

SAN PATRICIO COUNTY APPRAISAL DISTRICT
BUDGET WORKSHOP OF THE
BOARD OF DIRECTORS

July 8, 2016

John Curlee - Chairman of the Board, presided over the Budget Workshop of the Board of Directors for the San Patricio County Appraisal District scheduled for Friday, July 8, 2016, at 9:00 a.m.

Present: John Curlee, Bill Wilson, Dr. Anne Matula, Rufino Lozano-Chief Appraiser.

Absent: Dalia Sanchez and Jan Whiteley.

Public Comments: None

Budget Workshop: Mr. Lozano informed the Board that they have the 2016-2017 Proposed Budget. He said the amounts in the salary column are the amounts that were carried over from the 2015 year. The amounts to the right are those approved for the 2016 year that the Board asked to be withheld for this year. This is why you do not see anything projected for the 2017 year until the Board sets those figures. The amount of benefits calculates to about 34%, but those figures could change once the salary has been set. When the Board decides what the salary amount is for 2017 we will be able to fill in and calculate those figures. Mr. Lozano said on page two is where the operation items are listed. In Mr. Oehler's report it is stated that our budget should be tighter to our projected costs. After looking at the \$290,000 surplus, \$3,000 was interest earned on the checking account and \$10,000 was open records requests. Also, \$168,000 was for three employment positions that were not filled. After these figures you are looking at approximately \$110,000 that we over budgeted. He said of the \$2,300,445 of the budget last year we were about 5.5% of surplus. He asked the Board how much closer would you like want me to be for the year. I would prefer not to go back to the entities and ask for extra money because they set their budgets up at the first of the year. He went on to say his recommendation would be to be a little over then under budget and have surplus to refund back or roll it over next year.

Mr. Wilson said had we not had the discussion about pending litigation cost I would be more inclined to budget tightly. I think we should either have a line item for excess litigation or a looser amount so we have excess to hold on to at the end of each year.

Mr. Lozano reminded the Board that we have \$493,000 committed for litigation. Our budget allows \$100,000 for legal services, and we have set aside \$415,000 for operational expenses. That amounts up to approximately over \$1,000,000.

Mr. Wilson reminded Mr. Lozano that the amount set aside for litigation would be only if we did not use it in that year. I also think we need to be more aggressive at setting money aside in budget reserve for litigation.

The minutes from the Budget Workshop on Friday, July 8, 2016 continued.

Mr. Curlee said in the banking business you would set aside for expected losses. He said we need to be reasonably tight, but we need some flexibility.

Dr. Matula stated she appreciated Mr. Oehler's recommendation, but he is not the auditor. I think we need to consider that we are moving into a larger county and don't know what is really out there. She does not want to go back to the entities and ask for more money.

Mr. Wilson said that one of the issues brought up by Peter Low is that we are a rapidly changing County due to new industry. He said you need an infusion of cash for the growth. We need to be conservative on our budget so we don't get in the situation that Dr. Matula stated about asking the entities for more money. I think we need to have a line item for legal reserve and money identified for bringing in an expert for industrial litigation.

Mr. Lozano reviewed the Pictometry contract and talked to Matt Thomas who stated that we could skip a year, but the total flights would still need to stay the same.

Mr. Curlee said we will get to that later. He asked how many employees Mr. Oehler's report recommended.

Mr. Lozano said that full staff would be 15 employees, but he is requesting 19 employees. It is my anticipation that with the amount of growth in the county, we will need additional appraisers for residential and commercial.

The Board discussed the different counties and what they pay for appraisers.

Mr. Curlee asked if our benefit package is stable.

Mr. Lozano would like to look outside for our insurance. We are with San Patricio County insurance and I would like to change to our own insurance for the Appraisal District. He would like to talk with a broker to look at different insurance plans. It was recommended to talk with Dr. Paul Clore at Gregory-Portland ISD and check with Peter Low on how to hire a broker.

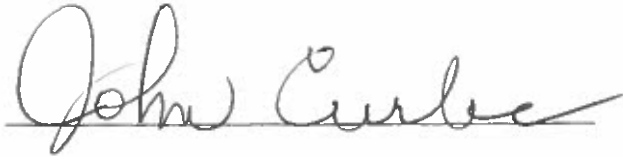
Mr. Wilson would like to recommend putting a line item for purchase of vehicles. We need to consider safety and be able to seat four people comfortably. The logo would need to be considered by best judgement. The purchase needs to be from someone in San Patricio County and we need to look at purchasing three to four vehicles, no lease.

Mr. Lozano went over each line item concerning an increase or if it stayed the same.

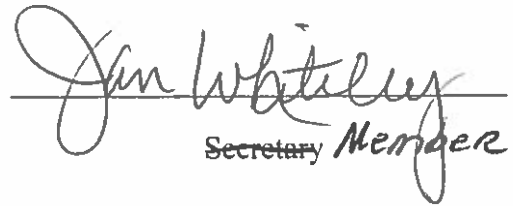
The minutes from the Budget Workshop on Friday, July 8, 2016 continued.

New Business for Following Agenda: The first presentation for the 2017 Proposed Budget will be at the August meeting.

The Budget Workshop was adjourned by Mr. Curlee at 11:10 a.m.



Chairman



Secretary *Member*