

**MINUTES**  
**OF THE**  
**SAN PATRICIO COUNTY APPRAISAL DISTRICT**  
**2021 AUDIT AND 2023 BUDGET WORKSHOP**

**June 7, 2022**

**Meeting called to order by Mr. John Curlee at 8:34 am.**

**Item # 1. Invocation:** Led by Mr. Cenci.

**Item # 2. Pledge of Allegiance:** Led by Mr. John Curlee.

**Item # 3. Texas Pledge:** Led by Mr. John Curlee.

**Item# 4. Roll Call:** Mr. John Curlee, Mr. Bill Wilson, Dr. Anne Matula and Ms. Joan McKaughan were present.

**Absent:** Marcy Thormaehlen

**Also, In attendance:** Mr. Robert Cenci, Chief Appraiser, Ms. Shirley Madej, Assistant Chief Appraiser, Ms. Melinda Garza – HR and Financial Administrator, and Ms. Julie Overstreet - Recording Secretary.

**Item # 5. Public Comments -** No one present to comment.

**Item # 6. 2021 Audit Workshop -** The auditor went over the 2021 audit draft with the board. He started out by stating that the opinion paragraph had been repositioned to the top of the report. He read the paragraph and stated that it was an unmodified opinion which is the best one you could get. He began with the 2021 numbers on page 8 of the draft, statement and net position, a government wide financial balance sheet which will show assets, long term debt, compensated absences, or the net pension liabilities but in our case, we do not have assets. Total asset for 2021 is \$2,805,00.00. The auditor stated that we were over funded by 260k. Mr. Cenci stated that it was a good thing that we were overfunded as most appraisal districts are funded at 85%. It is worth mentioning that we are always funded at 100%. The auditor moved on to page 9 and discussed statement and activities. He discussed the balance sheet on page 10. Melinda Garza brought up the fact that the committed litigation and the assigned for other operations, dollar amounts are now less. Mr. Cenci asked that Kirk Swinney the AD attorney participate in the discussion regarding the committed fund for litigation and the fact that the legal line item has been depleted. He discussed page 24 regarding contract services which includes legal and other services, the majority being for legal. He reviewed page 25, payroll, contractual services, which includes legal. Dr. Matula asked to add a note explaining the legal deficiency. Mr. Wilson stated the comment on page 24 does not reflect the whole picture regarding the legal expense increase. He asked to have the comment expanded for clarity. Mr. Cenci stated that we have a budget amendment in place so that we did not have to go to the entities to bring it in for litigation bills from the committed legal fund. Mr. Cenci asked if there was a way to bring it in so that we do not have a deficit in the budget. Mr. Wilson asked that we find a way to not have to go to the entities. He suggested we budget roughly equal to what we spent last year. He called for a replenishing line item for legal and the left-over money budgeted to be placed back in the litigation fund without having to go back to the entities for permission. Dr. Matula brought up page 24, where the negative

variance is brought up. She suggested to add a footnote with lots of asterisks stating that the money is in existence in a committed legal fund.

**Item # 7. 2023 Budget Workshop** - Dr. Matula had a concern on page 2. The proposed budget is at 16.10 % proposed increase which would be 444k without taking into consideration any issues that had just been discussed. Mr. Cenci stated that it is a 300k increase right now. She suggested we keep the legal part of it as close to what it has always been. The AD had a 112k surplus but the legal came up 600k over. The first 112k came off the 600k overage the 500k was taken from the committed fund for legal. Mr. Cenci stated there were areas where the district could cut. He stated that we do not have any major industrial cases at this time. We have plenty of time to budget for 2024. The ones playing out right now are Chemours, Dupont but they still have their 313 in place with the schools.

Break- 10:09am

Dr. Matula left the meeting at 10:09 am.

The board was back in open session at 10:19 am. The board is back to discussing the proposed 2023 budget.

Mr. Cenci explained that the higher payroll was due to a proposed 7% cost of living increase for employees due to the increase in cost of food. He stated that they could reduce the percentage if need be. Ms. Garza came up with a methodology where everyone would end up with the same amount on their paycheck. Mr. Wilson, asked with the budget increase stay in a single digit such as 9.9% which would be in dollars, \$182,000.00. Mr. Cenci offered to make cuts on the technology side, computer upgrade. Also, cut the purchase price of a vehicle and do away with the furniture purchase. Ms. McKaughan agreed with Mr. Wilson's suggestion of a 9.9% increase and asked that Mr. Cenci take the time to decide on what the district needs or does not need and come back with the budget the way you would like to see it, except for the things discussed with the legal.

**Item #8. Adjourn - 11:02 am**

  
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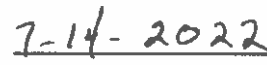
Chairman

  
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Date

  
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Secretary

  
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Date