

MCLENNAN COUNTY APPRAISAL DISTRICT 2024 PROPOSED BUDGET DETAIL

We currently serve 45 taxing entities that include 20 school districts, 20 cities, the county, MCC and three water districts. We are responsible for appraising more than 128,000 parcels with a market value just under 66 billion dollars. The entity contribution is proposed to increase 10.7%, mostly due to a 5% COLA, increasing appeals, and scheduled replacement of desktop PCs. The total expense is increasing 20% due to a planned remodel of the district lobby and hearing rooms to accommodate more taxpayers. To minimize entity contribution \$700,000 will be spent from our reserve funds to pay off the existing building, and a new financing arrangement will be set up to cover the remodel costs at or near the current annual payment amount. After July the CAD will send out resolutions to each entity for the proposed renovations which requires three-fourths approval of the taxing units. In addition to the renovation approval, the public hearing for our budget will tentatively be held September 8th. The board may make changes to this proposed budget and the approved budget will take effect automatically unless disapproved by a majority of the governing bodies. If you have questions or input regarding the proposed budget please reach out to me or the board of directors. The district is very aware of the burden that the growth of our budget can have on your own budgets, and we have tried to be diligent in cutting excess where we can. For reference, included is our historical budgets and employee count since 1981, and total levy since 2003.

ORDINARY INCOME

Income is comprised of allocated payments from the taxing entities served by the appraisal district. Allocations are based on the percentage obtained by dividing the levy for each entity by the total levy of all entities. Additional income is generated from interest earned on bank accounts, open records requests, and personal property rendition penalties. We have increased our estimated interest earnings as interest rates continue to rise.

EXPENSES

Salaries: Our biggest increase to the budget is due to salaries and we are proposing a 5% COLA. The district has been struggling to fill and retain employees with 5 of 44 positions vacant.

The budget includes 44 positions, and for comparison, in 1982 the district had 41 staff and increased to 44 in 2006. Of the 44 positions 20 are registered professional appraisers with the State of Texas. The trainees must complete the five-year training period and level tests to achieve this designation. The appraisers are required to have professional designations that require extensive training and testing along with continuing education courses to continue their employment.

Benefits: Health insurance costs are estimated to increase 5% over current costs. We have historically managed to reduce this cost by using our HRA plan and providing coverage with higher deductibles.

Longevity pay is granted to full-time MCAD employees who have been with the district for at least five years. Longevity is paid at a rate of \$4 per month, per full year of service.

Pension: Employees contribute 7% of their pay to TCDRS and the district for 2024 will increase the match on future contributions from 200% to 225% to more closely align with the average contribution of competing districts. The required rate for the district will increase from 13.01 to 13.86% and amount to approximately \$22,000 annually.

Professional Services: Appraisal Review Board (ARB) members will be paid \$175.00 per full day and \$87.50 for half days. The chairman is paid \$200.00 per full day and \$100 for half days. ARB costs have increased in the last few years as the number of protests increase with market values. The primary complaint during the appeal process is that taxpayers feel like they were rushed during their hearing. In response the district has expanded the number of Appraisal Review Board members and have included additional hearing dates in September and December.

The appraisal services expense line item covers contractual services with Capitol Appraisal Group (CAGI). Capitol Appraisal works utility properties, mineral properties, and specialty properties. These specialty properties

include Riesel Power Plant, telephone towers, and cable companies. In 2022 industrial property appraisals were transferred to CAGI to help eliminate backlogs for the commercial department, and due to CAGI's additional data and expertise in this area. We have also hired ValueBase who has experience with Multiple Regression Analysis to provide an alternate valuation method to verify the accuracy of our appraisals.

Legal fees are budgeted for the services with McCreary, Veselka, Bragg, and Allen Law firm. Currently, the district has over 100 pending value lawsuits, but the lawsuits deemed with a higher risk of potential trial costs have been resolved.

Office Operating Expenses: Printing expenses, including costs for processing Notices of Appraised Value, personal property renditions, and personal property penalty letters, have also increased. Additional postage costs are due to increased requirements to notify taxpayers of changes and increases in the amount of certified mail, along with requirements for sending postcards to every owner. Insurance expenses cover general liability, property (real and contents), electronic data processing, accounts receivable/valuable papers, commercial crime, umbrella liability, and employee/public officials' liability.

Maintenance Expenses: The software maintenance budget includes maintenance expenses for the computer-assisted mass appraisal software used for valuing properties, as well as, software for GIS mapping, and deed information. Our primary software vendor has notified us of their intent to outsource some of their webservices and there is an expected cost increase.

CAPITAL OUTLAY

The largest expense we anticipate is to pay off the existing \$700,000 building note using reserve funds, so that we may finance a remodel of the office. The existing building is a significant improvement over the prior 6th Street address; however, it was designed as a call center with restricted access. Over half of our building is used seasonally for hearings, or as a conference room, and we lack a sufficient lobby or waiting area for the amount of people we have during the summer. Our intent is to move the conference room downstairs, and with accordion walls make a multi-use room that will also allow for additional and larger hearing rooms and provide for a waiting area.

We will be flying each school district according to our future reappraisal plans. Continuing with "Change Finder" options for our aerial flights, we will be able to work more efficiently and also meet legislation mandates for inspecting properties once every three years. It also allows us to pick up new improvements that did not have building permits issued for them. The cost for aerials is minimal when compared to the value added by picking up these new improvements.

DEBT SERVICE EXPENSE

These budgeted expenses cover twelve months of mortgage payments, as we anticipate a new note for approximately the same amount as we are currently paying will become due at some point during the year.

CONTINGENCY FUND

The contingency is remaining at \$100,000 for additional contingency items that may come up. There is no pending litigation against the district other than valuation-related cases. Additionally, the board has implemented policies to ensure that sufficient capital reserves are in place to maintain a positive fund balance, now and in the future, as well as having developed a 5-year budget forecast.

RESERVE FUNDS

The Litigation fund has \$610,000 to cover potential court trial costs as the annual budget amount only includes typical costs incurred to resolve most cases prior to trial. The district could be responsible for paying the plaintiffs' attorneys fees if we lose in court, and that amount could be quite substantial.

The Capital Improvements Fund was increased to \$800,000 as we plan improvements to the layout of our building.

The Technology and Professional Services Fund decreased to \$207,884 as we focus on the building renovation.

**MCLENNAN COUNTY APPRAISAL DISTRICT
2024 PROPOSED ANNUAL BUDGET**

	2023 BUDGET	2024	\$ CHANGE	PERCENT CHANGE	Comment
5000 SALARIES					
5001 ADMINISTRATION	336,362	376,774	40,412	12.0%	
5002 APPRAISAL	1,093,029	1,140,237	47,208	4.3%	
5003 MAPPING	317,366	297,805	(19,561)	-6.2%	
5004 CLERICAL	565,468	616,421	50,953	9.0%	Moved position to clerical
5006 PART TIME	24,960	24,960	0	N/A	
5008 AUTO & PHONE ALLOWANCE	143,500	137,020	(6,480)	-4.5%	Removed Car allowance from Appeals Position
TOTAL SALARIES	2,480,685	2,593,217		4.54%	
5100 BENEFITS					
5105 FICA TAX EXPENSE	190,600	199,500	8,900	4.7%	
5110 HEALTH INSURANCE	250,900	276,000	25,100	10.0%	
5110-1 PB&H DEDUCTIBLE (HRA)	35,100	35,100	0	0.0%	
5113 DISABILITY	8,400	8,700	300	3.6%	
5115 LIFE INSURANCE	10,600	11,000	400	3.8%	
5120 LONGEVITY	16,200	15,900	(300)	-1.9%	
5125 PENSION	325,200	358,400	33,200	10.2%	Increase in Match
5126 PENSION UAAL	0	0	0	0.0%	
5130 UNEMPLOYMENT COMPENSATION	8,000	8,000	0	0.0%	
5135 WORKMANS COMPENSATION	19,500	20,400	900	4.6%	
TOTAL BENEFITS	864,500	933,000		7.92%	
5200 PROFESSIONAL SERVICES					
5201 APPRAISAL REVIEW BOARD	133,875	154,700	20,825	15.6%	Added 10 Additional days
5205 APPRAISAL SERVICES	95,500	95,500	0	0.0%	Valuebase Statistical modeling
5210 AUDIT	7,200	10,400	3,200	44.4%	GASB implementation
5215 BOARD OF DIRECTORS	1,200	1,200	0	0.0%	
5217 COBRA	0	0	0	0.0%	
5218 COMPUTER SERVICES	21,000	28,200	7,200	34.3%	Network security and monitoring
5220 CONSULTING SERVICES				0.0%	
5220-1 ACCOUNTING	13,110	7,200	(5,910)	-45.1%	
5220-2 MISC CONSULTING	10,000	15,000	5,000	50.0%	HR, GIS, IT
5220-5 HOMESTEAD AUDIT	20,000	20,000	0	0.0%	
5229 ARBITRATION	15,000	15,000	0	0.0%	
5230 LEGAL SERVICES				0.0%	
5230-1 RETAINER	22,800	22,800	0	0.0%	
5230-2 COURT COST	100,000	100,000	0	0.0%	
5230-3 MISC LEGAL SERVICES	10,000	5,000	(5,000)	-50.0%	
5230-4 ARB Legal Counsel	5,000	1,000	(4,000)	-80.0%	
5233 MOVING SERVICE	0	0	0	0.0%	
5234 PAYROLL SERVICE FEE	6,000	6,000	0	0.0%	
5235 PERSONAL PROPERTY LISTS	2,875	2,875	0	0.0%	
5239 SHREDDING SERVICE	1,500	1,500	0	0.0%	
5240 TEMP SERVICES	7,000	20,000	13,000	185.7%	Hearing support staff
TOTAL PROFESSIONAL SERVICES	472,060	506,375		7.27%	
5300 OFFICE OPERATING EXPENSES					
5301 DUES AND MEMBERSHIPS	7,000	3,600	(3,400)	-48.6%	
5305 FORMS AND PRINTING				0.0%	
5305-1 NOTICES	38,000	38,000	0	0.0%	
5305-2 RENDITIONS	6,000	6,000	0	0.0%	
5305-3 MISC	2,000	2,000	0	0.0%	
5310 INSURANCE	8,000	8,300	300	3.8%	
5315 LEGAL PUBLICATIONS	9,100	9,100	0	0.0%	
5317 MILEAGE REIMBURSEMENT	300	300	0	0.0%	
5320 OFFICE EQUIPMENT RENTAL				0.0%	
5320-1 POSTAGE MACHINE	6,000	6,000	0	0.0%	
5320-2 COPIERS	13,000	13,000	0	0.0%	
5330 POSTAGE AND FREIGHT				0.0%	
5330-1 POSTAGE	120,000	120,000	0	0.0%	
5330-2 FREIGHT	750	750	0	0.0%	
5335 SMALL EQUIPMENT AND FURNITURE	1,500	1,500	0	0.0%	
5336 SMALL SOFTWARE	700	700	0	0.0%	
5340 SUBSCRIPTIONS AND BOOKS	61,800	61,800	0	0.0%	
5345 SUPPLIES				0.0%	
5345-1 OFFICE SUPPLIES	26,000	28,000	2,000	7.7%	
5350 TRAINING AND EDUCATION	25,000	25,000	0	0.0%	
5355 TRAVEL	15,000	15,000	0	0.0%	
5360 UTILITIES				0.0%	
5360-1 PHONE AND INTERNET	23,000	18,000	(5,000)	-21.7%	
5360-2 ELECTRIC	23,000	23,000	0	0.0%	
5360-4 WATER AND SEWER	3,500	4,500	1,000	28.6%	
5365 MISC EXPENSE	0	0	0	0.0%	
TOTAL OFFICE OPERATING EXPENSES	389,650	384,550		-1.31%	

5400 MAINTENANCE EXPENSES					
5401 BUILDING	18,000	15,000	(3,000)	-16.7%	
5401-1 JANITORIAL SERVICES	16,000	16,000	0	0.0%	
5402 ELEVATOR	200	200	0	0.0%	
5403 LAWN SERVICE	4,600	4,600	0	0.0%	
5405 COMPUTER EQUIPMENT-HARDWARE	2,000	30,000	28,000	1400.0%	
5410 SMALL EQUIPMENT AND FUNITURE	2,000	2,000	0	0.0%	
5415 SOFTWARE MAINTENANCE					
5415-1 TRUE AUTOMATION	222,661	227,000	4,339	1.9%	
5415-5 SOFTWARE SERVICE	4,000	4,000	0	0.0%	
5415-6 ESRI	10,000	13,000	3,000	30.0%	
TOTAL MAINTENANCE EXPENSES	279,461	311,800			11.57%
5500 CAPITAL OUTLAY					
5501 BUILDING IMPROVEMENTS	0	701,863	701,863	0.0%	Payoff Current note prior to remodel
5502 SMALL EQUIPMENT	2,500	2,500	0	0.0%	
5505 LARGE EQUIPMENT	5,000	5,000	0	0.0%	
5510 LARGE FURNITURE	0	0	0	0.0%	
5515 SOFTWARE	0	0	0	0.0%	
5525 AERIAL PHOTOGRAPHY	85,000	85,000	0	0.0%	
TOTAL CAPITAL OUTLAY	92,500	794,363			758.77%
5600 DEBT SERVICE EXPENSE					
5601 DEBT SERVICE INTEREST--BUILDING	30,979	63,806	32,827	106.0%	
5605 DEBT SERVICE PRINCIPLE--BUILDING	96,633	63,806	(32,827)	-34.0%	
TOTAL DEBT SERVICE EXPENSE	127,612	127,612			0.00%
6000 CONTINGENCY FUND					
6001 BUILDING FUND			0	0.0%	
6005 EQUIPMENT FUND			0	0.0%	
6010 GENERAL CONTINGENCY FUND	100,000	100,000	0	0.0%	
TOTAL CONTINGENCY FUND	100,000	100,000			0.00%
TOTAL OPERATING EXPENSES	\$ 4,806,468	\$ 5,750,917	944,449	19.6%	
		19.65%			
LESS BUDGETED GENERAL INCOME					
4033 INTEREST ON INVESTMENTS	-	40,000		0.0%	
4015 INTEREST ON BANK ACCTS	15,000	50,000	35,000	233.3%	
4040 MISCELLANEOUS REVENUE	4,000	4,000	0	0.0%	
4045 BPP RENDITION PENALTY REVENUE	25,000	25,000	0	0.0%	
TOTAL GENERAL INCOME	44,000	119,000	75,000		
LESS FUND BALANCE CREDIT TO ENTITIES	310,000	701,863	391,863	126.4%	
TOTAL ENTITY SUPPORT	\$ 4,452,468	\$ 4,930,054	\$ 477,586	10.7%	
		10.73%			
Fund Balances					
Litigation	610,000	610,000	0	0.0%	
Capital Improvements	196,304	800,000	603,696	307.5%	
Technology and Professional Services	700,576	207,884	(492,692)	-70.3%	
2021 surplus pending commitment	111,004				
Current Fund Balance Credit	(310,000)	(701,863)			
Projected Fund Balance	1,307,884	916,021		0.0%	

**MCLENNAN COUNTY APPRAISAL DISTRICT
ESTIMATED 2024 BUDGET ALLOCATION**

2024 TOTAL BUDGET = **\$5,750,917**
2024 ENTITY SUPPORT = **\$4,930,054**

JURISDICTION	2022 TAX LEVY *	PERCENT OF TOTAL LEVY & BUDGET	EST 2024 ALLOCATION	EST 2024 QUARTERLY PAYMENT
SCHOOL DISTRICTS				
AXTELL ISD	1,976,482.97	0.363058%	17,899	4,474.74
BOSQUEVILLE ISD	3,115,710.79	0.572321%	28,216	7,053.94
BRUCEVILLE-EDDY ISD	2,492,451.22	0.457835%	22,572	5,642.88
CHINA SPRING ISD	16,056,138.59	2.949333%	145,404	36,350.93
CONNALLY ISD	11,184,563.91	2.054479%	101,287	25,321.73
CRAWFORD ISD	3,526,083.01	0.647702%	31,932	7,983.01
GHOLSON ISD	766,092.18	0.140723%	6,938	1,734.42
HALLSBURG ISD	1,173,024.00	0.215471%	10,623	2,655.71
LA VEGA ISD	14,284,494.67	2.623902%	129,360	32,339.94
LORENA ISD	9,474,106.63	1.740287%	85,797	21,449.28
MART ISD	1,597,635.27	0.293468%	14,468	3,617.03
McGREGOR ISD	6,730,650.21	1.236345%	60,952	15,238.12
MIDWAY ISD	82,454,308.29	15.145933%	746,703	186,675.67
MOODY ISD	2,376,666.42	0.436567%	21,523	5,380.75
OGLESBY ISD	8,949.04	0.001644%	81	20.26
RIESEL ISD	5,088,215.15	0.934648%	46,079	11,519.66
ROBINSON ISD	12,019,692.28	2.207883%	108,850	27,212.45
VALLEY MILLS ISD	1,086,653.96	0.199606%	9,841	2,460.17
WACO ISD	103,473,811.20	19.006981%	937,054	234,263.60
WEST ISD	7,865,953.96	1.444888%	71,234	17,808.44
COUNTY				
MCLENNAN COUNTY	89,512,176.69	16.442385%	810,618	202,654.61
CITIES				
BELLMEAD, CITY OF	2,021,213.17	0.371274%	18,304	4,576.00
BEVERLY HILLS, CITY OF	675,347.09	0.124054%	6,116	1,528.98
BRUCEVILLE-EDDY, CITY OF	390,666.27	0.071761%	3,538	884.46
CRAWFORD, CITY OF	426,421.67	0.078329%	3,862	965.41
GHOLSON, CITY OF	35,125.55	0.006452%	318	79.52
GOLINDA, CITY OF	25,038.40	0.004599%	227	56.69
HALLSBURG, CITY OF	21,085.94	0.003873%	191	47.74
HEWITT, CITY OF	6,935,905.69	1.274048%	62,811	15,702.82
LACY-LAKEVIEW, CITY OF	1,511,838.31	0.277708%	13,691	3,422.79
LEROY, CITY OF	25,858.68	0.004750%	234	58.54
LORENA, CITY OF	901,818.46	0.165654%	8,167	2,041.71
MART, CITY OF	590,352.66	0.108441%	5,346	1,336.55
McGREGOR, CITY OF	3,268,003.79	0.600296%	29,595	7,398.73
MOODY, CITY OF	417,651.39	0.076718%	3,782	945.56
RIESEL, CITY OF	247,476.55	0.045459%	2,241	560.28
ROBINSON, CITY OF	5,954,144.48	1.093710%	53,920	13,480.12
VALLEY MILLS, CITY OF	10,674.79	0.001961%	97	24.17
WACO, CITY OF	101,701,443.40	18.681416%	921,004	230,250.98
WEST, CITY OF	1,412,660.30	0.259490%	12,793	3,198.25
WOODWAY, CITY OF	6,638,726.65	1.219460%	60,120	15,030.01
SPECIAL DISTRICTS				
CASTLEMAN CREEK WATERSHED	31,460.88	0.005779%	285	71.23
ELM CREEK WATERSHED	25,114.79	0.004613%	227	56.86
MCLENNAN COMMUNITY COLLEGE	34,771,116.48	6.387065%	314,886	78,721.43
TEHUACANA CREEK WATER & CONTROL DIST #1	95,990.87	0.017632%	869	217.32
TOTAL	544,398,996.69	100.000000%	4,930,054	1,232,513.48

* as of most recent supplement
MODIFIED 6/13/2023 JDB

YEAR	NUMBER OF EMPLOYEES	TOTAL BUDGET AMOUNT	% BUDGET INCREASE	ENTITY CONTRIBUTION	% BUDGET INCREASE	Total Levy	CAD Budget as % of Total Levy
1981	17	597,340		597,340			
1982	41	1,377,502	131%	1,377,502	131%		
1983	39	1,327,738	-4%	1,299,861	-6%		
1984	39	1,279,810	-4%	1,279,810	-2%		
1985	39	1,338,983	5%	1,338,983	5%		
1986	39	1,418,375	6%	1,268,375	-5%		
1987	38	1,398,345	-1%	1,398,345	10%		
1988	37	1,396,405	0%	1,396,405	0%		
1989	36	1,545,130	11%	1,379,130	-1%		
1990	35	1,786,283	16%	1,370,250	-1%		
1991	35	1,727,615	-3%	1,497,615	9%		
1992	35	1,537,677	-11%	1,537,677	3%		
1993	34	1,558,840	1%	1,558,840	1%		
1994	34	1,580,807	1%	1,580,807	1%		
1995	34	1,714,364	8%	1,604,628	2%		
1996	34	1,790,449	4%	1,613,648	1%		
1997	34	1,890,165	6%	1,615,356	0%		
1998	34	1,940,864	3%	1,623,036	0%		
1999	34	1,988,238	2%	1,712,474	6%		
2000	34	2,084,994	5%	1,899,935	11%		
2001	35	2,671,946	28%	2,671,946	41%		
2002	35	2,399,772	-10%	2,399,772	-10%		
2003	38	2,660,374	11%	2,330,084	-3%	195,511,850	1.36%
2004	38	2,902,271	9%	2,416,101	4%	219,318,503	1.32%
2005	40	2,987,722	3%	2,572,802	6%	231,419,809	1.29%
2006	44	3,238,822	8%	2,904,329	13%	238,722,943	1.36%
2007	44	3,499,396	8%	3,297,304	14%	239,366,970	1.46%
2008	44	3,571,425	2%	3,265,816	-1%	263,271,871	1.36%
2009	44	3,839,381	8%	3,324,022	2%	275,108,915	1.40%
2010	44	4,104,432	7%	3,306,950	-1%	282,612,690	1.45%
2011	44	3,925,152	-4%	3,195,695	-3%	297,036,329	1.32%
2012	44	3,726,481	-5%	3,194,169	0%	308,535,212	1.21%
2013	43	3,846,659	3%	3,377,201	6%	323,835,202	1.19%
2014	41	3,792,019	-1%	3,616,635	7%	348,419,146	1.09%
2015	41	4,514,164	19%	4,498,164	24%	367,063,952	1.23%
2016	41	3,931,923	-13%	3,913,850	-13%	392,062,047	1.00%
2017	41	4,015,115	2%	3,998,615	2%	416,823,949	0.96%
2018	42	4,640,293	16%	4,240,290	6%	450,709,604	1.03%
2019	42	4,465,382	-4%	4,228,661	0%	469,525,141	0.95%
2020	44	4,383,411	-2%	3,947,222	-7%	486,176,607	0.90%
2021	44	4,372,817	0%	4,037,772	2%	498,726,441	0.88%
2022	44	4,489,915	3%	4,334,819	7%	549,588,171	0.82%
2023	44	4,806,468	7%	4,452,468	3%	670,830,739	0.72%
2024	44	5,750,917	20%	4,930,054	11%		

Range #	Position	Employee Count	Car Allowance	Minimum Annual Salary	Maximum Annual Salary
Administrative Pay Ranges					
1	Customer Service	5		34,000	52,000
2	Appraisal Support	6		44,000	63,000
3	Deeds	3		40,000	57,000
4	Executive Assistants	2		54,000	72,000
5	Support Supervisors	2		63,000	71,000
Technical Pay Ranges					
10	GIS MAPPING TECH	2		42,000	65,000
11	GIS MAPPING SUPERVISOR	1		75,000	90,000
Licensed Pay Ranges					
20	Appraiser I - "Jr appraiser" non licensed	9	6,480	40,000	60,000
21	Appraiser II - "Staff Appraiser" licensed	8	6,480	50,000	65,000
22	Appraiser III - Sr. Staff Appraiser" licensed	1	6,480	60,000	72,000
23	APPRAISAL SUPERVISOR	3	6,480	72,000	95,000
24	DEP CHIEF APPR	1	6,480	88,000	119,000
25	Chief Appraiser	1	6,480	100,000	150,000

Benefits include:

Group Term Life Insurance

Health Insurance

Accidental Death

Longevity

Pension

Long Term Disability

Average cost of benefits per employee: \$21,112.20