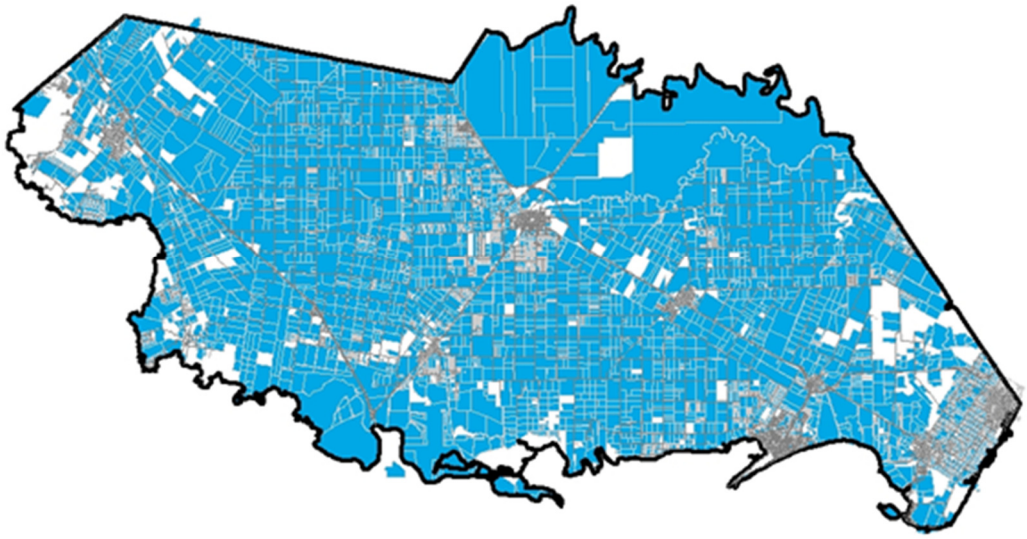
2/9/2016

Operations Review

San Patricio County Appraisal District



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February 9, 2016

Mr. John Curlee
Board Chairman
Board of Directors
San Patricio County Appraisal District
P.O. Box 938
Sinton, TX 78387

San Patricio County Appraisal District
Office Policies and Procedures Review

The purpose of the office policies and procedures review is to conduct an administration and staff review, compliance history with the Comptroller's Property Value Study and Methods and Procedures Review, a staffing assessment, an education and training assessment, a review of the annual budget, and a review of the general operation and function of the office.

The administration and staff review included interviewing the chief appraiser and each individual employee of the district to determine responsibilities, experience and the efficiency of workflow. I examined the communication between the administration and staff to determine that each party know and understand their roles in the organization. Regarding employees, I reviewed budgetary, experience, education, respect of administration and willingness to complete their assignments.

I reviewed the compliance history with the Comptroller's Property Value Study and Methods and Procedure Review. I examined the historical reports for trends in strengths and weaknesses within the district.

The staffing, education and training assessment determined if administration provided adequate staffing, training and assignment of duties in a manner allowing the employees and district to succeed.

A review of the budget was conducted to see that the financial resources of the taxpayers and taxing units are to be spent in an efficient manner. Expenses were examined and compared to typical appraisal district expenditures. Expenses such as technology, equipment, and travel were closely examined.

The general workflow of the district, from appraisal assignments, ownership changes, exemption administration, appraisal notices, appraisal review board scheduling and determination mailing, timely

and accurate roll certification, and entity relations were examined. In addition, I interviewed the County Tax Assessor to determine issues between the tax office and appraisal district. The public relations and taxpayer education of the district were also examined.

My analysis is provided in this final report to the board of directors. Please understand that I entered into this analysis with no predetermined opinions or results and this report is my unbiased opinion on the status of district operations, administration and function. With this the board can make informed decisions on the district operation.

It has been a pleasure to prepare this report for the Board and I appreciate the opportunity. Please do not hesitate to contact me if I can be of assistance.

Sincerely,

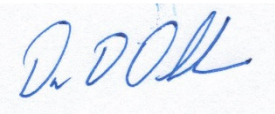

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Table of Contents

Definitions and abbreviations 4
PTAD Compliance 6
Property Value Study 6
Methods and Assistance Program Review 13
Budget and Financial 16
Staffing Report 29
Employee Interviews 30
Administration 37
Clerical 37
Appraisers 38
Interview with County Tax Assessor 40
Office Structure 41
Public Relations 47
Appraisal Review Board 48
Recommendations 49

Definitions and Abbreviations

The following abbreviations are utilized in this report and the definitions have been included to clarify to the reader.

PTAD – The Texas Comptroller of Public Accounts Property Tax Assistance Division (PTAD) is the state agency responsible for advising and monitoring the Texas property tax system. They also conduct the Property Value Study and the Methods and Assistance Program.

PVS- The Property Value Study (PVS) is typically conducted by the PTAD biennial to determine the accuracy, consistency and level of appraisal district values by school district. The purpose is to promote uniformity of local effort statewide for school funding and report these results to taxpayers, taxing entities and the legislature.

MAP- The Methods and Assistance Program reviews (MAP) are conducted biennially by the PTAD to review governance, taxpayer assistance, operating standards, appraisal standards, procedures, and methodologies of the appraisal district.

TDLR- The Texas Department of Licensing and Regulation (TDLR) is the umbrella licensing agency for the State of Texas. They administer the Property Tax Professionals divisions registration, licensing, core education and continuing education. All property tax appraisers must be registered with the TDLR. The typical five-year process of education and testing requires progress through a Level I, Level II, Level III and Level IV appraiser, resulting in the Registered Professional Appraiser (RPA) designation. The requirements are as follows.

Level I Appraiser –	Register with TDLR
Level II Appraiser-	32 hours of Basic Property Tax System 8 hours of Professional Ethics
Level III Appraiser-	18 hours of Income Approach 18 hours of Theory and Practice of Personal Property Appraisal 15 hours of USPAP 24 hours of Theory and Practice of Appraisal of Real Property Class III Examination
Level IV Appraiser-	18 hours analyzing real property appraisal 16 hours of Texas Property Tax Law 18 hours of Mass Appraisal 3.5 hours of USPAP Class IV Examination
RPA-	Must maintain annually 30 hours continuing education; including 2 hours' ethics, laws and rules update, 3.5 hours of USPAP

USPAP- The Uniform Standards of Professional Appraisal Practice is a set of professional appraisal standards published by The Appraisal Foundation. The Appraisal Foundation is authorized by the US Congress to set the uniform standards and qualifications of real estate appraisers. It was formed by nine professional appraiser organizations in 1986.

GIS - A Geographic Information System (GIS) is a computerized mapping system that allows for the creation and analyzation of geographic information, relationships and trends.

IAAO- The International Association of Assessing Officers (IAAO) is an international organization that provides technical guidance and education to assessors (appraisers).

Texas Comptroller's Property Tax Assistance Division (PTAD) Compliance

This report section reviews the district's past compliance with requirements pertaining to the Property Value Study (PVS) and Methods and Assistance Program Review (MAP). This review will examine the historical reports for strengths and weaknesses within the district. This will help to determine if there is a history of weaknesses that have not been corrected or improved over a period of years.

Property Value Study (PVS)

The primary purpose of the PVS is to equally fund public education. It is the belief that if every county appraisal district is appraising the property in their jurisdiction at market value, then each community is contributing to education at a similar "effort'. If an appraisal district is not appraising property at market value, then the State can reduce the funding provided to a school district. Since school districts are a major portion of the appraisal district funding, appraising property at market value is a very important part of an appraisal district's role. The other purpose of the PVS is to provide taxpayers, taxing entities, appraisal district boards and the legislature with a consistent measurement of the appraisal districts performance. A PVS is performed on an appraisal district once every two years. In certain instances, a PVS can be conducted annually if the district has shown poor performance in past years.

The San Patricio CAD was subject to a PVS in 2011, 2013 and 2015. The preliminary results of the 2015 PVS were released on February 1, 2016. Historically, the CAD has been tested in the Aransas Pass ISD, Gregory-Portland CISD, Ingleside ISD, Mathis ISD, Odem-Edroy ISD, Sinton ISD and Taft ISD. The Skidmore-Tynan ISD, Corpus Christi ISD, and Banquete ISD are not usually tested due to the percentage of value in San Patricio County.

The Property Tax Assistance Division (PTAD) utilizes certain criteria in determining which categories of property will be tested each year. I included all property categories for illustration of potential future testing, however the Median Level of Appraisal results were included only on those categories that were actually tested. I have included a summary comparison of the 2011 and 2013 final results and the 2015 preliminary results in the following tables.

PVS Summary for the Appraisal District Overall

CAD Summary		2015 PVS Preliminary Median Level of Appraisal	2013 PVS Median Level of Appraisal	2011 PVS Median Level of Appraisal
A	Single Family Residential	0.9600	1.0000	0.9800
B	Multi-Family Residential			
C1	Vacant Lots			
C2	Colonia Lots			
D2	Rural Real			
E	Real Prop, Non Qual	0.8900	0.9900	
F1	Commercial Real	1.1000	1.0700	0.9700
F2	Industrial Real			
G	Oil, Gas, Minerals			
J	Utilities			1.0200
L1	Commercial Personal			
L2	Industrial Personal			
M	Other Personal			
O	Residential Inventory			
S	Special Inventory			
OVERALL		**0.9900**	**1.0000**	**0.9800**

With an overall level of appraisal of 0.9900, 1.0000 and 0.9800 the district is within the confidence interval close to 100% of market value. According to the 2015 PVS results the SPCAD is slightly under appraising Single Family Residential property overall at 96% of value. SPCAD is under appraising acreage tracts that do not have agriculture exemption at 89% of value and over appraising commercial property at 110% of value. The overall ratios are to be a general observation and the PVS gives greater detail when providing school district results. The school district results are located on the following pages.

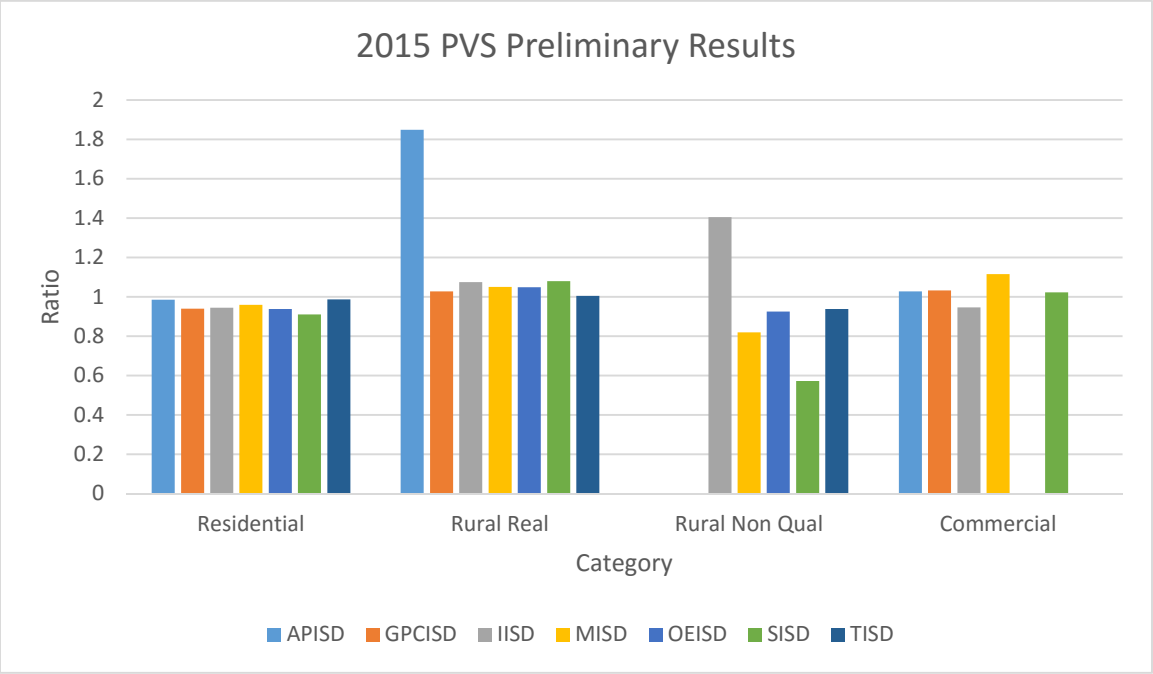
School District Level Testing

The following school districts were tested; Aransas Pass ISD, Gregory-Portland CISD, Ingleside ISD, Mathis ISD, Odem-Edroy ISD, Sinton ISD and Taft ISD.

2015 Results by School District

CAD Summary		2015 Aransas Pass ISD Median Level of Appraisal	2015 Greg-Port CISD Median Level of Appraisal	2015 Ingleside ISD Median Level of Appraisal	2015 Mathis ISD Median Level of Appraisal	2015 Odem-Edroy ISD Median Level of Appraisal	2015 Sinton ISD Median Level of Appraisal	2015 Taft ISD Median Level of Appraisal
A	Single Family Residential	0.9848	0.9400	0.9444	0.9586	0.9383	0.9096	0.9858
B	Multi-Family Residential							
C1	Vacant Lots	1.0789		0.9892				
C2	Colonia Lots							
D1	Rural Real Taxable	1.8472	1.0274	1.0741	1.0492	1.0478	1.0791	1.0045
D2	Rural Real							
E	Real Prop, Non Qual			1.4043	0.8184	0.9241	0.5724	0.9369
F1	Commercial Real	1.0270	1.0324	0.9450	1.1144		1.0223	
F2	Industrial Real							
G	Oil, Gas, Minerals						1.0083	1.0078
J	Utilities				1.0171	0.9622	0.9512	0.9973
L1	Commercial Personal	1.0357			0.9137			1.0567
L2	Industrial Personal							
M	Other Personal							
O	Residential Inventory							
S	Special Inventory							

Chart view of 2015 PVS Preliminary results



As the chart indicates, there is consistency in the Category A, Single Family Residential category.

In Category D1, Rural Real Taxable the PTAD tested the agricultural value based on the productivity value. The Aransas Pass ISD had a ratio on 1.8472 while the other six districts averaged 1.0470 in this category. In further researching this it appears that there is very few (1,524 acres) of agricultural land in Aransas Pass ISD in San Patricio County. So I would not consider this a problem at this time.

What I did find was that according to the PTAD the district is reportedly over appraising its improved and native pasture properties. The following is a chart indicating the SPCAD productivity values in comparison to the PTAD's estimated values.

2015 Agricultural Values

Property Type	Acres	CAD	PTAD	Ratio
Irrigated Crop	4,666	$599.01	$634.70	0.9438
Dry Crop	226,838	$435.16	$436.60	0.9967
Barren	11,817	$29.99	$29.99	1.0000
Improved Pasture	45,968	$71.43	$53.80	1.3277
Native Pasture	81,648	$94.51	$38.60	2.4484
Other	11,463	$367.88	$367.88	1.0000

The PTAD's agricultural values for improved and native pasture varied greatly from the 2013 PVS report. In 2013 the PTAD utilized $57.10 for Improved Pasture and $94.30 for Native Pasture. This may be a case where the district has better information than the state regarding income and expense information. I would recommend that the district enter into discussions with the PTAD regarding the

improved and native pasture valuations, provide local information and request all of the PTAD's calculations. The other item is regarding Barren and Other property categories. Many times chief appraisers will over classify these two categories with the knowledge that the PTAD does not test these categories in the PVS. These categories have the ability to be abused and should only be utilized for properties that have actual barren land such as former gravel mines, submerged land, etc.

Category E, Non-qualified Land is defined as being rural land that does not qualify for agricultural valuation and improvements. There is inconsistency on this category with ratios ranging from 1.4043 to 0.5724 with an average of 0.9312. This is a difficult category to appraise in the fact that most rural properties have agricultural valuation. This is the same types of property appraised in Category D1 and D2 however for whatever reason does not have agricultural valuation. I have found it difficult for most appraisal districts to track these properties and their market value. The samples tested by the PTAD are usually quite small and that can affect the results. For example, in Ingleside ISD the state utilized ten sales with a range of 0.8463 to 2.5000. I would recommend that the district create a category E sales type and specifically track and analyze these sales. There does seem to be inconsistency in the appraisals of this category with a wide disbursement of ratios in every school district.

Category F1, Commercial category was tested in five school districts and indicated some inconsistency with this category. The ratios of tested school districts ranged from 0.9450 to 1.0324. This category should be further researched to determine if the inconsistency is in land or improvement schedules or in the uniformity of classifications by district appraisers.

The PVS further defines the ratios by stratum. These stratums are divided by appraised value ranges with Stratum 1 being lowered valued property than Stratum 2 and so on.

Commecial	APISD	GPCISD	IISD	MISD	SISD
Stratum 1	1.3613	1.0194	1.3114	1.1564	0.9559
Stratum 2	1.0279	1.0659	1.0076	1.2475	1.1158
Stratum 3	1.1721	1.0076	0.7997	0.9644	1.1036
Stratum 4	0.7758	1.0556	0.8473		0.9455

Overall, the district is in compliance with the 2015 Property Value Study and the appraisals are within the confidence interval defined by the PTAD. There is no need to file an appeal of the preliminary results, however it can be utilized as an independent source to indicate the above areas to concentrate effort for future years.

The 2013 and 2011 PVS results are shown on the following pages. The district was also in compliance with these studies. The lower ratios in Category D1 were attributed to a much higher PTAD estimated value of Irrigated Cropland. The district has increased their value of Irrigated Cropland for 2015.

The overall success of getting local funding and "passing" the PVS through the last three cycles should be commended by the taxing entities and taxpayers, as it is not an easy task.

2013 Results by School District

CAD Summary		2013 Aransas Pass ISD Median Level of Appraisal	2013 Greg-Port CISD Median Level of Appraisal	2013 Ingleside ISD Median Level of Appraisal	2013 Mathis ISD Median Level of Appraisal	2013 Odem-Edroy ISD Median Level of Appraisal	2013 Sinton ISD Median Level of Appraisal	2013 Taft ISD Median Level of Appraisal
A	Single Family Residential	1.0316	1.0145	0.9546	0.9720	0.9667	0.9724	0.9722
B	Multi-Family Residential							
C1	Vacant Lots	1.0115						
C2	Colonia Lots							
D1	Rural Real Taxable	1.1261	0.7826	0.8425	0.7948	0.7982	0.8072	0.7682
D2	Rural Real							
E	Real Prop, Non Qual			1.0430	1.0132	0.9557	0.9320	1.0580
F1	Commercial Real	0.9953	0.9405	0.9004			1.0694	1.1015
F2	Industrial Real							
G	Oil, Gas, Minerals					0.9808	0.9869	1.0082
J	Utilities				1.0026	0.9608	0.9515	0.9584
L1	Commercial Personal	0.9914						1.0139
L2	Industrial Personal							
M	Other Personal							
O	Residential Inventory							
S	Special Inventory							

2011 Results by School District

CAD Summary		2011 Aransas Pass ISD Median Level of Appraisal	2011 Greg-Port CISD Median Level of Appraisal	2011 Ingleside ISD Median Level of Appraisal	2011 Mathis ISD Median Level of Appraisal	2011 Odem-Edroy ISD Median Level of Appraisal	2011 Sinton ISD Median Level of Appraisal	2011 Taft ISD Median Level of Appraisal
A	Single Family Residential	0.9639	0.9834	0.9753	0.9512	0.9725	0.9466	0.9542
B	Multi-Family Residential							
C1	Vacant Lots	0.9656						
C2	Colonia Lots							
D1	Rural Real Taxable	0.9976	1.0572	1.0026	1.0509	1.0308	1.0461	1.0689
D2	Rural Real							
E	Real Prop, Non Qual							
F1	Commercial Real	0.9589	0.9598	0.9546	0.9843		0.9611	
F2	Industrial Real							
G	Oil, Gas, Minerals							
J	Utilities			0.9573	0.9849	0.9360	0.9460	0.93565
L1	Commercial Personal	0.9664						1.0192
L2	Industrial Personal							
M	Other Personal							
O	Residential Inventory							
S	Special Inventory							

Methods and Assistance Program Review (MAP)

The State Comptroller's Property Tax Assistance Division (PTAD) conducts a Methods and Assistance Program Review (MAP) of every Texas appraisal district at least once every two years. At this time SPCAD has undergone a MAP review in 2010, 2012, and 2014. A new MAP review is currently being conducted for the 2016 cycle. The purpose of the PTAD conducting MAP reviews is to audit each appraisal district regarding governance, taxpayer assistance, operating procedures, appraisal standards and methodology. The results are then publically released to inform the public, appraisal boards, taxing entities and the legislature as to the conformation status of each appraisal district. A failure on the review and failure to implement any recommendations can result in the district and chief appraiser being subject to discipline from the TDLR.

Each year's MAP review report specifies four mandatory requirements of which receive a PASS or FAIL grade along with a rating on Governance, Taxpayer Assistance, Operating Procedures, and Appraisal Standards, Procedures and Methodology.

The following charts are the results of the 2014, 2012, and 2010 MAP reviews for SPCAD as published by the PTAD.

2014 MAP Results

Mandatory Requirements	PASS/FAIL
1. Does the appraisal district have up-to-date appraisal maps?	PASS
2. Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
3. Does the appraisal district comply with its written procedures for appraisal?	PASS
4. Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS

Appraisal District Activities	RATING
Governance	MEETS ALL
Taxpayer Assistance	MEETS
Operating Procedures	MEETS ALL
Appraisal Standards, Procedures and Methodology	MEETS ALL

The last MAP review that was conducted for year 2014 indicated that SPCAD passed all of the mandatory requirements and met or met all of the Activity questions. There was only one recommendation from the PTAD regarding the inclusion of a homestead exemption form to taxpayers whose mailing address matches the address of the property. Although this is required in Tax Code Section 25.19(b-2) it could be as simple as not being able to produce the required proof.

The district did a very commendable job regarding the 2014 MAP and should be recognized for their effort.

2012 MAP Results

Mandatory Requirements	PASS/FAIL
1. Does the appraisal district board of directors, through the chief appraiser, ensure that the appraisal district budget is prepared and followed according to Tax Code Chapter 6?	FAIL
2. Do the chief appraiser and appraisal district staff communicate with the public concerning appraisal district duties and responsibilities and the role of taxpayers in the property tax system?	PASS
3. Do the appraisal district personnel or contractors have the education, training and experience to perform the duties of the appraisal district?	PASS
4. Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS

Appraisal District Activities	RATING
Governance	EXCEEDS
Taxpayer Assistance	EXCEEDS
Operating Procedures	EXCEEDS
Appraisal Standards, Procedures and Methodology	EXCEEDS

The 2012 MAP review stated that SPCAD failed the mandatory requirement that states "Does the appraisal district board of directors, through the chief appraiser, ensure that the appraisal district budget is prepared and followed according to Tax Code Chapter 6?". This question is based on the analysis of the budget, budget hearing, board agendas and financial audits. It is my understanding that the issue with this requirement was the lack of a history of independent financial audits. This problem has been addressed and should not be a problem in the future. The district passed the other three mandatory requirements. Regarding the Activities section, the district exceeded the requirements for Governance, Taxpayer Assistance, Operating Procedures and Appraisal Standards.

2010 MAP Results

Mandatory Requirements	PASS/FAIL
1. Does the appraisal district have up-to-date appraisal maps from which property may be located pursuant to Comptroller Rule 9.3002?	PASS
2. Do property inspections match appraisal district records?	FAIL
3. Does the appraisal district have written procedures for appraisal?	PASS
4. Are values reproducible using the written procedures and appraisal records?	FAIL
5. Were all appraisal district documents requested by PTAD made available to the reviewer by the required date?	PASS

Appraisal District Activities	RATING
Governance	UNSATISFACTOTY
Taxpayer Assistance	NEEDS IMPROVEMENT
Operating Procedures	UNSATISFACTOTY
Appraisal Standards, Procedures and Methodology	UNSATISFACTOTY

Regarding the 2010 MAP review, the district failed on many levels. Two "FAILS" under the mandatory requirements section, question 2 "Do the property inspections match appraisal district records?' and question 4 "Are values reproducible using the written procedures and appraisal records?" usually indicate inconsistence in record keeping and property schedules. The state auditor selects a random sample of properties and attempts to recreate the value assessed using in office appraisal manuals. If they are unable to achieve the same results, then it is a Fail on the mandatory requirement.

More concerning for the 2010 MAP review are the unsatisfactory and needs improvement ratings under appraisal district activities. The actual scores for each section are shown below.

Goverance	55/100
Taxpayer Assistance	80/100
Operating Procedures	63/100
Appraisal Standards	41/100

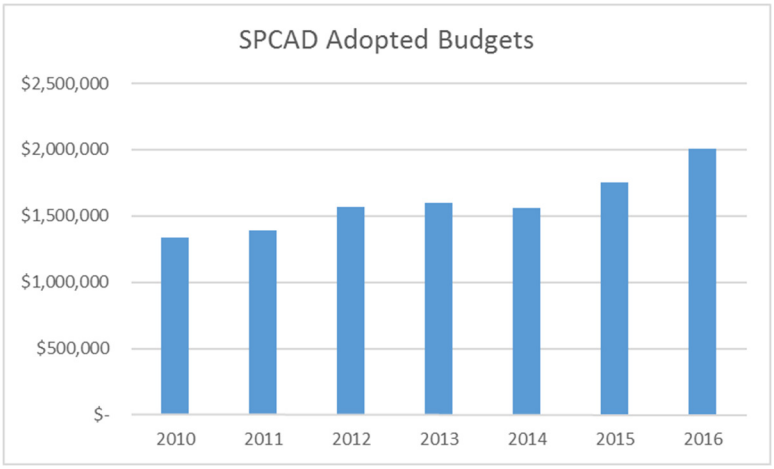
It must be stated that the 2010 MAP review was the first year of the relatively new MAP audit and many appraisal districts were caught off guard and no chief appraiser knew what to expect, however the evaluation used by the PTAD was available several months before the auditor came onsite to conduct the review. Most chief appraisers realized the importance of the new MAP audit and devoted considerable time and manpower to comply timely with the requirements. This meant creating new manuals, borrowing document formats and getting boards of directors to implement policies. In reading the 2010 MAP review questions and answers, it is obvious that Mr. Lozano did not make much attempt at reaching compliance before the onsite review. In addition, many of the items that were found to not be in compliance should have been addressed much before a 2010 MAP review even existed, such as properly publishing the annual budget, conducting public hearings on the budget, completing open records and meetings training, conducting an annual financial audit, deliver annual exemption forms, notify taxpayers when removing exemptions, solicit bids of goods over $50,000, maintain appraisal manuals and utilize ratio studies.

It is my understanding that all of these issues have been addressed and that is substantiated by relatively good marks on the 2012 and 2014 MAP audit, however I must state that the apparent lack of importance given to the review in 2010 does concern me.

Budget and Financial

This section of the report will analyze the appraisal district budget, current and historical to determine if the district is utilizing the financial resources of the taxpayers and taxing entities in an efficient manner. The district provided me with adopted budgets from 2010 through 2016 and the actual expenditures in 2015.

After adjustment for litigation reserve and building renovation, the annual budget has increased 50% from $1,335,680 in 2010 to $2,003,445 in 2016.



For a comparison of the budgets of similar appraisal districts, the Comptroller's PTAD 2014 Operations Survey was consulted. This is the latest published information available for comparison. It is slightly dated as it is comparing the 2016 adopted SPCAD budget to 2014 information. The surrounding counties of Aransas, Bee, Jim Wells, Live Oak, Nueces and Refugio were considered as well as Victoria, Jackson and Calhoun.

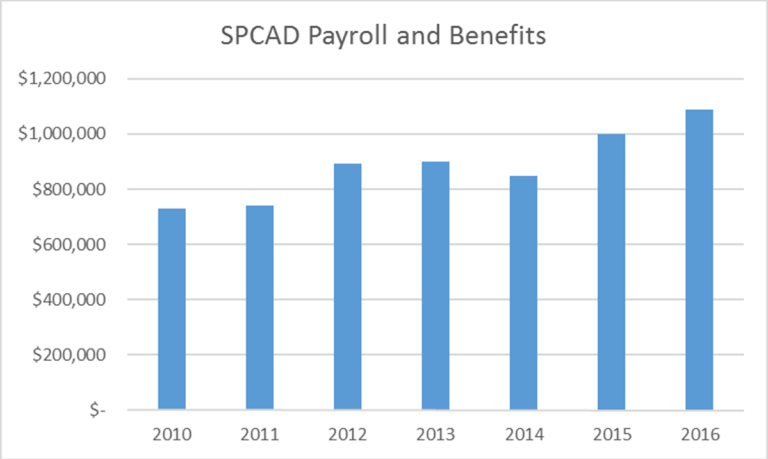
There are typically two units of comparison utilized when analyzing an appraisal district budget. The first is the cost per parcel. In this method the annual budget is divided by the number of parcels. This can be fairly inaccurate depending on the number of non-real properties that an appraisal district appraises and if the appraisal of those properties are contracted to an outside firm, such as P&A. The second method is the percentage of tax levy. In this method the budget is calculated as a percentage of the total tax levy collected based on its appraisals.

APPRAISAL DISTRICT	2014 Budget	Total # Parcels	$/Parcel	2014 Tax Levy	% of Tax Levy
San Patricio	$1,556,365*	49,382	$31.52	$113,629,575	1.37%
Aransas	$828,860	31,616	$26.22	$49,819,194	1.66%
Bee	Not reported	32,341			
Calhoun	$833,205	29,857	$27.91	$71,130,682	1.17%
Jackson	$968,330	27,512	$35.20	$33,616,862	2.88%
Jim Wells	$1,081,092	37,814**	$28.59	$48,170,395	2.24%
Live Oak	$701,966	31,658	$22.17		
Nueces	$6,539,699	174,357	$37.51	$583,258,930	1.12%
Refugio	$400,595	20,316	$19.72	$28,886,098	1.39%
Victoria	$1,937,572	59,465	$32.58	$142,342,905	1.36%
Average	**$1,649,743**	**49,432**	**$29.05**	**$133,856,830**	**1.65%**

*SPCAD 2014 Budget adjusted for the $493,203 Litigation Reserve
**Jim Wells # of parcels from Jim Wells reappraisal plan

The 2016 SPCAD Adopted Budget is $2,003,445 after being adjusted downwards for the $493,203 litigation reserve. This equates to a 2016 cost per parcel of $40.54 based on the 2015 certified parcel count of 49,414.

Payroll and payroll benefits are typically the largest share of an appraisal district budget. Total payroll and benefits has increased 49% from $731,180 in 2010 to $1,089,145 in 2016.



A summary of the 2010 through 2016 adopted budgets is shown on the following pages.

BUDGET SUMMARY	2010	2011	2012	2013	2014	2015	2015	2016
Payroll:	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Budget
Chief Appraiser	$ 68,200	$ 70,250	$ 70,250	$ 70,250	$ 71,940	$ 74,820	$ 74,820	$ 74,820
Deputy Chief Appraiser	$ 56,000	$ 57,680	$ 57,680	$ 61,200	$ 62,670	$ 65,180	$ 65,180	$ 68,440
Appraiser # 1	$ 48,400	$ 49,850	$ 49,850	$ 52,800	$ 54,070	$ 56,235	$ 44,095	$ 59,040
Appraiser # 2	$ 48,400	$ 49,850	$ 49,850	$ 52,800	$ 54,070	$ 56,235	$ 56,235	$ 59,040
Appraiser # 3	$ 48,400	$ 49,850	$ 49,850	$ 52,800	$ 54,070	$ 56,235	$ 56,235	$ 59,040
Appraiser # 4	$ 48,400	$ 49,850	$ 49,850	$ 52,800	$ 54,070	$ 56,235	$ 51,540	$ 59,040
Appraiser # 5	$ -	$ -	$ 49,850	$ 52,800	$ 54,070	$ 56,235	$ 15,027	$ 59,040
Appraiser # 6	$ -	$ -	$ 49,850	$ 52,800	$ 54,070	$ 56,235	$ 43,913	$ 59,040
Appraiser # 7	$ -	$ -	$ -	$ 52,800	$ 54,070	$ 56,235	$ 56,235	$ 59,040
Appraiser # 8	$ -	$ -	$ -	$ 52,800	$ 53,200	$ 56,235	$ 45,925	$ 59,040
Appraiser # 9	$ -	$ -	$ -	$ -	$ -	$ 56,235	$ -	$ 59,040
Appraiser # 10	$ -	$ -	$ -	$ -	$ -	$ 56,235	$ -	$ 59,040
Secretary	$ 36,740	$ 37,840	$ 37,840	$ 40,100	$ 41,745	$ 43,135	$ 43,560	$ 45,290
Receptionist	$ -	$ -	$ -	$ 20,000	$ 20,670	$ 21,515	$ 29,503	$ 22,590
Clerk #1	$ 30,800	$ 31,720	$ 31,720					
Clerk #2	$ 30,140	$ 31,040	$ 22,550					
Clerk #3	$ 21,890	$ 22,550	$ 31,720					
Clerk #4	$ 30,800	$ 31,720	$ 29,000					
Clerk #5	$ 28,160	$ 29,000	$ 22,550					
Clerk #6	$ 28,160	$ 29,000						
Clerk #7	$ 21,890	$ 22,550						
Payroll	**$ 546,380**	**$ 562,750**	**$ 602,410**	**$ 613,950**	**$ 628,715**	**$ 767,000**	**$ 582,267**	**$ 801,540**
Payroll Benefits:								
Part time - maint	$ 3,000	$ 3,000	$ 3,000	$ 1,500	$ -	$ -		$ -
Retirement	$ 55,000	$ 51,300	$ 139,100	$ 139,100	$ 60,860	$ 63,080	$ 56,118	$ 63,080
Group Insurance	$ 73,000	$ 73,000	$ 93,800	$ 93,800	$ 103,200	$ 102,275	$ 98,397	$ 144,000
Workers Compensation	$ 4,000	$ 4,000	$ 4,000	$ 4,810	$ 5,000	$ 7,000	$ 4,518	$ 7,000
Unemployment	$ 3,000	$ 3,000	$ 3,000	$ 2,190	$ 3,000	$ 12,200	$ 307	$ 12,200

	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget	2015 Actual	2016 Budget
Medicare	$ 8,800	$ 8,400	$ 8,700	$ 8,700	$ 9,100	$ 9,450	$ 8,533	$ 11,625
Social Security	$ 38,000	$ 35,600	$ 37,300	$ 37,300	$ 38,900	$ 40,405	$ 36,520	$ 49,700
Payroll Benefits Total:	**$ 184,800**	**$ 178,300**	**$ 288,900**	**$ 287,400**	**$ 220,060**	**$ 234,410**	**$ 204,392**	**$ 287,605**
Operating Expense:								
Legal Service	$ 100,000	$ 100,000	$ 100,000	$ 83,500	$ 61,845	$ 100,000	$ 18,670	$ 100,000
Litigation Reserve	$ 100,000	$ 100,000	$ 100,000	$ 493,203	$ 493,203	$ 493,203	$ 493,203	$ 493,203
Auditor	$ 6,000	$ 6,000	$ 6,000	$ 23,500	$ 6,925	$ 6,500	$ 10,613	$ 10,500
Professional - Appraisal	$ 120,500	$ 126,500	$ 128,000	$ 137,800	$ 142,000	$ 146,200	$ 146,200	$ 150,600
Contract Cleaning	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 8,500	$ 3,922	$ 8,500
Legal Publication	$ 7,500	$ 8,000	$ 8,000	$ 8,770	$ 15,000	$ 15,000	$ 8,506	$ 15,000
Deed Records	$ 2,000	$ 2,000	$ 2,000	$ 1,230	$ 2,000	$ 2,000	$ 1,120	$ 2,000
Website Expense	$ 10,000	$ 11,800	$ 11,800	$ 7,775	$ 3,560	$ 8,000	$ 2,159	$ 8,000
Appraisal Software Contract	$ 46,000	$ 46,000	$ 100,500	$ 63,050	$ 61,740	$ 69,300	$ 127,775	$ 69,300
Equipment Repair	$ 2,500	$ 2,500	$ 2,500	$ 1,150	$ 1,000	$ 2,000	$ 8,400	$ 2,000
Water, Sewer, Trash	$ 2,500	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 688	$ 3,000
Telephone	$ 19,000	$ 19,000	$ 19,000	$ 18,325	$ 12,000	$ 12,000	$ 15,421	$ 12,000
Electricity	$ 12,000	$ 15,000	$ 15,000	$ 15,675	$ 13,225	$ 16,000	$ 10,938	$ 16,000
Rent	$ 60,000	$ 70,000	$ 35,900	$ 35,900	$ 35,900	$ 35,900	$ 35,868	$ 35,900
Building Maintenance	$ -	$ -	$ -	$ -	$ -	$ 3,000	$ 2,505	$ 3,000
Copy Machine Supplies	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 500	$ 500		$ 500
Maintenance Agreements	$ 32,700	$ 45,000	$ 45,000	$ 30,340	$ 20,000	$ 17,000	$ 18,878	$ 19,000
Misc Payroll Expense	$ 1,800	$ 1,800	$ 1,800	$ 500	$ 500	$ 500	$ 80	$ 500
Office Supplies	$ 10,000	$ 10,000	$ 8,500	$ 8,500	$ 14,100	$ 10,000	$ 7,084	$ 10,000
Books and Subscriptions	$ 3,000	$ 3,000	$ 3,000	$ 3,225	$ 3,000	$ 3,500	$ 2,402	$ 3,500
Postage	$ 12,000	$ 16,200	$ 16,200	$ 22,260	$ 23,665	$ 32,000	$ 32,731	$ 35,000
Maps and Supplies	$ 25,000	$ 25,000	$ 25,000	$ 75,000	$ 131,150	$ 95,000	$ 105,617	$ 210,000
	2010	2011	2012	2013	2014	2015	2015	2016

	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Budget
Forms and Printing	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 3,651	$ 10,000
Contingency	$ 1,000	$ 1,000	$ -	$ -	$ -	$ -		$ -
Auto Allowance	$ 7,200	$ 7,200	$ 10,800	$ 12,000	$ 12,000	$ 14,000	$ 12,000	$ 15,600
Auto Expense	$ 7,000	$ 7,000	$ 5,000	$ 5,000	$ 5,000	$ 6,000	$ 3,631	$ 6,000
Staff Mileage	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 39,645	$ 40,000	$ 11,587	$ 44,000
Director's Expense	$ 1,800	$ 2,000	$ 1,800	$ 1,800	$ 1,800	$ 2,000	$ 1,080	$ 3,800
ARB Expense	$ 17,000	$ 17,000	$ 17,000	$ 21,440	$ 18,080	$ 25,000	$ 46,166	$ 50,000
Staff Training & Travel	$ 14,000	$ 16,000	$ 25,000	$ 33,115	$ 40,355	$ 44,000	$ 13,008	$ 47,000
Content & Liability Insurance	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 2,054	$ 3,000
Board Legal Liability	$ 4,500	$ 4,500	$ 1,600	$ 1,600	$ 1,600	$ 1,600	$ 4,086	$ 1,600
Auto Insurance	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 362	$ 2,000
Dues - memberships	$ 5,000	$ 6,000	$ 6,000	$ 7,500	$ 7,500	$ 7,500	$ 3,072	$ 9,000
Other Expense								
Other							$ 3,876	
Vehicle Purchase							$ 16,705	
Penalties							$ 482	
Furniture & Equipment	$ 5,000	$ 5,000	$ 5,000	$ 9,445	$ 7,000	$ 7,000	$ 2,072	$ 8,000
Building Renovation	$ 238,508	$ 238,508	$ 238,508					
Operating Exp Total	**$ 943,008**	**$ 984,508**	**$ 1,011,408**	**$ 1,194,103**	**$ 1,200,793**	**$ 1,241,203**	**$ 1,176,612**	**$ 1,407,503**
Total	**$ 1,674,188**	**$ 1,725,558**	**$ 1,902,718**	**$ 2,095,453**	**$ 2,049,568**	**$ 2,242,613**	**$ 1,963,272**	**$ 2,496,648**
Less Litigation Reserve	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 493,203**	**$ 493,203**	**$ 493,203**	**$ 493,203**	**$ 493,203**
Less Building Fund	**$ 238,508**	**$ 238,508**	**$ 238,508**					
Grand Total	**$ 1,335,680**	**$ 1,387,050**	**$ 1,564,210**	**$ 1,602,250**	**$ 1,556,365**	**$ 1,749,410**	**$ 1,470,069**	**$ 2,003,445**

Payroll

The current organizational structure of the district is heavily Appraiser loaded with a minimum of clerical office staff. Mr. Lozano describes the office structure as Administrative, Clerical and Appraisers. Mr. Lozano as chief appraiser, Ms. Allender as deputy chief appraiser make up the administration, the secretary and receptionist positions as clerical, and all other employees as appraisers. The non-departmentalized office structure occurred during the 2012-2013 budget years. The following table indicates the change from heavily clerical to heavily appraiser centered. The positions are from the adopted budgets and may not represent the actual number of employees employed at the time.

SPCAD Adopted Positions:

Year	Admin	Clerical	Appraisers	Total	Payroll
2010	2	8	4	14	$546,380
2011	2	8	4	14	$562,750
2012	2	6	6	14	$602,410
2013	2	2	8	12	$613,950
2014	2	2	8	12	$628,715
2015	2	2	10	14	$767,000
2016	2	2	10	14	$801,540

It is my understanding that the district formerly did tax collections which would explain the high number of clerical positions during the 2010 and 2011 budget years, however a district is required to have two separate budgets, one for collections and one for appraisal, if they are contracted by an entity to undertake collections. I was only provided one appraisal district budget for those years. As discussed in the staffing portion of this report, the appraiser's primary duties have been clerical related. It appears that the district has replaced moderately paid clerical staff with very well paid appraisal staff to do the duties of clerical work.

The International Association of Assessing Officers (IAAO) published in their *"Property Appraisal and Assessment Administration"* manual that, "although it can vary greatly, a Full Time Equivalent (FTE) staffing rate of 2,500 parcels per FTE is typical". I have found that in Texas a typical staffing rate of 3,000 – 3,500 parcels per FTE is much more common. Utilizing the 2,500 – 3,500 parcels per FTE would indicate a range of 14 – 19 employees for SPCAD. The 2016 Adopted budget funds 14 employees, which is reasonable, however it is on the lower end of the typical range.

The following table indicates the staffing rates of the comparable CADs utilizing the 2014 PTAD Operations Survey data.

Full Time Equivalents (FTE)

APPRAISAL DISTRICT	2014 FTE	Total # Parcels	# Parcels/FTE
San Patricio	11	49,382	4,489
Aransas	9	31,616	3,513
Bee	3	32,341	10,780
Calhoun	8	29,857	3,732
Jackson	9	27,512	3,057
Jim Wells	13	37,814*	2,909
Live Oak	6	31,658	5,276
Nueces	79	174,357	2,207
Refugio	3	20,316	6,772
Victoria	23	59,465	2,585
Average	**16.4**	**49,432**	**4,532**

The same information was analyzed regarding the number of field appraisers each of the comparable appraisal districts employed. The following table indicates the number of appraisers excluding the chief appraiser.

Appraisers

APPRAISAL DISTRICT	2014 Appraisers	Total # Parcels	# Parcels/Appraiser
San Patricio	9	49,382	5,487
Aransas	4	31,616	7,904
Bee	0	32,341	
Calhoun	2	29,857	14,929
Jackson	4	27,512	6,878
Jim Wells	13	37,814	2,909
Live Oak	6	31,658	5,276
Nueces	79	174,357	2,207
Refugio	3	20,316	6,772
Victoria	9	59,465	6,607
Average		**49,432**	**6,552**

The 2016 Adopted Budget allows for two additional field appraisers having ten field appraisers and the deputy chief, making eleven appraisers total. The comparison then is 4,489 parcels per registered appraiser excluding the chief appraiser. This is considerably less than the comparable average of 6,552. Utilizing the average, SPCAD should have eight field appraisers including the deputy chief. Utilizing only the 2016 $59,040 budgeted appraiser position salary, the district could save $177,120 plus the cost of payroll benefits, education, travel, etc.

In evaluating the salaries of similar appraisal districts, the Comptroller's PTAD 2014 Operations Survey was consulted. This is the latest published information for comparison. It is slightly dated as it is comparing the 2016 adopted SPCAD budget to 2014 information. The surrounding counties of Aransas, Bee, Jim Wells, Live Oak, Nueces and Refugio were considered as well as Victoria, Jackson and Calhoun.

The first table is a comparison of chief appraiser's salary.

Chief Appraiser Salaries:

APPRAISAL DISTRICT	2014 Chief Appraiser	2016 Chief Appraiser
San Patricio	$71,936	$74,820
Aransas	$70,000	
Bee	$75,000	
Calhoun	$93,000	
Jackson	$85,000	
Jim Wells	$59,763 + $19,921 collections	
Live Oak	$75,000	
Nueces	$130,000	
Refugio	$47,691	
Victoria	$97,863	
Average	**$82,519**	

Chief appraiser salaries have steadily been increasing over the last several years. This is due to the shortage of knowledgeable, experienced chief appraisers wanting to continue in the business, mostly due to increasing state requirements and increased reporting. There are also many of the older chief appraisers that began at the formation of appraisal districts in the 1980's retiring, and there is a lack of district appraisers desiring to leave the relative job safety of a staff appraiser position to undertake the more politically charged chief appraiser position.

It is my opinion that a chief appraiser with the knowledge and experience of Mr. Lozano should have a salary in the $85,000-$90,000 range. If he were to desire to leave the district he should expect to find another similar chief appraiser position paying in excess of that, and also the SPCAD board of directors should expect to pay at or above the $85,000 to $90,000 range in order to find an experienced replacement. Regarding the chief appraiser position, the district is competing on a statewide basis for a qualified and knowledgeable chief appraiser and the chief appraiser salary is more affected by comparable district pay than any other position.

The PTAD Operations Survey does not report individual salaries for deputy chief appraiser positions. The SPCAD deputy chief appraiser position is budgeted in 2016 at $68,440 with an actual 2015 expense of $65,180. It is typical for the deputy chief appraiser position to pay 70-80% of the chief appraiser's salary. This would indicate a salary range of $52,374 - $59,856 using Mr. Lozano's 2015 salary. However, as indicated above the chief appraiser salary is currently below the market rate of $85,000 to $90,000. This would indicate a deputy chief salary range of $59,500 to $72,000 depending on experience.

For 2016, SPCAD has ten appraiser positions within the budget with individual appraiser salaries budgeted at $59,040. In analyzing the actual SPCAD 2015 appraiser salaries paid, the appraisers averaged $50,597 excluding the $15,027 appraiser that worked for only a partial year. The comparable appraisal districts reported an average low salary of $41,398 and a high salary of $50,685. The following table indicates the comparable appraiser salaries reported in the 2014 PTAD Operations Survey.

Appraiser Salaries:

APPRAISAL DISTRICT	2014 Appraiser Low	2014 Appraiser High	2016 Appraiser
San Patricio	$54,070	$54,070	$59,040
Aransas	$39,150	$39,150	
Bee	$30,370	$30,370	
Calhoun	$36,000	$60,000	
Jackson	$53,456	$85,000	
Jim Wells	$48,542	$58,616	
Live Oak	$51,372	$51,372	
Nueces	$41,600	$41,600	
Refugio	$29,415	$29,415	
Victoria	$30,000	$57,256	
Average	**$41,398**	**$50,685**	

The district's current group of Appraisers is surprisingly inexperienced with an average employment history of just 2.4 years with SPCAD and 5.5 years of appraisal district experience. The salary range should fall in the more typical range of $40,000 to $50,000 with differences based on experience and qualifications. In my individual interviews, several stated that they left Nueces CAD primarily due to the high salaries at SCPAD. In the 2014 PTAD Operations Survey, Nueces CAD indicated a typical appraiser salary of $41,600. Field appraiser salaries are more competitive on a regional basis. The competition for field appraisers is typically limited to commuting distance. I understand the need to remain competitive, especially with Nueces CAD, however the budgeted appraiser salaries appear to be in excess, especially taking into account their minimal field work responsibilities and experience.

Clerical Staff

The clerical staff consists of a secretary position and a receptionist position. Unlike the administrative and appraiser positions, the salary guidance these positions is not on a statewide or even a regional appraisal district level. The competition for clerical positions is the local demand and what is the typical

pay scale in the private sector, County, City and School Districts. The current secretary has 17 years' experience with SPCAD. Her 2016 budgeted salary of $45,290 does not appear out of line with a position of her responsibility and experience. The receptionist position has a 2016 budgeted salary of $22,590 or approximately $10.86/hour based on a 2,080 hour work year. The 2015 actual salary paid for this position was $29,503. This was due to administration comingling this position as having appraiser responsibilities and clerical. I do not disagree with the $29,503 salary for this particular positon, however there is plenty of responsibility for this position without adding additional appraiser duties.

Payroll Benefits

The payroll benefits include retirement, group health and life insurance, worker's compensation insurance, unemployment insurance, medicare and social security. For 2016 the group insurance had a 40% increase over 2015. This is fairly typical due to insurance changes from the federal government's affordable care act. At some point these increases will become unsustainable and employees will have to begin paying a portion of healthcare. The unemployment insurance was budgeted at $12,200 for 2015 with an actual expense of $307. This may be due to the state rerating the district, as this occurs on an annual basis.

Operating Expense

The **legal expense** line item of $100,000 seems reasonable for a district with pending litigation and potential for litigation of several high valued properties. According to the district's attorney, the litigation reserve of $493,203 appears reasonable also for SPCAD with pending litigation and high valued industrial properties. This amount does greatly increase the public's perception of the amount of the annual budget. It is my opinion that the district should consult with the auditor as to whether this amount should be shown as a reserve account instead of as a budgeted line item. The board of directors can then spend out of the reserve account as is necessary through board action.

The **professional appraisal** line item is utilized to hire the firm of Pritchard and Abbott to appraise mineral and industrial properties. This amount is typical for a district with a large amount of these properties.

The **website** expense of $8,000 seems excessive for a property search website that has historically been updated annually. The actual 2015 expense was $2,159.

The **building rent, maintenance, and utility** line items appear reasonable.

The **maintenance agreement** expense of $19,000 was further examined. The 2015 actual expense of $18,878 was spent as follows.

Maintenance Agreement 2015 Expense:

Alarm System	$857.00
Fire System	$506.08
CoStar	$3,695.40
ESRI	$3,850.00
Postage Machine	$1,975.85
Quickbooks	$642.72
Tax Management Assessments	$2,995.00
Terminix	$632.00
Xerox	$3,724.36

CoStar is a national commercial sales database. It is my experience that it does not regularly contain rural or suburban commercial sales. The benefit of the CoStar subscription should be analyzed. Loopnet is a similar commercial sales database and offers a sold property subscription with a reasonable number of downloads for approximately $350 per year. Tax Management Assessments offers a business personal property valuation tool. This tool can be very beneficial if it utilized by district appraisers.

Maps and Supplies expense have risen from $25,000 to $210,000 since 2010. The actual amount spent in 2015 was $105,617. The district is currently utilizing Pictometry and is contracted with Pictometery for six flights. They have completed four flights with the 2015 flight and will have a 2016 and 2017 flight under this contract. The board might consider in the future to reduce the annual flights to every two or three years or narrow the flight area to the areas with the most activity. Pictometry will also work with the district to pay for the flights over a two or three-year period as well. This could reduce the budget significantly. A three-year flight cycle and paying the expense over three years could result in this line item changing from $210,000 to around $35,000/year.

Auto allowance, auto expense, and staff mileage line items total $65,600 for 2016. The district provides the appraisers a base auto allowance of $100/month and $0.575 / mile reimbursement for travel. At a straight reimbursable rate of $0.575 this would equate to 114,087 miles driven next year. The actual calculated miles driven in 2015 was 20,173.

In analyzing the 2015 actual mileage reimbursements the findings were as follows.

Classification	Employee	Mileage Reimbursement	Calculated Miles Driven in 2015
Administration	Rufino Lozano	$5,743	9,989
Administration	Laura Allender	$1,236	2,150
Clerical	Frances DeLeon	$0	0
Clerical	Diana Moss	$39	68
Appraiser	Michael Alva	$33	57
Appraiser	Lori Beabout	$664	1,154
Appraiser	Lisa Carvajal	$960	1,669
Appraiser	Noel Esquivel	$590	1,027
Appraiser	Lorena Garcia	$1,428	2,484
Appraiser	Oberlin Garcia	$244	425
Appraiser	Christina Ramirez	$531	923
Appraiser	Stephanie Sanchez	$131	227
TOTAL		$11,599	20,173

The total mileage reimbursed for just Appraisers was $4,580 which equates to 7,966 miles driven inspecting property and other SPCAD related business. **The average miles driven by each appraiser is 996 miles for the year or 83 miles per month.** This is contrasted with Mr. Lozano's mileage reimbursement of $5,743 or 9,989 miles. It is my understanding that the district also purchased a district vehicle for Mr. Lozano to drive during 2015. It is my opinion that the district should consider purchasing vehicles for the district appraisers to drive while on duty. These vehicles should be of uniform color and well-marked with the appraisal district name. This would promote professionalism for the office, encourage the appraisers to get out of the office and inspect property, as well as make the employees identifiable to the taxpayers. These line items seem excessive unless there is dramatic increase in the actual miles driven to inspect property.

The **ARB expense** increased from a $25,000 budgeted item in 2015 to $50,000 in 2016. I understand that the board of directors increased the daily rate for board members to $200 in 2015. This would equate to 50 days of meetings for each of the five ARB members. Fifty days of ARB hearings for a district the size of SPCAD seems excessive. This will be addressed in the ARB section of this report.

The 2015 actual expense of **Staff Training and Travel** was $13,008, while the 2016 budgeted amount is $47,000. This discrepancy appears unreasonable. The district did provide me with a QuickBooks report indicating the actual 2015 expenses. It appears that much of this line item was spent attending TCEQ meetings. I would suggest that the Board adopt a policy regarding the attendance at these meetings. This would clarify to the chief appraiser and the taxpayers the expectations of the board. I can address this line item further if requested.

The **Dues and memberships** line item of $9,000 seems excessive in comparison to the actual 2015 expense of $3,072.17.

Budget and Financial Summary

The total number of staff members appears to be reasonable. The budgeted number of appraisers seems excessive. It is my opinion that the chief appraiser salary is below the typical market for an experienced and long tenured chief appraiser. In comparison to the current chief appraiser's salary the deputy chief appraiser's salary is excessive at 91% of the chief's salary. The budgeted field appraiser's salary of $59,040 is above market rates, especially considering the longevity and experience of the current staff. The clerical salaries are reasonable. The organizational structure of the office is discussed elsewhere in this report. The payroll benefits portion of the budget seems reasonable. It should be considered to move the litigation reserve "off-budget" into a reserve account. There are numerous operating expense line items that could be adjusted to more closely reflect the actual expenses incurred by the district. The Maps and Supplies line item regarding the Pictometry contract should be further analyzed. Some policy changes should be made to the Auto allowance, auto expense, and staff mileage line items. In addition, there should be a policy implemented on credit card use and the procedure utilized to input these expenses into QuickBooks for reporting purposes.

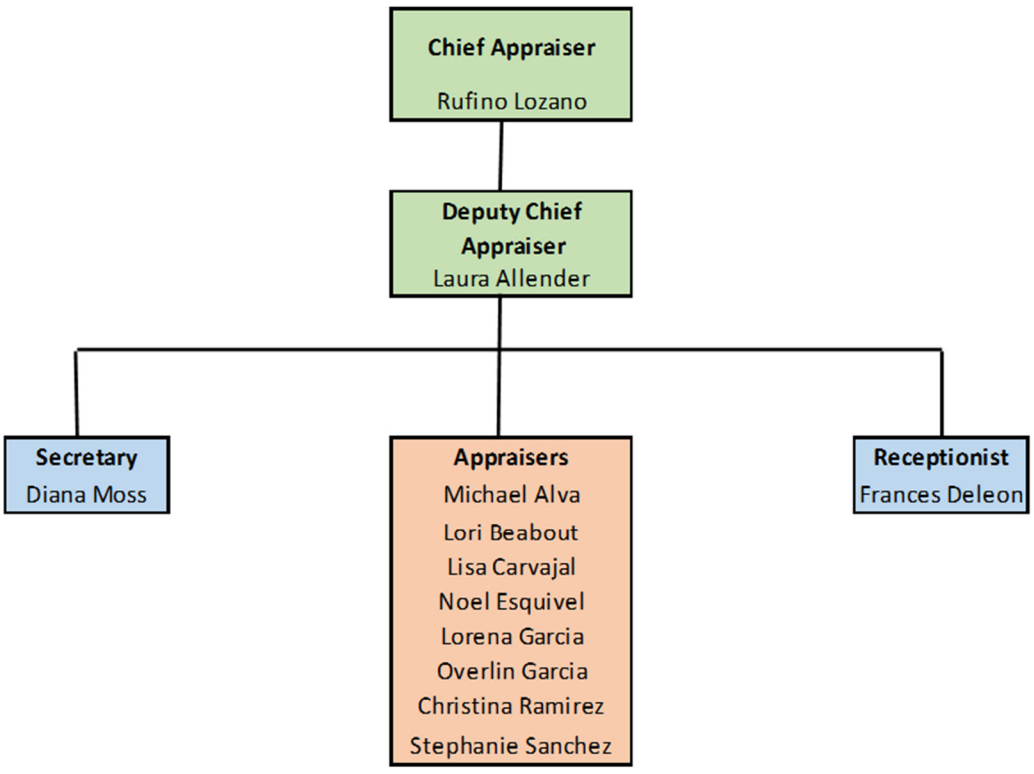
Staffing Report

The appraisal district currently has twelve employees. The 2016 budget includes financial provisions for two additional appraisers. The current employees are listed below.

Chief Appraiser -	Rufino H. Lozano, RPA, RTA
Deputy Chief Appraiser -	Laura Allender, RPA
Secretary -	Diana Moss
Receptionist/Appraiser -	Frances De Leon
Appraiser -	Michael Alva
Appraiser -	Lori Beabout
Appraiser -	Lisa Carvajal, RPA
Appraiser -	Noel Esquivel
Appraiser -	Lorena Garcia, RPA
Appraiser -	Oberlin Garcia, RPA
Appraiser -	Cristina Ramirez, RPA
Appraiser -	Stephanie Sanchez, RPA

The current organizational structure of employees is as administration being the chief appraiser and deputy chief appraiser, two clerical positions with a secretary and receptionist, and all other employees described officially as appraisers.

The following organizational chart visualizes this office.



Employee Interviews

I conducted an interview with each employee of the district. The purpose of these interviews is to determine the employee's responsibilities, experience and the offices' efficiency of workflow. These interviews also were compared with interviews of administration to determine if administration's description of responsibilities matched those of the employees. The following is a summary of each employee, their current responsibilities, education and experience.

ADMINISTRATION

Staff Member: Rufino Hector Lozano, RPA, RTA

Job Title: Chief Appraiser

Responsibilities: Overall administration of the district

2015 Gross Pay: $74,820

Education: Bachelor of Science, University of Texas

TDLR Certification: RPA and RTA
Beginning Registration Date: November 17, 1992
Core Courses: All core coursework completed
CEUs Acquired in 2015: 60.25 hours
Total CEUs Acquired: 731.75 hours

How long with SPCAD: 11 years, since November 21, 2004

Previous experience: Chief appraiser of Uvalde CAD
Chief Appraiser of Dimmit CAD

Staff Member: Laura Allender

Job Title: Deputy Chief Appraiser

Responsibilities: Assist the chief appraiser, reporting, office management, supervise appraisers, schedule employee leave, ARB case management.

2015 Gross Pay: $65,180

Education: Masters of Education Administration

TDLR Certification: RPA
Beginning Registration Date: August 3, 2005
Core Courses: All core coursework completed
CEUs Acquired in 2015: 24.25 hours
Total CEUs Acquired: 234.50 hours

How long with SPCAD: 6 years, April, 2009, Deputy chief since 2010

Previous experience: Appraiser with Nueces CAD

CLERICAL

Staff Member: Diana Moss

Job Title: Secretary

Responsibilities: HR Payroll, Accounts receivable, accounts payable, attendance, filing, Board secretary, ARB secretary, ARB orders

2015 Gross Pay: $43,560

Education:

TDLR Certification: Not registered with TDLR
Beginning Registration Date: N/A
Core Courses: N/A
CEUs Acquired in 2015: N/A
Total CEUs Acquired: N/A

Property Tax Education: Ms. Moss had previously been registered and is no longer registered with TDLR.

How long with SPCAD: 17 years

Previous experience: Banking

Staff Member: Francis DeLeon

Job Title: Receptionist/Appraiser

Responsibilities: Receptionist, greeting taxpayers, answering telephones, filing, incoming mail, exemptions, general customer service. Appraisal duties involve exemptions and business personal property.

2015 Gross Pay: $29,503

Education: Associates in Business Management and Human Resources, Del Mar and online.

TDLR Certification: Class I Appraiser
Beginning Registration Date: March 31, 2015
Core Courses: No core coursework completed
CEUs Acquired in 2015: N/A
Total CEUs Acquired: N/A

How long with SPCAD: 3.5 years, was registered as an appraiser March, 2015

Previous experience: Office manager for Safelite, Personal Banking with Wells Fargo

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APPRAISERS

Staff Member: Michael Alva

Job Title: Appraiser / GIS Technician

Responsibilities: Help with GIS, ownership splits, some exemptions

2015 Gross Pay: $15,727 (partial year)

Education: Some College with Del Mar, GIS Certificates

TDLR Certification: Class I Appraiser
Beginning Registration Date: September 4, 2015
Core Courses: No core coursework completed
CEUs Acquired in 2015: N/A
Total CEUs Acquired: N/A

How long with SPCAD: began June 12, 2015

Previous experience: Landman for 12 years and 2 years of GIS

Staff Member: Lori Beabout

Job Title: Field Appraiser / GIS Technician

Responsibilities: GIS technician, field appraiser, deeds and ownership, exemptions, interaction with taxpayers

2015 Gross Pay: $51,540

Education: Bachelor of Science, GIS, Texas State University

TDLR Certification: Class III Appraiser
Beginning Registration Date: February 14, 2013
Core Courses: All core coursework completed and RPA examination passed.
CEUs Acquired in 2015: N/A
Total CEUs Acquired: N/A

How long with SPCAD: 3 years, February

Previous experience: none

Staff Member: Lisa Carvajal, RPA

Job Title: Field appraiser / GIS Technician

Responsibilities: General appraisal, homesteads, ag exemptions, business personal property

2015 Gross Pay: $57,435

Education: High school

TDLR Certification: RPA
Beginning Registration Date: April 4, 2011
Core Courses: All core coursework completed
CEUs Acquired in 2015: 9.00 hours
Total CEUs Acquired: 97.25 hours

How long with SPCAD: 5 years in March

Previous experience: Brooks CAD for 6 years, legal assistant for 4 years, district clerk's office for 3 years.

Staff Member:	Noel Esquivel
Job Title:	Field Appraiser / GIS Technician
Responsibilities:	GIS, field appraiser, data entry, deeds, taxpayer assistance, ag appraiser, Pictometry
2015 Gross Pay:	$43,913
Education:	Bachelor of Science, GIS, TAMU Corpus Christi
TDLR Certification:	Class III Appraiser
Beginning Registration Date:	January 10, 2014
Core Courses:	Class I, II, III coursework completed, needs Mass Appraisal Concepts, Property Tax Law, Analyzing a Real Property Appraisal by 1/10/2019.
CEUs Acquired in 2015:	N/A
Total CEUs Acquired:	N/A
How long with SPCAD:	2 years, November, 2013
Previous experience:	worked in land surveying for 2.5 years.

Staff Member:	Lorena Garcia, RPA
Job Title:	Field Appraiser / GIS Technician
Responsibilities:	Field appraisal, clerical, property analysis, deeds, address changes, homestead exemptions, business personal property
2015 Gross Pay:	$56,235
Education:	BA, Texas A&M Corpus Christi
TDLR Certification:	RPA
Beginning Registration Date:	March 10, 2009
Core Courses:	All core coursework completed
CEUs Acquired in 2015:	12.50 hours
Total CEUs Acquired:	71.25 hours
How long with SPCAD:	2 years

Previous experience: 5 years with Nueces CAD, of which 2 years was a residential appraiser, 3 years in market analysis.

Staff Member: Oberlin Garcia, RPA

Job Title: Field Appraiser / GIS Technician

Responsibilities: Commercial property, Ag properties, deed changes, exemptions and vehicle inventory tax.

2015 Gross Pay: $56,235

Education: BS, Del Mar and Texas A&M Corpus Christi

TDLR Certification: RPA
Beginning Registration Date: April 4, 2011
Core Courses: All core coursework completed
CEUs Acquired in 2015: 26.00 hours
Total CEUs Acquired: 113.25 hours

How long with SPCAD: 5 years in February

Previous experience: GIS technician with AEP for 4.5 years, GIS intern with Nueces CAD

Staff Member: Cristina Ramirez, RPA

Job Title: Appraiser

Responsibilities: Clerical, phone service, filing, exemptions, field work, deeds

2015 Gross Pay: $44,095

Education: some college

TDLR Certification: RPA
Beginning Registration Date: March 10, 2009
Core Courses: All core coursework completed
CEUs Acquired in 2015: 21.75 hours
Total CEUs Acquired: 37.75 hours

How long with SPCAD: started in March, 2015

Previous experience:	worked for Nueces CAD for 8 years total. Four years as BPP clerk, 4 years in residential, previous work in title company.

Staff Member:	Stephanie Sanchez, RPA
Job Title:	Field Appraiser / GIS Technician
Responsibilities:	Customer Service, field appraisal, ag exemption, business personal property, exemptions.
2015 Gross Pay:	$45,925
Education:	High School
TDLR Certification:	RPA
Beginning Registration Date:	May 16, 2008
Core Courses:	All core coursework completed
CEUs Acquired in 2015:	44.00 hours
Total CEUs Acquired:	48.00 hours
How long with SPCAD:	1 year on March 2
Previous experience:	6 years with Nueces CAD as residential appraiser, other in banking and apartment management

Employee Interview Discussion

[This section of the report contains confidential and personal information regarding San Patricio CAD employees, and, pursuant to the advice of counsel, has been removed from the public version of this report].

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Interview of County Tax Assessor

I interviewed Ms. Dalia Sanchez, the San Patricio County Tax Assessor and member of the SPCAD Board of Directors on January 19, 2016. Ms. Sanchez explained some of the problems that she is aware of with the appraisal district. The County Tax Office has to have a working relationship with the appraisal district. The role of the appraisal district is to discover the property, appraise the property, administer all exemptions, conduct the appraisal review board hearings and certify the values. This information is then transferred to the tax office for the generation and collection of tax bills. There is a relationship problem between these two entities. They have to communicate and work together. It is not my opinion that either office is 100% percent correct 100% of the time. With 49,000+ properties, there will be mistakes made by the appraisal district and there will be mistakes made by the tax office. The solution is to work together to solve the problems and learn from the mistakes.

I did review some of the state reporting done by the appraisal district and there were some errors made. Mr. Lozano has admitted to the errors and has worked to address them. I also reviewed the list of problems provided by Ms. Sanchez. I informed Ms. Sanchez that I would not individually research the listed problems and that my role was to see the overall reasons and see if a pattern would emerge. The complaints about high appraisals, unhappy taxpayers are typical for appraisal districts and tax offices. Nobody likes paying taxes but that is the system in Texas. The complaints about ownership changes, name changes and incorrect property descriptions are an issue that should be addressed by the appraisal district.

It appears that much of the difficulty the tax office is experiencing is in the supplemental processing. A supplemental is a "correction" to the tax roll. All changes to the certified tax roll have to first be made by the appraisal district/appraisal review board and are then entered into the appraisal district computer system and then exported to the tax office. The tax office must then import these changes to their computer system and generate a corrected bill. It would be beneficial if the appraisal district and the tax office would be on the same brand of computer software, however it is not necessary. Many appraisal districts and tax offices utilize different software companies and many operate without problems. It does however take problem of blaming the different firms for existent or non-existent problems out of the equation. The district is currently in the process of changing computer companies to Harris Computer's PACS system. While it has certain functions that some find difficult, it is considered to be the best all-around appraisal and tax office software available at this time. It is utilized by a very large portion of districts and tax offices in Texas. I feel that both offices being on the same software would help the current situation.

The larger problem with supplemental processing seems to be on the appraisal district side. Ms. Sanchez stated to me that she gets supplementals from various people in the CAD and there appears to be overlap and inconsistency in the data. I believe that this could be addressed in some reorganization of the appraisal office structure.

I found Ms. Sanchez to be open and forthcoming. I do not believe that she dislikes Mr. Lozano and that she would like for the offices to have a better working relationship.

Office Structure

As stated earlier the office is organized into three categories; administration, clerical and appraisers. During the years of 2012-2013, Mr. Lozano dramatically reorganized the office from being clerical heavy to appraiser heavy. In this restructuring the clerical portion of the office was reduced to a secretary and receptionist. The appraisers, in addition to field appraisal work are responsible for deed changes, address changes, GIS map changes, exemption determination, and addressing taxpayer inquiries. Mr. Lozano stated that each appraiser is required to spend a day or two in the office. Through my review I have found that the duties of appraisers have actually transitioned to well-paid clerical staff with minimal field work responsibilities. This non-departmentalized approach is unconventional for an appraisal district of this size. I attempted to assess this approach with an open mind and spent numerous hours analyzing the advantages and disadvantages of this approach.

One of the problems with field appraiser positions is that good field appraisers get bored with the field work over time. Going to the field every day and measuring houses, knocking on doors of sometimes disgruntled taxpayers, avoiding dogs, and fighting inclement weather can have a wearing effect. It also can be tiring preparing and presenting ARB cases with unhappy taxpayers. Also, in a smaller district the opportunity for advancement to a higher position can be frustrating. These reasons account for many field appraisers moving to different districts or changing jobs entirely on a regular basis. With the current structure the idea is the appraiser can avoid some of this “burnout” by doing other tasks. These tasks may be things that they enjoy, such as GIS mapping. I believe the intent of the current structure is to minimize this boredom or burnout of the field appraiser positon. It also leads to a well-rounded appraiser that has a working knowledge of data entry, exemptions, protests, and ownership changes. There is definitely advantage to having staff cross trained, however it can be limited to having several duties cross trained over several employees, not every employee cross trained to do every duty.

The disadvantages of this non-departmentalized approach are many, with the primary problem being that no employee can reach their full potential when they are spread across so many responsibilities. As one appraiser stated they would rather be proficient at a couple of duties instead of five or six. This was verified, in my interview of Ms. Allender, when I asked if she had some appraisers that were better at deed processing than others and she stated that was the case. It is just human nature that there are some that are better at appraising houses, some better at making maps, some better with exemptions, some better at presenting ARB cases. Every employee has strengths and weaknesses. It is the job of the administration to find these strengths and cultivate and educate that employee into the role that will bring them and the organization success.

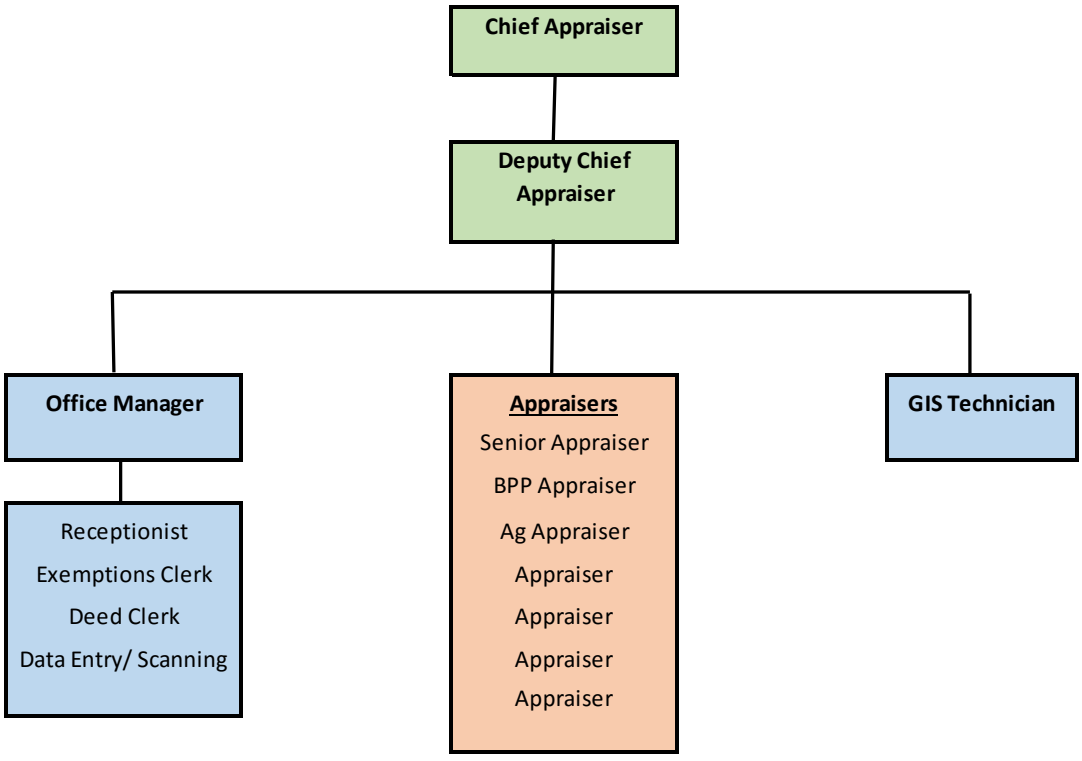
One of the other problems is consistency and responsibility. A portion of the appraisal district problem is that there is no single person responsible for making supplemental changes and being accountable for these changes. Taxpayers have this same problem with filing renditions and exemptions. They do not get to talk to the same person and develop a relationship and know who is responsible for solving their issue.

Another item are the financial issues with the current non-departmentalized structure. A typical salary for a clerical position is $28,000 to $40,000 per year. The 2016 budgeted salary for an appraiser with

SPCAD is $59,040. In the financial section of this report it was reported that the typical salary for a field appraiser is $40,000 to $50,000. The district is paying higher paid appraiser positions to conduct clerical assignments.

The current non-departmentalized approach can and does work in very small appraisal districts of 2-3 employees. In a small appraisal district with very little activity, everyone in the office has the ability to do every job in the office. This is desirable in this situation, mostly due to staffing/budget restraints. They just cannot afford or justify additional personnel for the various job duties. However, SPCAD is not considered a small or a poor appraisal district. SPCAD has 49,000+ accounts and currently has 12 employees. I believe that this experiment needs to come to a close and return to a departmentalized approach.

In a departmentalized district, the structure would still include the administration, clerical, and appraisers but should expand the clerical and GIS work into different departments. There are several ways to accomplish this. One example of departmentalized structure is shown in the following diagram.



In this scenario the staffing is fifteen positions. The administration positions remain the same, however the secretary position is replaced by an office manager. The office manager is the direct supervisor of the receptionist, exemptions clerk, deed clerk and data entry personnel. The appraisers are more departmentalized with the most knowledgeable appraiser becoming a senior appraiser with additional duties and pay. A business personal property appraiser would handle renditions and personal property appraisal. The agricultural land appraiser would review and manage agricultural valuation issues in

addition to normal field work. The other four appraisers would conduct field work. All appraisers would conduct informal and formal protests to the appraisal review board. A GIS technician would have the responsibility of maintaining and producing maps.

With this scenario a realistic financial example is shown in the table below.

Current Position	2015 Actual	2016 Budget	Proposed Position	Proposed Salary
Chief Appraiser	$74,820	$74,820	Chief Appraiser	$74,820
Deputy Chief Appraiser	$65,180	$68,440	Deputy Chief Appraiser	$68,440
Secretary	$43,560	$45,290	Office Manager	$50,000
Receptionist	$29,503	$22,590	Receptionist	$30,000
Appraiser	$44,095	$59,040	Exemptions Clerk	$35,000
Appraiser	$56,235	$59,040	Deed Clerk	$35,000
Appraiser	$56,235	$59,040	Data Entry	$35,000
Appraiser	$51,540	$59,040	Senior Appraiser	$59,040
Appraiser	$15,027*	$59,040	BPP Appraiser	$45,000
Appraiser	$43,913	$59,040	Ag Appraiser	$45,000
Appraiser	$56,235	$59,040	Appraiser	$45,000
Appraiser	$45,925	$59,040	Appraiser	$45,000
Appraiser vacant		$59,040	Appraiser	$45,000
Appraiser vacant		$59,040	Appraiser	$45,000
			GIS Technician	$50,000
TOTAL	**$582,267**	**$801,540**		**$707,300**

*Appraiser for partial year 2015

With these basic positions in place additional field appraisers can be added if considered necessary. If the district would keep the 2015 appraiser salary structure the total expenses only increase by about $30,000, and is still within the 2016 budget.

I do not present this idea as the **only** way to accomplish the goal, as the board and administration should consider this as just one example of how to better segregate the duties of employees.

To illustrate the duties of each recommended position the following abbreviated job descriptions are included below.

Chief Appraiser
Establishes a comprehensive program for conduct of all appraisal activities; keeps the Board of Directors informed on progress of appraisal activities; develops and implements sound administrative procedures for conduct of all district functions; provides reports to the Board of Directors to allow evaluation of the District's fiscal affairs; Develops and implements an effective internal budget development system; prepares a proposed budget annually; serves as the district's spokesperson in providing information to news media, taxing units, and the general public; prepares agendas for Board meetings, attends

meetings, and provides staff recommendations for all appropriate Board actions; provides Board with recommendations on litigation matters; implements a personnel management system for job assignments, evaluations, hiring, staff policy, and personnel related matters; discharge other duties as provided by the Board and applicable law.

Deputy Chief Appraiser
Under direction; performs work of considerable difficulty in appraising real estate for tax assessment purposes; and performs related work as required; in charge of all personnel when Chief Appraiser is not available. Management ability, computer knowledge, and the ability to explain complex issues are general requirements for this position.

The deputy chief appraiser should be very experienced in property tax and complex appraisal issues. This person should also exhibit strong leadership skills.

Office Manger
Under direction; Performs work pertaining to office function and employee and office records management. Directly supervise the clerical department, check and verify the accuracy and production of the clerical staff. In charge of office personnel when the Chief Appraiser and Deputy Chief Appraiser are not available.

Maintain systems administration functions to create reports, roll, or information as required by local, state, and federal organizations and agencies concerning employment and appraisal records; supervise the supplemental processing; supervise the processing and implementation of property tax exemptions; Be the administrative secretary for the Board of Directors and Appraisal Review Board; Manage, log, file, set for hearing, produce and send determination letters for property tax protests. Reconcile and pay District's bills; Records management clerk; Maintain applicant and employee files; Maintain vacation and sick leave records of employees. May also be required to help fill other office duties as necessary. Conduct any other duties as assigned by the Chief Appraiser.

Senior Appraiser
Under general supervision; performs work of considerable difficulty in appraising more complex property for tax assessment purposes; and performs related work as required. Serves as a mentor and advisor other field appraisers. Must have good knowledge of the principles and practices of appraising real property including the three approaches to value. Good knowledge of Texas property tax laws and rules. Good knowledge of local social and economic factors affecting appraisal values. Good knowledge of mathematical and statistical tools used in the appraisal of property.

Makes field and office appraisals of residential, commercial, special-purpose, and vacant properties; discovers, gathers, records, analyzes, and maintains a variety of data such as, selling and asking prices, income, and building cost in order to make appraisals, helps public in the office by answering appraisal questions, receives and investigates complaints about property assessments, makes reappraisals, and submits recommendations for consideration at hearings; assists in training new appraisers; prepares and supports technical cases to defend contested assessments in court proceedings or Appraisal Review

Board hearings; corrects and updates property information in the appraisal records and appraisal software; performs other related duties as assigned by supervisors.

Business Personal Property Appraiser

Under general supervision; performs work of considerable difficulty in appraising business personal property for tax assessment purposes; and performs related work as required.

Makes field and office appraisals of business personal property (furniture, fixtures, equipment, vehicles, and inventory); discovers, gathers, records, analyzes, and maintains a variety of data such as assumed name lists, newspaper advertisements, phone book listings, depreciation schedules, and cost guides in order to make appraisals; receives and investigates inquiries about property assessments, makes reappraisals, and submits recommendations for consideration at hearings; prepares and supports technical cases to defend contested assessments in the Appraisal Review Board, mediation , or court proceedings; and updates file property information.

Agricultural Land Appraiser

Under general supervision; performs work of considerable difficulty in appraising real estate for tax assessment purposes; and performs related work as required.

Makes field and office appraisals of agricultural land with dedication to agricultural productivity valuation. Maintains a relationship with the agriculture community and conducts annual surveys of typical agricultural income and expense information. Makes qualification determinations under the supervision of the chief appraiser. In addition to agricultural land duties, may be utilized for general field appraiser duties when called upon.

Field Appraiser

Under general supervision; performs work of considerable difficulty in appraising real estate for tax assessment purposes; and performs related work as required.

Makes field and office appraisals of residential, commercial, special-purpose, and vacant properties; discovers, gathers, records, analyzes, and maintains a variety of data such as, selling and asking prices, income, and building cost in order to make appraisals, helps public in the office by answering appraisal questions, receives and investigates complaints about property assessments, makes reappraisals, and submits recommendations for consideration at hearings; performs other related duties as assigned by supervisors.

Exemptions Clerk

Process property exemptions, do supplemental processing, answer telephone and assist taxpayers in the office.

Maintain, research, process, all property tax exemptions. This includes residential homestead, over 65, disabled persons, disabled veterans, charitable, religious, private school and public property exemptions. Annually reset unqualified exemptions and maintain records of historical exemptions. Be the point of contact for supplemental processing. Answer telephone and assist public in the office. Conduct any other duties as assigned by a supervisor

Deed Clerk
Process deeds and other ownership transfer or related documents, address changes, answer telephone and assist taxpayers in the office.

Gather, research, and enter into appraisal software deeds and other recorded documents that change title of property; Maintain ownership records; answer telephone and assist public in the office; mail sales letters and enter sales into appraisal software. Conduct any other duties as assigned by a supervisor.

Data Entry Clerk
General data entry, which could include assisting appraisers with entering schedule and mass changes, entering appraisal review board protests and changes, scanning incoming and existing files and forms, assisting the office manager with general organization, assist and relieve the receptionist with taxpayer assistance, assist in processing daily and mass mailings. Conduct any other duties as assigned by a supervisor.

Receptionist
Answer telephone, assist public in the office, scan documents and enter information into computer or appraisal software.

Answer telephone calls; assist public in the office; scan applications, exemptions, and other documents and information to accounts in appraisal software or to computer files, file appraisal documents and assist in processing daily mailings. Conduct any other duties as assigned by a supervisor.

GIS Technician
Create and maintain current and accurate parcel maps using computer mapping programs. Assist taxpayers, appraisal staff, taxing entities and real estate professionals with property location, maps and analysis.

Public Relations

An ongoing lack of Public relations seem to have influenced the events of the last year. Every appraisal district suffers from poor public relations. Property taxes are universally disliked; however, everyone enjoys essential public services that property taxes provide. If the district raises property values, the taxpayers are unhappy. If the district lowers property values, the taxing entities are unhappy. If an appraisal district under appraises property, the State is unhappy. It appears that it is a no win situation for an appraisal district. There are several items that an appraisal district can do to help the public relations problem.

First, the district must provide exceptional customer service. This begins with knowledgeable and friendly staff. A friendly staff that knows the taxpayers and entity managers is helpful. For the most part I found the district staff to be friendly and genuinely enjoy their job. Knowledge is something can be improved through education and experience. I believe that through changing the office structure the district will increase the knowledge and experience of those positions. Having a person that concentrates and is held accountable on exemptions for example, will improve the offices response on exemption questions. The same will hold true for address and ownership changes. The same will hold true for supplemental processing. The appraisers would benefit from working the same areas year in and year out. They will get to know the taxpayers and notice any changes in the properties. The taxing entities and taxpayers will notice that they are talking to an expert in that field. This will improve community relations.

Secondly, a good working relationship with the taxing entities is of upmost importance. I would suggest having entity manager meetings quarterly. I would invite the city managers, school superintendents, county auditor and any taxing district managers to a quarterly meeting to discuss the appraisal district operations and the needs of the taxing units. Items such as the Odem-Edroy ISD letter and county commissioner's court event could possibly be avoided with the development of a relationship with the officials that depend on the appraisal district. The education of the managers regarding the appraisal district calendar, reporting functions is equally beneficial.

Thirdly, the education of the public is also beneficial. Much of what I heard from the public at the board meetings I have attended is from lack of knowledge of the Texas Property Tax system. A series of educational events could be done to educate taxpayers on how and why property is appraised, available exemptions, how to prepare for an ARB case and discussions on what an appraisal district can and cannot do would be beneficial.

Fourth, the district needs to be professional and reasonable with their appraisals. Appraisal is the district's most important function and having knowledgeable appraisers prepared with adequate sales and uniformity information will make many protests disappear without a formal hearing. Also, if it appears that an area was reappraised and is incorrect, admit the problem, fix the area, re-mail notices, and attempt again next year. Nobody benefits from ARB hearings in areas that are incorrect.

Fifth, I would remain open over the lunch hour. The district has adequate staff that can rotate their lunch hours to provide an accessible appraisal district. Many working people only have time during their lunch time to conduct their business.

Appraisal Review Board

The 2015 year was extremely difficult on the staff, boards and taxpayers of the district. For the district to have 4,000+ protests last year appears to be unreasonable and at the least unsustainable. There will be times, especially with a reappraisal that there will be a large number of protests. This should not happen every year. In addition to the wear on staff it is wearing on resources. The tax year is relatively short and conducting ARB hearings every day results in other work not being accomplished.

If you do have a large number of protests, several procedures such as sign up days or panels can be implemented to shorten the number of days of hearings. Scheduling of protests by one knowledgeable person can also be beneficial. Currently each appraiser is responsible for scheduling their protests. There is an acquired art in scheduling protests and the value of the property, the neighborhood, whether it is a taxpayer or an agent should all be considered. In addition to scheduling the protests, the determination letters and data entry after a hearing should be provided to the taxpayer timely. The current method does not work efficiently. Other employees should be registered as notaries so that the ARB secretary duties can be divided among several select employees.

I am a supporter of mailing appraisal notices to every taxpayer every year, as is Mr. Lozano. However, the board should consider mailing a partial roll to only the properties that changed during the appraisal year. I have found that a partial notice roll alternated with a full roll every other year will substantially reduce the number of protests and enable the appraisal district to concentrate their efforts on their reappraised properties.

Recommendations

- Initiate discussions with the PTAD regarding productivity values.
- Continue regarding the PVS as important.
- Dedicate time and resources to continue MAP review compliance.
- Budget in line with actual expenses and be efficient with taxpayer dollars.
- Discuss removing litigation reserve from budget and place in reserve account.
- Consider increasing chief appraiser compensation.
- Consider market rates regarding deputy chief and appraiser salaries.
- Consider restructuring office by adding described positions.
- Consider adjusting Pictometry contract to what is necessary.
- Evaluate mileage reimbursements in comparison to district vehicles.
- Implement a policy regarding attendance of TCEQ meetings.
- Implement a policy regarding credit card use and reporting.
- Educate appraisers with advanced appraisal education.
- Educate clerical positions with education regarding ownership, supplementals and exemptions.
- Provide the secretary/office manager with an actual office space.
- Eliminate the appraisal responsibilities for the receptionist position.
- Purchase an additional printer/copier or several printers.
- Purchase scanners and implement a document scanning program.
- Purchase a large format map plotter.
- Provide a single point of contact and single person responsible for supplemental processing.
- Provide a single point of contact and single person responsible for address/deed changes.
- Dedicate a position to GIS technician.
- Dedicate a position to business personal property.
- Create a senior appraiser position with added responsibilities.
- Create an agricultural appraiser with added responsibilities to field work.
- Implement entity manager meetings quarterly.
- Implement a series of taxpayer education seminars or news articles.
- Keep the office open over the noon hour.
- Consider ARB sign in dockets.
- Consider ARB panels.
- Distribute ARB secretary duties to key personnel.
- Devote an employee to ARB scheduling and determination letters.
- Consider mailing a partial notice roll every other year.