

# Memorandum



DATE February 24, 2011

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Ann Margolin (Vice Chair), Vonciel Jones Hill, Angela Hunt, Delia D. Jasso, David A. Neumann, Ron Natinsky

SUBJECT FY 2011-12 Dallas Central Appraisal District Proposed Budget

The Budget, Finance & Audit Committee's February 28, 2011 agenda includes the FY 2011-12 Dallas Central Appraisal District Proposed Budget. DCAD summary materials are attached for your information. Ken Nolan, Executive Director of DCAD, will present the budget and answer questions.

The DCAD board plans to adopt the district's budget on or before May 15, 2011. From that point, taxing units have 30 days to pass a resolution if they choose to disapprove the DCAD budget. If a majority of DCAD's taxing units vote to disapprove the budget, it does not take effect and the DCAD board must adopt a new budget within 30 days of disapproval.

If I can provide you additional information, please contact me at (214) 670-7804.



Jeanne Chipperfield  
Chief Financial Officer

## Attachment

cc: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Frank Libro, Public Information Office  
Helena Stevens-Thompson, Assistant to the City Manager

# DALLAS CENTRAL APPRAISAL DISTRICT



**2011 - 2012**

**PROPOSED BUDGET**

# **BUDGET OVERVIEW**



**2011 - 2012**

**PROPOSED BUDGET**

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# Dallas Central Appraisal District

## 2011/2012 Proposed Budget

### Budget Comparison

### Executive Summary

	<b>2010/2011</b>	<b>2011/2012</b>
	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
<b>BUDGET EXPENDITURES:</b>		
Salaries & Wages	\$12,932,044	\$12,578,969
Auto Expense	779,219	757,673
Supplies & Materials	699,628	547,103
Operational Services	60,000	58,975
Maintenance of Structure	410,110	397,551
Maintenance of Equipment	267,881	254,097
Contractual Services	567,213	575,233
Sundry Expenses	269,614	277,961
Insurance & Benefits	4,039,579	4,424,218
Professional Services	1,640,270	1,569,375
Capital Expenditures	68,335	75,400
Technology Development	0	0
Contingency	0	0
Total Expenditures	\$21,733,893	\$21,516,555
<b>REVENUE SOURCES:</b>		
Entity Allocations (Local Support)	\$21,463,893	\$21,276,555
Special Assessment Income	0	0
Investment Proceeds	10,000	0
Rendition Fees	250,000	230,000
Other Income	10,000	10,000
Total Revenues	\$21,733,893	\$21,516,555



**2011/2012  
PROPOSED BUDGET  
OVERVIEW**

The 2011/2012 Proposed Budget is highlighted in the attached document as follows:

1. The 2011/2012 Proposed Budget of \$21,516,555 reflects a decrease of \$217,338 or a 1.00% reduction from the 2010/2011 Approved Budget of \$21,733,893.
2. The 2011/2012 Proposed Budget again notes a reduction in the number of positions, as did the 2008/2009, 2009/2010, and 2010/2011 Approved Budgets. The Proposed Budget calls for a total of 232 full-time positions, compared to 240 in 2010/2011, 245 in 2009/2010, and 250 in 2008/2009. Eight (8) total positions have been eliminated, mostly through attrition, this fiscal year. Eighteen (18) positions have been eliminated over the last 4 years. The budget notes personnel by departments/divisions as follows:
  - **Office of Chief Appraiser Department.** The department has eight (8) positions and includes the divisions of Chief Appraiser's Office, the Community Relations Officer, Human Resources, and Quality Control.
  - **Administrative Services Department.** The divisions included in this department are Administration, Finance/Purchasing, Customer Service, Appeals and Support, Building Services and the Appraisal Review Board (ARB). There are thirty two (32) employees in this department and ninety (90) ARB members. One position was eliminated in this proposed budget.
  - **Legal Services Department.** There are a total of three (3) employees in this department.
  - **Information Technology (IT) Department.** The divisions included are Information Technology and the Geographic Information System (GIS) . There is a total of sixteen (16) employees in this department. One position was eliminated and eight (8) positions were moved to the Appraisal Department. These positions were the Digital Cartographic Specialists.
  - **Appraisal Services Department.** This department includes the divisions of Central Appraisal, Residential, Commercial, Business Personal Property, and Property Records/Exemptions totaling one hundred seventy three (173) employees. Six (6) positions were eliminated and eight (8) were added from the IT Budget.
3. The Proposed Budget does not present any merit increase or structure adjustments for District employees with full time salaries and wages. Last year the District did not give any employee merit increases or any cost of living adjustments. Funds are added to address the Paid Time Off program.
4. Overtime funds are included for appraisal staff conducting legally required after hours informal and formal hearings with property owners during the ARB process. Funds are also included for Building Services, Appeals and Support, Customer Service, and the Appraisal Departments during the ARB process.

5. Contract Labor includes funds for temporary services for the Business Personal Property verification and leased equipment projects, temporary clerical help during the ARB process, and for off-duty police officers used during the ARB process.
6. Other increases and decreases in the Proposed Budget are noted as follows:

**Auto Expenses** for the monthly auto allowance for all appraisal staff remains at \$600 per month and for management/administrative staff at \$200 per month. There was a decrease due to a reduction in the number of appraisers.

**Supplies and Materials** decreased slightly versus last year's budget primarily in the category of Copy Expense, Office Equipment Expense, Software items, and Computer Supplies with the cut in paper costs. Postage costs decreased for the mailing of appraisal and ARB notices with an anticipated decrease in the number of mailings.

**Operational Services** is the District's telephone communication system. Slight decreases were noted from the previous year.

**Maintenance of Structure** shows a slight decrease overall. Electricity costs decreased based on projected lower rates procured by the P3 Power Pool. Electrical Maintenance, which is performed every other year, also declined.

**Maintenance of Equipment** decreased in the line items of Computer, PC Maintenance and Software Maintenance. All major print jobs are outsourced eliminating the maintenance on the two laser printers and usage fees. Several software maintenance costs were also eliminated that were applications for the printing processes. The PC Maintenance includes maintenance funds on thirty four scanners, one hundred eight pen pad devices used by the appraisal staff, and four in house printers for small print jobs.

**Contractual Services** increased due to the orthography update costs in GIS. Added increase this year is for the lease of four high speed Xerox printers to perform daily print jobs especially during the ARB process.

**Sundry Expenses** includes increases for Training and Travel costs overall and a slight increase in Dues and Subscriptions for the Appraisal Department/Divisions.

**Insurance and Benefits** increased in the categories of Group Medical Insurance and Retirement. Group Medical had a rate increase of 18% and the Retirement expense was increased to keep the employee program current. Decreases were noted for Workers Compensation, Unemployment Compensation and Medicare Taxes. Group Benefits captures only the premium payments for all ancillary insurance programs and remained the same in costs.

**Professional Services** decreased slightly overall from last year due to reduced costs in Consultants and ARB Compensation service fees. Total number of hearing days and members service were reduced. Lawsuit activity showed a slight decrease from the previous fiscal year but the costs remain constant.

**Capital Expenditures** notes an overall slight increase. Funds are budgeted for Equipment in the IT Department for three (3) Dell R610 Servers, two (2) MD1220 Disk Substations, and two (2) Apple iMacs, and for Leasehold improvements.

**Technology Development, Capital Improvement, and Contingency** includes no requested or budgeted funds for this fiscal year.

# Dallas Central Appraisal District

## Proposed Areas Of Change

	2010/2011	2011/2012	Increase or	Percent
	<u>Approved</u>	<u>Proposed</u>	<u>Decrease</u>	<u>Variance</u>
<b>BUDGET EXPENDITURES:</b>				
Salaries & Wages	\$12,932,044	\$12,578,969	(\$353,075)	-2.73%
Auto Expense	\$779,219	\$757,673	(\$21,546)	-2.77%
Supplies & Materials	\$699,628	\$547,103	(\$152,525)	-21.80%
Operational Services	\$60,000	\$58,975	(\$1,025)	-1.71%
Maintenance of Structure	\$410,110	\$397,551	(\$12,559)	-3.06%
Maintenance of Equipment	\$267,881	\$254,097	(\$13,784)	-5.15%
Contractual Services	\$567,213	\$575,233	\$8,020	1.41%
Sundry Expenses	\$269,614	\$277,961	\$8,347	3.10%
Insurance & Benefits	\$4,039,579	\$4,424,218	\$384,639	9.52%
Professional Services	\$1,640,270	\$1,569,375	(\$70,895)	-4.32%
Capital Expenditures	\$68,335	\$75,400	\$7,065	10.34%
Technology Development	\$0	\$0	\$0	0.00%
Contingency	\$0	\$0	\$0	0.00%
Total Expenditures	\$21,733,893	\$21,516,555	(\$217,338)	-1.00%



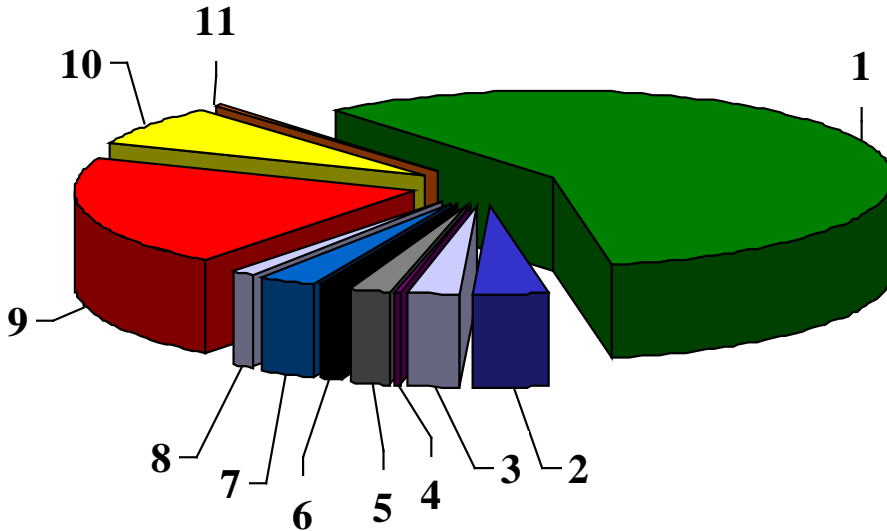


Dallas Central Appraisal District  
Five Year  
Statistical Analysis

<b>Budget Year</b>	<b><u>2007/2008</u></b>	<b><u>2008/2009</u></b>	<b><u>2009/2010</u></b>	<b><u>2010/2011</u></b>	<b><u>2011/2012</u></b>
<b>Budget Amount</b>	\$20,960,025	\$21,380,063	\$21,799,127	\$21,733,893	\$21,516,555
<b>Budget Change</b>	\$506,585	\$420,038	\$419,064	-\$65,234	-\$217,338
<b>% Budget Change</b>	2.88%	2.00%	1.96%	-0.30%	-1.00%
<b>Merit Increases</b>	4.00%	3.50%	3.00%	0.00%	0.00%
<b>Entity Salary Survey</b>	4.23%	3.58%	3.19%	1.50%	1.09%
<b># of Personnel</b>	255	250	245	240	232

**2011/2012**

**Budget by Category**

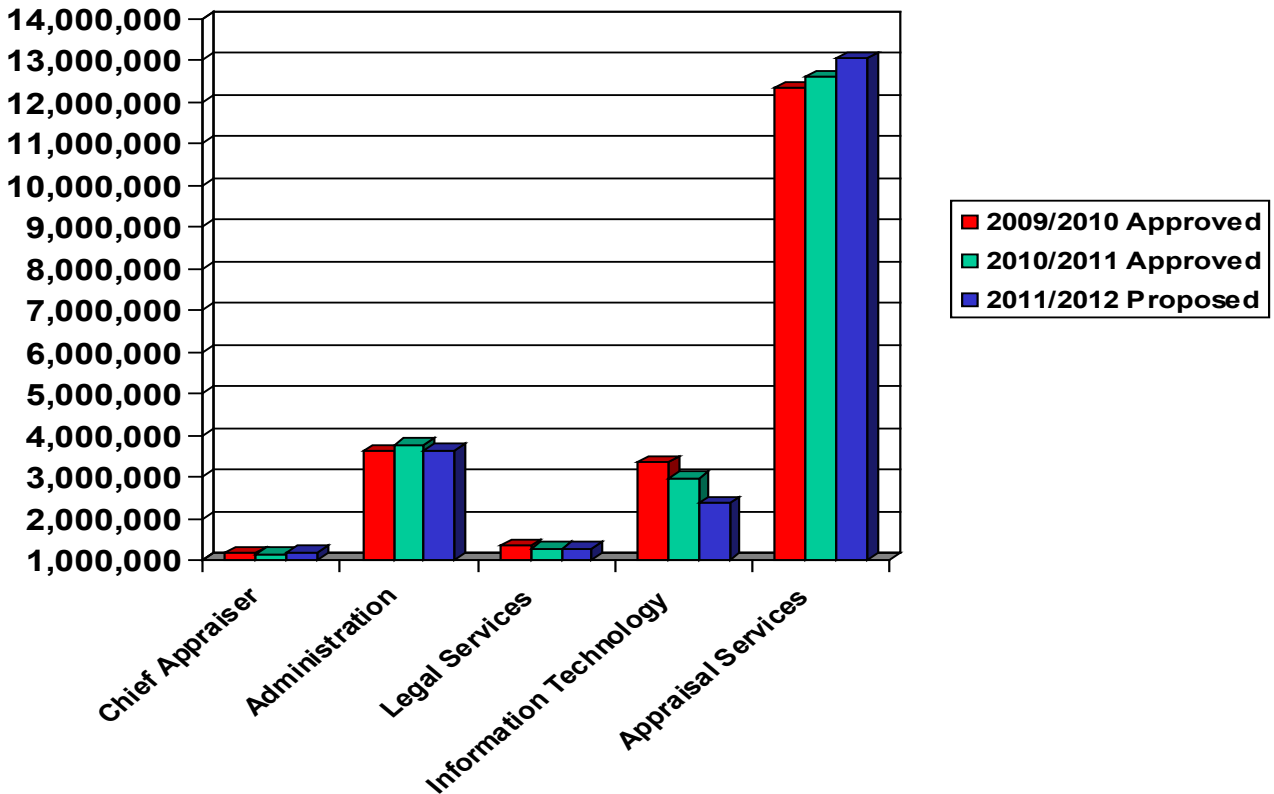


<u>Division</u>	<u>Budget Total</u>	<u>Percent</u>
1 Salaries & Wages	\$12,578,969	58.5%
2 Auto Expenses	757,673	3.5%
3 Supplies & Materials	547,103	2.5%
4 Operational Services	58,975	0.3%
5 Maintenance of Structure	397,551	1.8%
6 Maintenance of Equipment	254,097	1.2%
7 Contractual Services	575,233	2.7%
8 Sundry Expenses	277,961	1.3%
9 Insurance & Benefits	4,424,218	20.6%
10 Professional Services	1,569,375	7.3%
11 Capital Expenditures	75,400	0.3%
<b>Total</b>	<b>\$21,516,555</b>	<b>100%</b>

# Dallas Central Appraisal District

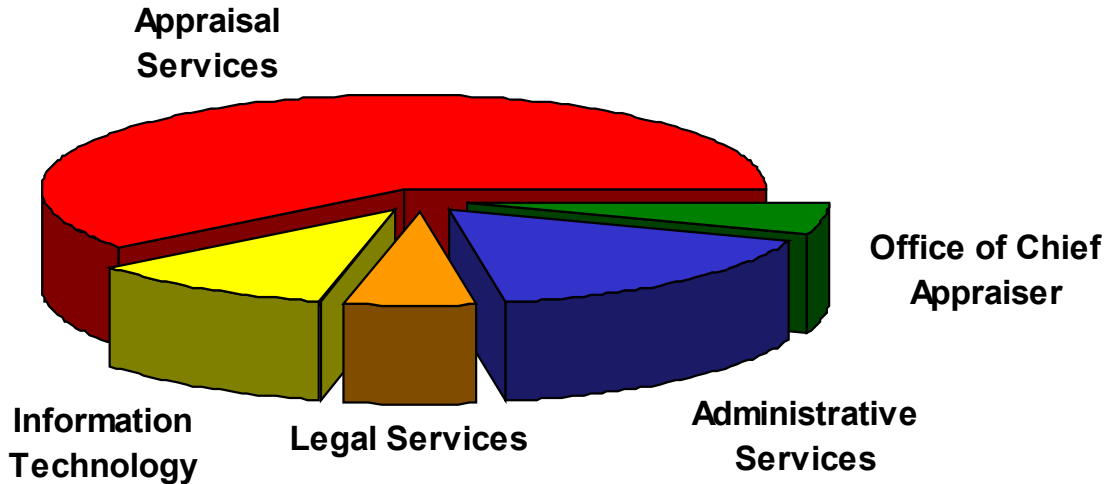
## Budget Comparison

<u>Category</u>	<u>2009/2010 Approved</u>	<u>2009/2010 Actual</u>	<u>2010/2011 Approved</u>	<u>2011/2012 Proposed</u>
Consolidated				
Office of Chief Appraiser	\$1,169,806	\$1,161,992	\$1,141,767	\$1,189,524
Consolidated				
Administrative Services	3,612,684	3,532,481	3,764,056	3,626,748
Consolidated				
Legal Services	1,348,740	1,205,716	1,281,633	1,287,192
Consolidated				
Information Technology	3,349,836	3,306,134	2,955,289	2,370,557
Consolidated				
Appraisal Services	12,318,061	12,088,070	12,591,148	13,042,534
Contingency	0	0	0	0
<b>Total</b>	<b><u>\$21,799,127</u></b>	<b><u>\$21,294,393</u></b>	<b><u>\$21,733,893</u></b>	<b><u>\$21,516,555</u></b>



# 2011/2012

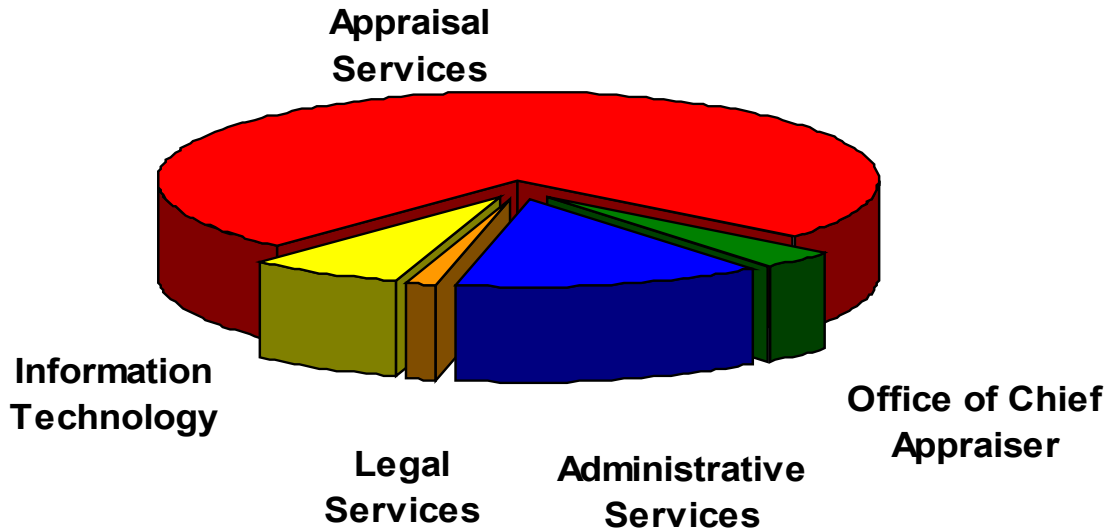
## Budget By Department



Office of Chief Appraiser	\$1,189,524	5.53%
Administrative Services	3,626,748	16.85%
Legal Services	1,287,192	5.98%
Information Technology	2,370,557	11.02%
Appraisal Services	<u>13,042,534</u>	<u>60.62%</u>
<b>Total</b>	<b>\$21,516,555</b>	<b>100%</b>

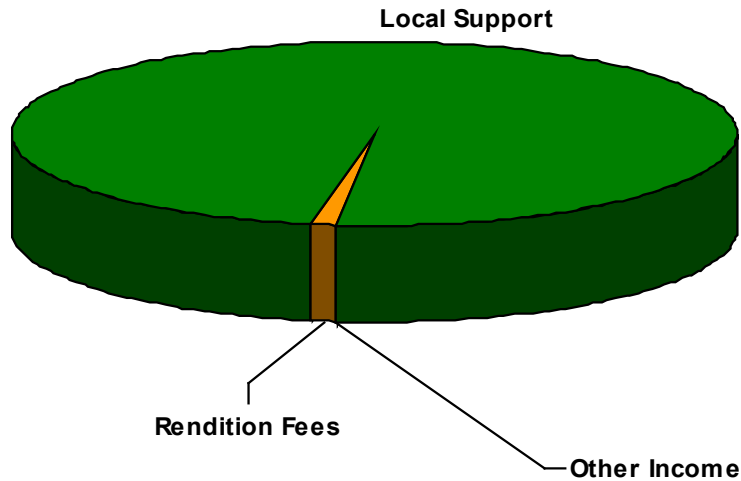
**2011/2012**

**Personnel Breakdown**



<u>Department</u>	<u>Number of Personnel</u>	<u>Percent</u>
Office of Chief Appraiser	8	3.45%
Administrative Services	32	13.79%
Legal Services	3	1.29%
Information Technology	16	6.90%
Appraisal Services	<u>173</u>	<u>74.57%</u>
<b>Total</b>	<b>232</b>	<b>100%</b>

# 2011/2012 Revenue Resources



<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Local Support	\$21,276,555	98.88%
Special Assessments	0	0.00%
Rendition Fees	230,000	1.07%
Investment Proceeds	0	0.00%
Other Income	10,000	0.05%
<b>Total</b>	<b>\$21,516,555</b>	<b>100.00%</b>

# Revenue Summary

## Budget Allocation Comparison

	<b><u>2010/2011 Approved Allocation</u></b>	<b>%</b>	<b><u>2011/2012 Proposed Allocation</u></b>	<b>%</b>
Local Support				
Municipalities	\$5,431,307	25.30%	\$5,560,626	26.13%
School Districts	8,877,955	41.36%	8,623,744	40.53%
County/County Wide	6,879,572	32.05%	6,805,422	31.99%
Special Districts				
Non-County Wide	275,059	1.28%	286,763	1.35%
Special Districts				
<b>TOTAL</b>	<b>\$21,463,893</b>	<b>100%</b>	<b>\$21,276,555</b>	<b>100%</b>

## 2011/2012

### PROPOSED BUDGET ALLOCATIONS

	<u>2010/2011 Approved Allocation</u>	<u>2011/2012 Proposed Allocation</u>	<u>Increase or (Decrease)</u>	<u>% Change</u>
<b>County/County-wide</b>				
<b>Special Districts:</b>				
Dallas County	2,764,380	2,838,627	74,247	2.69%
D.C.H.D.	3,323,709	3,166,946	(156,763)	-4.72%
D.C.C.D.	791,483	799,849	8,366	1.06%
<b>Subtotal</b>	<b>6,879,572</b>	<b>6,805,422</b>	<b>(74,150)</b>	<b>-1.08%</b>
<b>Non-County-Wide</b>				
<b>Special Districts:</b>				
Dallas URD	184,768	196,632	11,864	6.42%
Valwood Imp. Authority	24,456	22,843	(1,613)	-6.60%
Irving FCD 1	4,630	5,354	724	15.64%
Irving FCD 3	18,762	18,399	(363)	-1.93%
Dallas FCD1	28,185	31,866	3,681	13.06%
Denton County LID #1	1,410	1,406	(4)	-0.28%
Denton County RUD #1	2,495	1,229	(1,266)	-50.74%
Lancaster MUD #1	1,553	1,464	(89)	-5.73%
Grand Prairie Metro URD	2,003	1,836	(167)	-8.34%
Northwest FCD	5,797	5,734	(63)	-1.09%
<b>Subtotal</b>	<b>274,059</b>	<b>286,763</b>	<b>12,704</b>	<b>4.64%</b>



## PROPOSED BUDGET ALLOCATIONS

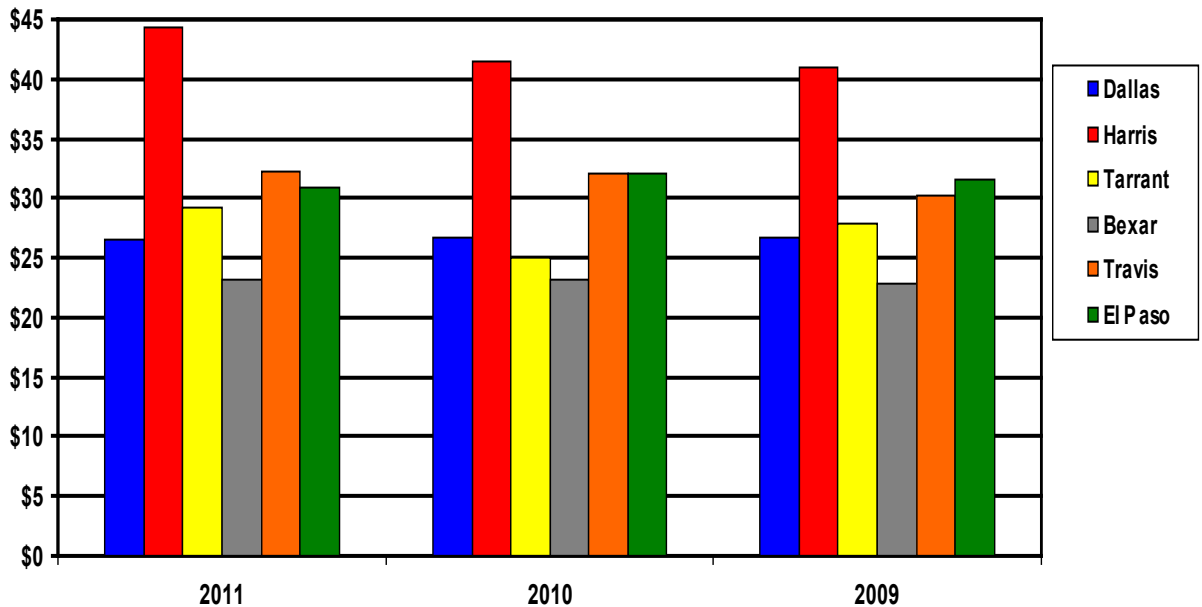
	<b>2010/2011</b>	<b>2011/2012</b>	<b>Increase or (Decrease)</b>	<b>% Change</b>
<b>Cities:</b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>		
	<b><u>Allocation</u></b>	<b><u>Allocation</u></b>		
Addision	79,395	79,425	30	0.04%
Balch Springs	25,242	24,191	(1,051)	-4.16%
Carrollton	140,267	137,574	(2,693)	-1.92%
Cedar Hill	87,337	88,255	918	1.05%
Cockrell Hill	3,026	3,426	400	13.22%
Combine	129	149	20	15.50%
Coppell	147,242	159,383	12,141	8.25%
Dallas	2,959,420	3,064,271	104,851	3.54%
DeSoto	100,623	101,127	504	0.50%
Duncanville	60,421	62,085	1,664	2.75%
Farmers Branch	104,958	98,510	(6,448)	-6.14%
Ferris	322	319	(3)	-0.93%
Garland	365,208	357,808	(7,400)	-2.03%
Glenn Heights	10,152	10,787	635	6.25%
Grand Prairie	155,334	153,425	(1,909)	-1.23%
Grapevine	2,554	1,872	(682)	-26.70%
Highland Park	48,337	47,702	(635)	-1.31%
Hutchins	6,868	8,234	1,366	19.89%
Irving	460,808	476,701	15,893	3.45%
Lancaster	58,446	63,574	5,128	8.77%
Lewisville	1,245	1,298	53	4.26%
Mesquite	191,200	182,766	(8,434)	-4.41%
Ovilla	773	809	36	4.66%
Richardson	184,031	197,063	13,032	7.08%
Rowlett	100,193	99,957	(236)	-0.24%
Sachse	27,624	28,064	440	1.59%
Seagoville	15,282	15,319	37	0.24%
Sunnyvale	14,080	14,532	452	3.21%
University Park	76,411	77,745	1,334	1.75%
Wilmer	4,057	3,936	(121)	-2.98%
Wylie	322	319	(3)	-0.93%
<b>Total</b>	<b>5,431,307</b>	<b>5,560,626</b>	<b>129,319</b>	<b>2.38%</b>

## PROPOSED BUDGET ALLOCATIONS

	<u>2010/2011 Approved Allocation</u>	<u>2011/2012 Proposed Allocation</u>	<u>Increase or (Decrease)</u>	<u>% Change</u>
<b>School Districts:</b>				
Carrollton/F.B.	625,085	606,011	(19,074)	-3.05%
Cedar Hill	150,486	148,892	(1,594)	-1.06%
Coppell	376,902	407,084	30,182	8.01%
Dallas	3,968,257	3,738,645	(229,612)	-5.79%
Dallas County Schools	33,757	62,864	29,107	86.23%
DeSoto	129,834	124,199	(5,635)	-4.34%
Duncanville	185,785	182,450	(3,335)	-1.80%
Ferris	871	903	32	3.67%
Garland	687,159	678,527	(8,632)	-1.26%
Grand Prairie	279,618	283,765	4,147	1.48%
Grapevine/Colleyville	14,377	14,245	(132)	-0.92%
Highland Park	506,081	497,856	(8,225)	-1.63%
Irving	539,063	532,760	(6,303)	-1.17%
Lancaster	85,505	84,806	(699)	-0.82%
Mesquite	366,247	351,960	(14,287)	-3.90%
Richardson	889,507	866,366	(23,141)	-2.60%
Sunnyvale	39,418	42,411	2,993	7.59%
Wilmer/Hutchins	0	0	0	0.00%
<b>Total</b>	<b>8,877,952</b>	<b>8,623,744</b>	<b>(254,208)</b>	<b>-2.86%</b>

## APPRAISAL DISTRICT COMPARISONS

	2011	Real	Personal	Total	Cost Per Parcel		
	<u>Budget Amount</u>	<u>Property</u>	<u>Property</u>	<u>Parcels</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Dallas CAD	\$21,516,555	718,107	96,053	814,160	\$26.43	\$26.69	\$26.72
Harris CAD	\$63,760,911	1,268,485	170,321	1,438,806	\$44.32	\$41.42	\$41.04
Tarrant CAD	\$19,757,977	630,168	45,601	675,769	\$29.24	\$24.94	\$27.88
Bexar CAD	\$14,759,063	589,243	45,839	635,082	\$23.24	\$23.94	\$22.81
Travis CAD	\$12,689,610	354,242	39,110	393,352	\$32.26	\$32.09	\$30.16
El Paso CAD	\$12,054,462	369,594	20,331	389,925	\$30.91	\$32.15	\$31.60



## APPRAISAL DISTRICT EMPLOYEE COMPARISONS

<b>Appraisal District</b>	<b>2011 Budget</b>	<b>Total Parcels</b>	<b>Number of Employees</b>	<b>Parcels per Employee</b>	<b>Number of Appraisers</b>	<b>Parcels per Appraiser</b>
<b>Dallas Central Appraisal District</b>	<b>\$21,516,555</b>	<b>814,160</b>	<b>232</b>	<b>3,509</b>	<b>95</b>	<b>8,570</b>
<b>Harris Central Appraisal District</b>	<b>\$63,760,911</b>	<b>1,438,806</b>	<b>630</b>	<b>2,284</b>	<b>170</b>	<b>8,464</b>
<b>Tarrant Appraisal District</b>	<b>\$19,757,977</b>	<b>675,769</b>	<b>204</b>	<b>3,313</b>	<b>82</b>	<b>8,241</b>
<b>Bexar Appraisal District</b>	<b>\$14,759,063</b>	<b>635,082</b>	<b>157</b>	<b>4,045</b>	<b>70</b>	<b>9,072</b>
<b>Travis Central Appraisal District</b>	<b>\$12,689,610</b>	<b>393,352</b>	<b>129</b>	<b>3,049</b>	<b>52</b>	<b>7,564</b>
<b>El Paso Central Appraisal District</b>	<b>\$12,054,462</b>	<b>389,925</b>	<b>140</b>	<b>2,785</b>	<b>33</b>	<b>11,816</b>

## 2010 BUDGET/LEVY COMPARISON

	2010	2011	
	Tax Levy	Budget Amount	Cost As % Of Levy
Dallas CAD	\$4,362,190,466	\$21,516,555	0.49
Harris CAD	\$7,590,883,983	\$63,760,911	0.84
Tarrant CAD	\$3,128,503,609	\$19,757,977	0.63
Bexar CAD	\$2,459,442,831	\$14,759,063	0.60
Travis CAD	\$2,335,615,465	\$12,689,610	0.54
El Paso CAD	\$823,595,563	\$12,054,462	1.46
STATE TOTALS *	\$35,368,901,064	\$324,326,794	0.92

\* 2009 Estimates

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## ACCURACY OF APPRAISALS

	Median Level of Appraisals	Coefficient of Dispersion
Dallas Central Appraisal District	0.99	7.78
Harris Central Appraisal District	0.99	11.23
Tarrant Appraisal District	1.00	7.36
Bexar Appraisal District	0.99	12.87
Travis Central Appraisal District	1.00	6.72
El Paso Central Appraisal District	1.00	10.11

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