON INVESTMENTS	-	-		0.0%	
4015	INTEREST ON BANK ACCTS	15,000	15,000	0		
4025	SURPLUS FROM PRIOR YEAR		125,000	125,000		
4040	MISCELLANEOUS REVENUE	2,000	2,000	0	0.0%	
4045	BPP RENDITION PENALTY REVENUE	8,000	8,000	0	0.0%	
	TOTAL GENERAL INCOME	25,000	150,000	125,000		
	LESS FUND BALANCE CREDIT TO ENTITIES	0	0			
	TOTAL ENTITY SUPPORT	\$ 4,358,511	\$ 4,362,682	\$ 4,171	0.1%	
					0.10%	
	Fund Balances					
	Litigation	300,000				
	Capital Improvements	80,663				
	Technology and Professional Services	735,845				
		1,116,508				
	Unassigned-Pending 2019 Audit	517,893				

Coronavirus

Board Requirements

Board Meetings required Quarterly.

Budget Submission to Board and Entities Before June 15th.

Budget Hearing before September 15^h.

Reappraisal Plan NLT September 15th.

Appraisal Timeline

Residential Notices- April 1st or soon as practical (May 5th), 1 Week lead time for printing/mailing

Preliminary Estimates- April 30th

Protest deadline- May 15th or 30 days after notice, (June 4th)

July 25th Certify roll or Certified estimate

CAD Current Operations

The district has reduced on-site presence to less than a third. Remote access tools and webinar software has been purchased to allow and encourage remote work as much as possible. Phones are capable of being answered remotely. ARB will be conducted entirely through teleconference or videoconference and testing is ongoing. ARB members have been polled and most have capability to work remotely as well.

Options

Remember that property value assessment is as of January 1 each year. That has implications for districts whose values may have decreased following that date. It has been reported that when Governor Abbott declared a statewide disaster on March 13, the Texas Association of Appraisal Districts (TAAD) promptly communicated with his office and other state agencies raising concerns and seeking solutions. Possibilities discussed included freezing values from 2019 for the 2020 tax year along with either a waiver of the 2020 property value study or altering it to accommodate more conservative valuations. While the governor's and the comptroller's staffs considered and researched such proposals, they concluded that such measures would require legislative action and could not be implemented by any one state official, state agency, or individual chief appraiser.

Residential increase is expected to be 4-5% on average but some areas will be higher based on market activity. Based on the 5% tolerance for the PVS our target ratio could be reduced to 97-98% and still have some cushion while reducing the impact on the public. Maintaining ARB values on residential properties will additionally minimize impact.

McLENNAN COUNTY  APPRAISAL DISTRICT

March 19, 2020

To: McLennan County Appraisal District Board of Directors

Subject: Taxpayer Liaison Officer Complaints Report

I have no pending complaints from February 13, 2020 and no new complaints to report.

Jean Mark resigned from ARB on February 27, 2020. I contacted Judge Strother and he appointed Fred Thomas Porter to one-year term as her replacement. Please see copy of Ms. Mark's resignation, amended 2020 appointment order and revised 2020 ARB Member List.

We are 13 days from mailing first batch of 2020 appraisal notices. We are ready for 2020 ARB season.

Thank you and have a blessed day.


Betty Sanchez – Taxpayer Liaison Officer

From: [Jean Mark](#)
To: [Betty Sanchez](#)
Subject: ARB
Date: Wednesday, February 26, 2020 4:44:50 PM

Ms. Sanchez,

I am very sorry to let you know that I must withdraw from the Appraisal Review Board. Due to an unexpected death, my personal circumstances have substantially changed, and I cannot fulfill the necessary time commitment to the Board. I apologize for not being able to serve and wanted to let you know as soon as possible.

Thank you.

Jean Mark

Sent from my iPhone

**AMENDED ORDER APPOINTING MEMBERS OF THE
MCLENNAN COUNTY APPRAISAL REVIEW BOARD**

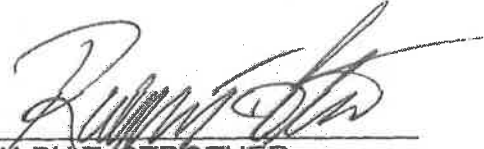
Pursuant to the Texas Property Tax Code, the following individuals are hereby appointed as officers or members to the McLennan County Appraisal Review Board, and their terms of office are listed.

On the 27th of February 2020, Ms. Jean Mark resigned from The McLennan County Appraisal Review Board.

The Court hereby appoints Mr. Fred Thomas Porter to a one year term on said board.

IT IS SO ORDERED.

Signed and entered on February 28, 2020.



RALPH T. STROTHER
Judge, 19th District Court
McLennan County Texas
Local Administrative Judge

FILED
FEB 28 AM 9:34
JOHN STROTH
DISTRICT CLERK
MCLENNAN CO. TX.
REPLY

2020 McLennan County Appraisal Review Board Members

1. Avant, Gayle
2. Carrillo, Yolanda
3. **Chapman, Robert - Secretary**
4. Dickens, Comer
5. Donahue Michael
6. Hatchel, Linda
7. Khoury, Rollin
8. McDermitt, Jim
9. **Mitchell, Donna - Chair**
10. Moss, Lawrence Dwain
11. Murphy, Patrick
12. Nevill, Cornelius
13. Notgrass, Robert
14. Porter Fred Thomas
15. Reed, Veta
16. Richardson JR., Henry