

CASS COUNTY APPRAISAL DISTRICT

2018 Operating Budget

January 1, 2018 through December 31, 2018

Jordan Klein

7/14/2017

Final Operating Budget

Cass County Appraisal District

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September 14, 2017

TO: Cass County Taxing Entities

Please find enclosed the 2018 Final Operating Budget for Cass County Appraisal District (CCAD) for your review and consideration.

The total amount of the 2018 Final Operating Budget is **\$689,407**. This is an increase of approximately 2.23% (\$15,047) over the prior year budget of \$674,360. The allocation schedule reveals the percentage paid by each entity for 2017 in comparison to the 2018 budget share.

We have made strides to keep our costs down during prudent budget preparations. A supporting schedule is enclosed within the budget that describes each line item funding. To assist you in understanding any line item changes in our budget, I have outlined below the main increases with a brief explanation.

- **SALARIES:** **Increase: \$11,102**
This line item increase is due to two appraisers leveling up through TDLR (Texas Department of Licensing & Registration) as well as a Board of Director appointed raise to the Chief Appraiser's salary.

- **HEALTH INSURANCE** **Increase: \$4,290**
This line item increase is due to a projected significant increase in the cost of health insurance for all employees of the appraisal district.

September 14, 2017

The percentage share allocated for each entity is estimated during this phase of the budgetary process. This allocation is only an estimate, since the entities final tax levy figures for the year will not be known until after you set a tax rate for 2017. For this reason, the percentage allocated to your entity may change slightly at the end of the year.

I wish to express the district's appreciation for your support. We look forward to serving all your needs and please feel free to call me should you have any questions regarding our budget.

Sincerely,



Jordan Klein
Chief Appraiser

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SECTION I

2018 FINAL OPERATING BUDGET

2018 Final Operating Budget Line Items

Comparison of 2017-2018 Budget

2018 FINAL OPERATING BUDGET

ACCOUNT #	NAME	2018
3.1	Personnel Services	391,187
3.1.1	Salaries	278,620
3.1.2	Health Insurance	47,093
3.1.3	Retirement	24,921
3.1.4	FICA	17,169
3.1.5	Medicare	4,015
3.1.6	Unemployment Compensation	1,600
3.1.7	Worker's Compensation Insurance	2,769
3.1.8	Accrual Benefit Liability	5,000
3.1.9	Merit/Incentive/Step Allowance	10,000
3.2	Operating Expenses	100,930
3.2.1	Office Supply	9,000
3.2.2	Appraisal Rolls & Notices	9,000
3.2.3	Warranty Deeds	1,600
3.2.4	Postage	8,000
3.2.5	Janitorial Supplies	1,000
3.2.6	Dues & Subscriptions	4,500
3.2.7	Travel, Training, & Tuition	11,900
3.2.8	Utilities	7,000
3.2.9	Cellphone Allowance	1,680
3.2.10	Telephone	6,000
3.2.11	Vehicle Allowance	14,000
3.2.12	Public Notices	2,000
3.2.13	Insurance	2,000
3.2.14	Appraisal Review Board	8,000
3.2.15	Building Repair & Maintenance	4,200
3.2.16	Repairs to Equipment	750
3.2.17	Appraisal/Discovery Tools	3,000
3.2.18	Contingencies	7,300
3.3	Mapping Expenses	18,125
3.3.1	True Automation Mapping Contract	18,125
3.4	Professional Services	134,230
3.4.1	Audit Services	5,000
3.4.2	Legal Services-District	12,500
3.4.3	Legal Services-ARB	2,500
3.4.4	Appraisal Contract-Capitol Appraisal Group	63,000
3.4.5	Appraisal Contract-Eagle Appraisal Group	45,000
3.4.6	Lawn Services	1,500
3.4.7	I.T. Services	650
3.4.8	Rushing Pest Control Service	300
3.4.9	Janitorial Services	3,780
3.5	Contract Services	44,935
3.5.1	Copier Lease	7,500
3.5.2	Postage Meter Rental	1,620
3.5.3	Software License and Maintenance	35,815
Totals		689,407

COMPARISON OF BUDGET

ACCOUNT #	NAME	2017	2018	% CHANGE	DOLLAR AMT
3.1	Personnel Services				
3.1.1	Salaries	267,518	278,620	4.15%	11,102
3.1.2	Health Insurance	42,803	47,093	10.02%	4,290
3.1.3	Retirement	23,354	24,921	6.71%	1,567
3.1.4	FICA	16,586	17,169	3.52%	583
3.1.5	Medicare	3,879	4,015	3.51%	136
3.1.6	Unemployment Compensation	1,600	1,600	0.00%	0
3.1.7	Worker's Compensation Insurance	2,700	2,769	2.56%	69
3.1.8	Accrual Benefit Liability	5,000	5,000	0.00%	0
3.1.9	Merit/Incentive/Step Allowance	10,000	10,000	0.00%	0
3.2	Operating Expenses				
3.2.1	Office Supply	9,000	9,000	0.00%	0
3.2.2	Appraisal Rolls & Notices	9,000	9,000	0.00%	0
3.2.3	Warranty Deeds	1,600	1,600	0.00%	0
3.2.4	Postage	8,000	8,000	0.00%	0
3.2.5	Janitorial Supplies	1,000	1,000	0.00%	0
3.2.6	Dues & Subscriptions	4,500	4,500	0.00%	0
3.2.7	Travel, Training, & Tuition	11,900	11,900	0.00%	0
3.2.8	Utilities	7,000	7,000	0.00%	0
3.2.9	Cellphone Allowance	1,680	1,680	0.00%	0
3.2.10	Telephone	6,000	6,000	0.00%	0
3.2.11	Vehicle Allowance	14,000	14,000	0.00%	0
3.2.12	Public Notices	2,000	2,000	0.00%	0
3.2.13	Insurance	2,000	2,000	0.00%	0
3.2.14	Appraisal Review Board	8,000	8,000	0.00%	0
3.2.15	Building Repair & Maintenance	4,200	4,200	0.00%	0
3.2.16	Repairs to Equipment	750	750	0.00%	0
3.2.17	Appraisal/Discovery Tools	3,000	3,000	0.00%	0
3.2.18	Contingencies	10,000	7,300	-27.00%	-2,700
3.3	Mapping Expenses				
3.3.1	True Automation Mapping Contract	18,125	18,125	0.00%	0
3.4	Professional Services				
3.4.1	Audit Services	5,000	5,000	0.00%	0
3.4.2	Legal Services-District	12,500	12,500	0.00%	0
3.4.3	Legal Services-ARB	2,500	2,500	0.00%	0
3.4.4	Appraisal Contract-Capitol Appraisal Group	63,000	63,000	0.00%	0
3.4.5	Appraisal Contract-Eagle Appraisal Group	45,000	45,000	0.00%	0
3.4.6	Lawn Services	1,500	1,500	0.00%	0
3.4.7	I.T. Services	650	650	0.00%	0
3.4.8	Rushing Pest Control Service	300	300	0.00%	0
3.4.9	Janitorial Services	3,780	3,780	0.00%	0
3.5	Contract Services				
3.5.1	Copier Lease	7,500	7,500	0.00%	0
3.5.2	Postage Meter Rental	1,620	1,620	0.00%	0
3.5.3	Software License and Maintenance	35,815	35,815	0.00%	0
Totals		674,360	689,407	2.23%	15,047

SECTION II

2018 FINAL OPERATING BUDGET

Salary and Benefit Schedule

POSITION	CLASSIFICATION	SALARIES	RETIREMENT	HEALTH INSURANCE	FICA	MEDICARE	WORKERS COMP
1	Chief Appraiser (RPA, CCA)	85,000	7,200	14,824	4,960	1,160	800
1	Deputy Chief Appraiser (RPA)	55,000	5,049	9,504	3,478	813	561
1	Level IV Appraiser (RPA)	34,000	3,122	5,443	2,150	503	347
1	Level II Appraiser	29,000	2,663	4,563	1,834	429	296
1	Bookkeeper/Customer Service	25,000	2,295	4,320	1,581	370	255
1	Customer Service Clerk	22,000	2,016	3,801	1,391	325	224
1	Deed Clerk	16,920	1,523	2,616	1,049	245	169
1	Abstractor	11,700	1,053	2,022	726	170	117

SECTION III

2018 FINAL OPERATING BUDGET

Supporting Schedule of Line Item Expenditures

3.1 Personnel Services

3.1.1 Salaries (278,620)

The objectives of good personnel administration are:

- To promote and increase efficiency and economy in the service of the District.
- To develop a program of recruitment, advancement and tenure. To make the service of the District attractive as a career and encourage each employee to render their best services to the District.
- To establish and maintain a uniform plan of evaluation and pay based upon the relative duties and responsibilities of positions in the service of the District.

3.1.2 Health Insurance (47,093)

The district provides health insurance with death benefit, vision insurance, and dental insurance for 6 full-time employees. The employees may cover dependents through the district's insurance but the employee is responsible for 100% of dependent coverage. FICA and Medicare are paid for 6 full-time employees and 2 part-time employees.

3.1.3 Retirement (24,921)

All full time employees and the deed clerk that has converted to part-time are provided retirement under the Texas County and District Retirement System (TCDRS). The contribution by the district is based on contributions from the employee, age of the employee, and the investment results of TCDRS.

The district has been notified that the district's contribution will be 8.73% of salaries for 2017.

3.1.4 FICA (17,169)

FICA is required for all employees. The rate for FICA is 6.2% of all employees' salaries.

3.1.5 Medicare (4,015)

Medicare is required for all employees. The rate for Medicare is 1.45% of all employees' salaries.

3.1.6 Unemployment Compensation (1,600)

The district is required to make payments to the Texas Employment Commission for the benefit of unemployed workers seeking employment. This amount fluctuates with claims into the larger Texas pool as well as local changes.

It is recommended that the prior year budgeted amount of 1,600 be maintained.

3.1.7 Worker's Compensation Insurance (2,769)

Worker's Compensation insurance is provided through the Texas Municipal League. The rate is calculated per \$100.

3.1.8 Accrual Benefit Liability (5,000)

Accrual Benefit Liability is the vacation and comp time on the books as of December 31, 2015 for employees. This amount is owed to the employee as a benefit and would have to be paid should an employee terminate employment with the District.

3.1.9 Merit/Incentive/Step Allowance (10,000)

Funds should be available to be awarded based on merit and contained within the parameters of an up to date and competitive salary schedule. Therefore, the budget contains an amount to be available for merit and step increases as determined by the district's policies and procedures for performance evaluation and salary review.

3.2 Operating Expenses

This category has a wide range of line items related to the day to day operation of the district.

3.2.1 Office supply (9,000)

Office supply expenses are composed of supplies for daily activities, representing pens, copy paper, envelopes, binders, ink, staples, batteries, business cards, etc. The budget is recommended to remain the same as 2016.

3.2.2 Appraisal Rolls & Notices (9,000)

The district has a procedure of mailing "notices" to all property owners every third year and in other years only to properties that have an increase in value by more than \$1000. The projected amount of \$9,000 for 2018 is based on expenditures in 2017. This includes printing, inserting and mailing legally required notices in May and Business Personal Property renditions in December.

3.2.3 Warranty Deeds (1,600)

The district purchases a CD from the Cass County Clerk's office every week of all instruments that have been recorded the previous week in the Clerk's office. The CD includes deed, ownership, and probate information. The disk is \$20.00 a week. It is also necessary to pull old instruments and the Clerk's office charges \$1.00 per copy for these copies. $20 \times 52 = 1040.00 + 560$ for miscellaneous copies = 1,600.

3.2.4 Postage (8,000)

Postage is for general correspondence with property owners, entities, board members, state comptroller and certified mail when required. Postage costs have increased due to increases by the postal service and the legislative law changes requiring more notices to property owners to be mailed as certified mail.

3.2.5 Janitorial Supplies (1,000)

This includes the cost of cleaning supplies for office maintenance and upkeep, paper towels, toilet paper, etc.

3.2.6 Dues & Subscriptions (4,500)

The district participates in several organizations. The largest membership cost is Texas Association of Appraisal Districts (TAAD). This organization provides the majority of required training and education at a reduced cost for members. The district is a member of Texarkana Multiple Listing Service to access sales information. Texas Association of Collectors and Assessors for training and education opportunities. Texas Forestry Association for publications. Local newspapers for obituary, business, and fire damage information. QuickBooks subscription is maintained to receive payroll updates. Fees are also paid to the Texas Department of Licensing and Regulation (TDLR) for employees required to register with TDLR.

3.2.7 Travel, Training, and Tuition (11,900)

Appraisers are required by TDLR to complete specific training for licensing. The district currently employs two people that are Registered Professional Appraisers (RPA). An RPA is required to complete 40 hours of continuing education every two years to maintain that license. The two other appraisers are working toward their RPA and they are required to complete a number of core courses. These courses last from two to five days. When offered locally (Longview, Tyler, Texarkana) the district takes advantage of the opportunity thus saving the cost of per diem and hotel. However, many of the trainings are only offered in Austin, Dallas and Houston. This line item pays for hotel, \$36 a day for per diem, and tuition for courses.

3.2.8 Utilities (7,000)

The City of Linden provides water, sewer and trash pickup. Electricity is provided by SWEPCO and natural gas is provided by CenterPoint Energy.

3.2.9 Cellphone Allowance (1,680)

Appraisers are required to be in contact with the appraisal district while in the field or outside of the office. The district provides appraisers with an allowance for using their own cell phone. The district reimburses the three appraisers and the chief appraiser \$35 a month to defer the cost of the phone.

3.2.10 Telephone (6,000)

The office phone and internet services are provided by Windstream. The district uses Consolidated Communications for long distance service. This amount remains the same for 2018 and is based on historical cost.

3.2.11 Car Expense (14,000)

The district requires the use of personal automobiles for travel. Employees of the district are reimbursed the Federal IRS approved mileage reimbursement rate (currently .54 per mile) to compensate for travel on business. This includes travel to required training for all employees and field inspections by appraisers. All employees use their personal vehicles.

3.2.12 Public Notices (2,000)

The Property Tax Code requires information regarding homestead exemptions, business personal property renditions, special appraisals related to productivity, and how to file a protest be published annually in a newspaper with general circulation in the district. The Comptroller's office stipulates the size of these notices and the location they are to be posted in the paper. It is recommended this amount remain the same for 2018 at 2,000.

3.2.13 Insurance (2,000)

Insurance policies are provided by Texas Municipal League to cover building and contents, liability, and errors and omissions.

3.2.14 Appraisal Review Board (8,000)

The property tax code requires the Board of Directors to support and provide funding for the Appraisal Review Board (ARB). The ARB requires office space, clerical support, supplies, training, and legal counsel.

Office space is provided in the district office and the district also provides clerical support and supplies. Training is mandated and provided by the Comptroller's office. Previously, training was required for new members but was optional for existing members. Now however training is required annually for new members and existing members. Each ARB member is compensated at \$75.00 a day for service. ARB members are reimbursed for meals on days of service and mileage is paid at the IRS rate for travel to the required ARB annual training. It is recommended that the budget for 2018 remain the same at 8,000.

3.2.15 Building Repair and Maintenance (4,200)

General repairs and maintenance to the building are taken from this line item. Typical expenses would be maintenance for plumbing and air conditioner/heating units.

3.2.16 Repairs to Equipment (750)

This category is for unscheduled equipment repair. It is not anticipated that the amount for repairs will need to be increased and no change is recommended.

3.2.17 Appraisal/Discovery Tools (3,000)

As part of the education and valuation tools for the appraisers the district purchases various subscriptions for valuing property. These costs are based on historical costs and projected at 3,000 for 2018.

Subscriptions are the primary expense and are listed as follows:

- Marshall & Swift Commercial Valuation Service

- Marshall & Swift Residential Valuation Service
- Just Texas – Commercial Vehicles registered in Cass County
- NADA – Mobile Home costs
- International Association of Assessing Officers- publications

3.2.18 Contingencies (7,300)

Set aside for unforeseen expenses.

3.3 Mapping Expenses

The CCAD Board of Directors approved a new mapping system through our software provider True Automation in 2016. This upgraded system greatly improves the Appraisal District's mapping capabilities in several different ways. Along with fixing errors that plagued our previous mapping system (incorrect owners, property lines, etc.) this new system has the ability to add new overlays (911 emergency, voter registration, etc.) and is available to the public through the CCAD website.

3.3.1 True Automation Mapping Contract (18,125)

Prichard & Abbott updates ownership quarterly from information provided by the district. They also update TNRIS imagery.

3.4 Professional Services

The contracted services are designed to provide special skills and expertise that are so specialized that it is more economical and necessary to contract for those services.

3.4.1 Audit Services (5,000)

Accounting and auditing services were performed by Moore and Caver in 2017 for the 2016 year. The district uses the accounting software of "QuickBooks" for day to day activities to record the district's financial transactions. The fee for 2018 is expected to be 3,850 and projected not to exceed 5,000.

3.4.2 Legal Services- District (12,500)

The district uses one law firm for legal services. Jim Evans with Hargrove and Evans, provides counsel concerning compliance with the property tax code, Comptroller rules, and general appraisal district operations. The projections for expenditures are based on historical costs.

3.4.3 Legal Service – Appraisal Review Board (2,500)

Changes in the Property Tax Code require that the ARB have separate legal counsel for consultation and review of policies and procedures. David B. Tabor with Shackelford, Melton, McKinley provides counsel for the ARB.

3.4.4 Appraisal Contract- Capitol Appraisal Group (63,000)

Capitol Appraisal Group assists the district in the appraisal of industrial, utility, mineral and other specialty properties. The current contract with CAGI will renew in 2018 with the contractual fee of 63,000.

3.4.5 Appraisal Contract-Eagle Appraisal Group and Consulting (45,000)

The 2012 budget was amended to contract the services of commercial property appraisal and business personal property appraisal to Eagle. Eagle Appraisal and Consulting will continue to provide these services to the district for 2018.

3.4.6 Lawn Services (1,500)

The district contracts with EasTex Lawn Maintenance for general lawn services of mowing, tree and shrub removal.

3.4.7 I.T. Services (650)

Various vendors have provided services to the district problem solving computer issues as needed. The anticipated cost for these services remains the same for 2018 at 650.

3.4.8 Rushing Pest Control Service (300)

The building is sprayed quarterly at the cost of 75.00 per quarter. 2018 costs are anticipated at $75 \times 4 = 300$.

3.4.9 Janitorial Services (3,780)

Janitorial services are provided by Red Bird Cleaning. The service provided has been satisfactory for many years and is reliable. The amount for this service will remain the same 2018. The fee is \$315/month for once a week service.

3.5 Contract Services

3.5.4 Copier Lease (7,500)

The district leases a copy machine from Xerox. The district pays a base cost for the machine and then a per copy fee for copies made over those included in the base cost. The number of copies made per month varies by demand. Some of the cost is recovered by revenue from information requests. The cost for 2018 remains the same as 2017, \$7,500, based on historical cost on this line item.

3.5.5 Postage Meter Rental (1,620)

The district leases a postage meter machine from Pitney Bowes. The cost is \$405 per quarter for the lease of this machine.

3.5.6 Software License and Maintenance (35,815)

The district contracts with a company, True Automation, Inc (TA) for appraisal software. True Automation is a leader in the field of appraisal software and is used by small and large county appraisal districts. True Automation also hosts the district's website and GIS system.

SECTION IV

2018 FINAL OPERATING BUDGET

Allocated Percentage of Budget for each Entity

2018 ESTIMATED ENTITY ALLOCATION

ENTITY	2016 LEVY	% OF LEVY	TOTAL
Atlanta City	\$1,781,855.32	5.65	\$39,104.05
Atlanta ISD	\$6,597,131.13	20.26	\$139,673.86
Avinger City	\$53,574.10	0.17	\$1,171.99
Avinger ISD	\$634,131.45	2.04	\$14,063.90
Bloomburg City	\$50,629.21	0.16	\$1,103.05
Bloomburg ISD	\$501,544.99	1.47	\$10,134.28
Cass County	\$9,539,908.58	29.25	\$201,651.55
Emergency SVC #1	\$44,320.32	0.14	\$965.17
Emergency SVC #2	\$245,017.24	0.71	\$4,894.79
Domino City	\$2,607.59	0.01	\$68.94
Hughes Springs City	\$316,077.00	0.99	\$6,825.13
Hughes Springs ISD	\$2,079,438.21	7.93	\$54,516.98
Linden City	\$400,395.93	1.31	\$9,031.23
Linden-Kildare CISD	\$2,468,308.01	7.99	\$55,083.62
McLeod ISD	\$280,594.25	0.93	\$6,411.49
Pewitt CISD	\$784,260.82	2.78	\$19,165.51
Queen City City	\$412,025.35	1.29	\$8,893.35
Queen City ISD	\$5,369,039.20	16.92	\$116,647.66
Total	\$31,560,858.70	100	\$689,407