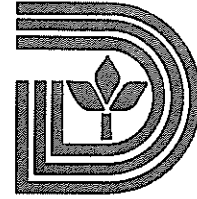


Memorandum



CITY OF DALLAS

DATE March 20, 2009

TO Members of the Finance, Audit & Accountability Committee
Chair, Mitchell Rasansky, Vice Chair Jerry R. Allen, Mayor Pro Tem
Dr. Elba Garcia, Vonciel Jones Hill, Angela Hunt, Ron Natinsky and
David Neumann

SUBJECT Dallas Central Appraisal District FY 2009-10 Proposed Budget

The Finance, Audit and Accountability Committee's March 23 agenda includes an item concerning DCAD's FY 2009-10 Budget. DCAD summary materials are attached for your information. Ken Nolan, Executive Director/Chief Appraiser of DCAD, will present the budget and answer questions.

The DCAD board plans to adopt the district's budget at their May 6, 2009 meeting. 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 additional information, please contact me at (214) 670-7804.

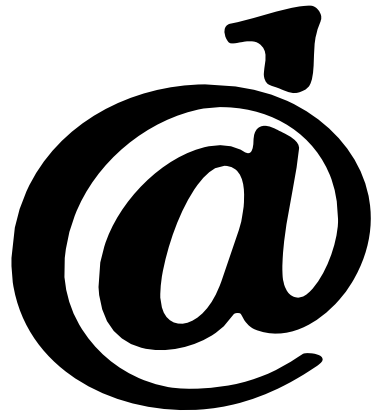
A handwritten signature in black ink, appearing to read 'D. Cook'.

David Cook
Chief Financial Officer

attachment

C: Honorable Mayor & Members of the City Council
Mary Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, Assistant City Auditor

Jill Jordan, Assistant City Manager
Ramon Miguez, Assistant City Manager
Forest E. Turner, Interim Assistant City Manager
Ryan Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager



**DALLAS CENTRAL
APPRAISAL DISTRICT**

2009 - 2010

PROPOSED BUDGET

BUDGET OVERVIEW



2009 - 2010

PROPOSED BUDGET

Dallas Central Appraisal District

2009/2010 Proposed Budget

Budget Comparison

Executive Summary

	2008/2009 Approved	2009/2010 Proposed
BUDGET EXPENDITURES:		
Salaries & Wages	\$12,976,545	\$13,229,981
Auto Expense	766,715	760,250
Supplies & Materials	784,079	737,317
Operational Services	34,300	62,340
Maintenance of Structure	438,782	432,164
Maintenance of Equipment	386,507	375,986
Contractual Services	261,677	482,762
Sundry Expenses	286,437	264,003
Insurance & Benefits	3,605,234	3,776,653
Professional Services	1,697,372	1,603,680
Capital Expenditures	142,415	73,991
Technology Development	0	0
Contingency	0	0
Total Expenditures	\$21,380,063	\$21,799,127
REVENUE SOURCES:		
Entity Allocations (Local Support)	\$21,010,063	\$21,479,127
Special Assessment Income	0	0
Investment Proceeds	65,000	25,000
Rendition Fees	275,000	275,000
Other Income	30,000	20,000
Total Revenues	\$21,380,063	\$21,799,127



**2009/2010
PROPOSED BUDGET
OVERVIEW**

The 2009/2010 Proposed Budget is highlighted in the attached document as follows:

1. The 2009/2010 Proposed Budget of \$21,799,127 reflects an increase of \$419,064 or a 1.96% increase over the 2008/20089 Approved Budget of \$21,380,063.
2. The Proposed Budget notes a reduction in the number of positions as in 2008/2009 of five for a total of 245 employees from 250 currently. The budget notes personnel by departments/divisions as follows:
 - **Office of Chief Appraiser Department.** The division has eight (8) positions in the department and includes the Chief Appraiser's Office, the Community Relations Officer, Human Resources, and the Quality Control Section. One position was eliminated in this area.
 - **Administrative Services Department.** The divisions included in this department are Administration, Finance/Purchasing, Customer Services, Appeals and Support, Building Services and the Appraisal Review Board (ARB). There are thirty-three (33) employees in this department and eighty (80) ARB members.
 - **Legal Services Department.** The division included in the office of Legal Services totals four (4) employees in the department.
 - **Information Technology (IT) Department.** The divisions included are the Information Technology and the Geographic Information System (GIS) Division. There is a total of thirty (30) employees in this department. One position was eliminated in this area.
 - **Appraisal Services Department.** This department includes the divisions of Central Appraisal, Residential, Commercial, Business Personal Property, and Property Records/Exemptions totaling one hundred seventy (170) employees in this department. As noted, the Property Records/Exemptions Division was moved into this Department. in 2008/2009. Three positions were eliminated in this area.
3. The Proposed Budget sets a 3.00% merit increase and structure adjustment for District employees with full time salaries and wages. This figure is tied directly to the average salary/merit increases and adjustments given by the taxing entities in 2008/2009, which was 3.4%. However only a 3% increase is proposed for DCAD employees. Last year the District received a total of 3.50% in merit increases. No cost of living adjustments are budgeted. Funds were 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 the Appeals and Support Division and the Appraisal Departments during the ARB process and in Property Records/Exemptions.

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 remain at \$600 per month and for management/administrative staff at \$200 per month.

Supplies and Materials decreased slightly over last year's budget primarily in the category of Software, Office Equipment Expense, Computer Supplies and Janitorial Supplies. Postage costs increased for the mailing of appraisal and ARB notices with anticipated postage increases in this fiscal year.

Operational Services is the District's telephone communication system. Increases in costs were noted for continued upgrades from the telephone service providers to the telephone system.

Maintenance of Structure shows a slight decrease overall. Electricity costs were increased slightly due to rate changes under the P3 Public Power Pool with Reliant Energy. Janitorial Services increased slightly as did the HVAC System Maintenance.

Maintenance of Equipment decreased slightly in the line items of Equipment, Computer, and PC Maintenance. The PC Maintenance includes maintenance funds on thirty four scanners and one hundred five pen pad devices used by the appraisal staff. Also included are funds for replacement and upgrades to PC's and for new SPSS software for Quality Control.

Contractual Services increased in Lease of Equipment for the lease payments on thirty four new scanners, one hundred five pen pad devices, the Copier System service contract, and for the orthography updates for the GIS Division. Added this fiscal year was the payment on the upgrade of the digital photo (still imagery) project for all real property.

Sundry Expenses includes funds for Training, Dues and Subscriptions, Travel, Management Development, and Recruitment. Decrease in Dues and Subscriptions, travel expenses, and in training/succession planning courses for management personnel through the University of North Texas Professional Development Institute.

Insurance and Benefits increased slightly in the categories of Retirement due to the proposed merit pay increase for employees, and increases in Workers Compensation and Medicare Tax. Group Benefits captures only the premium payments for all ancillary insurance programs and Medicare Tax is based on percentage of employees salaries who are required to be covered in this program. The Salary Continuation funds were moved to the category of Salary and Wages to better reflect this cost item.

Professional Services decreased overall from last year due to the expense of Binding Arbitration being reduced due to better historical cost data for this item. Increases did occur in Consultants, ARB Compensation for increased number of hearing days, and mineral consultants contract. Expenses for Deed Services have been eliminated.

Capital Expenditures notes an overall slight decrease. Funds are budgeted for Equipment mostly in the IT Department for a Dell 2950 server, MD3000 disk subsystem, MD1000 disk subsystem, and a Dell precision workstation.

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

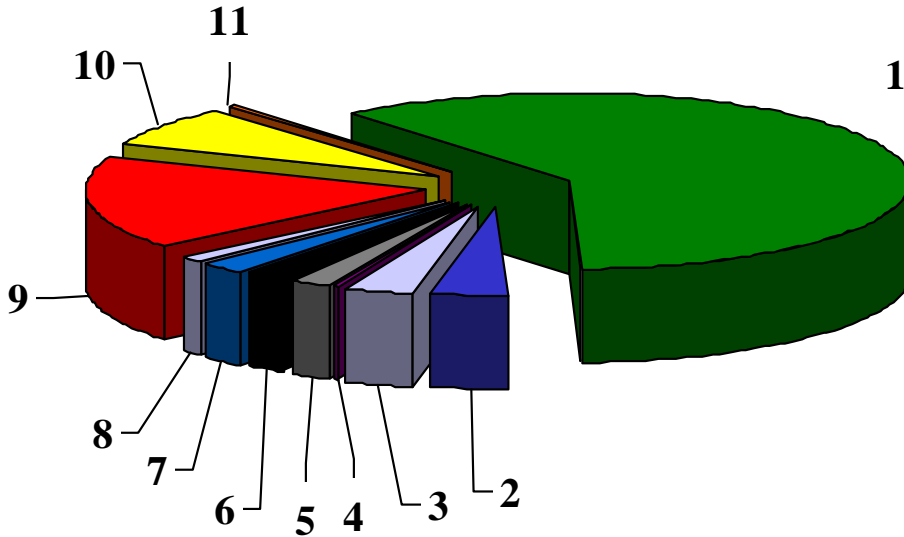
Dallas Central Appraisal District

Proposed Areas Of Change

	2008/2009	2009/2010	Increase or	Percent
	<u>Approved</u>	<u>Proposed</u>	<u>Decrease</u>	<u>Variance</u>
BUDGET EXPENDITURES:				
Salaries & Wages	\$12,976,545	\$13,229,981	\$253,436	1.95%
Auto Expense	766,715	760,250	(\$6,465)	-0.84%
Supplies & Materials	784,079	737,317	(\$46,762)	-5.96%
Operational Services	34,300	62,340	\$28,040	81.75%
Maintenance of Structure	438,782	432,164	(\$6,618)	-1.51%
Maintenance of Equipment	386,507	375,986	(\$10,521)	-2.72%
Contractual Services	261,677	482,762	\$221,085	84.49%
Sundry Expenses	286,437	264,003	(\$22,434)	-7.83%
Insurance & Benefits	3,605,234	3,776,653	\$171,419	4.75%
Professional Services	1,697,372	1,603,680	(\$93,692)	-5.52%
Capital Expenditures	142,415	73,991	(\$68,424)	-48.05%
Technology Development	0	0	\$0	0.00%
Contingency	0	0	\$0	0.00%
Total Expenditures	\$21,380,063	\$21,799,127	\$419,064	1.96%

2009/2010

Budget By Category

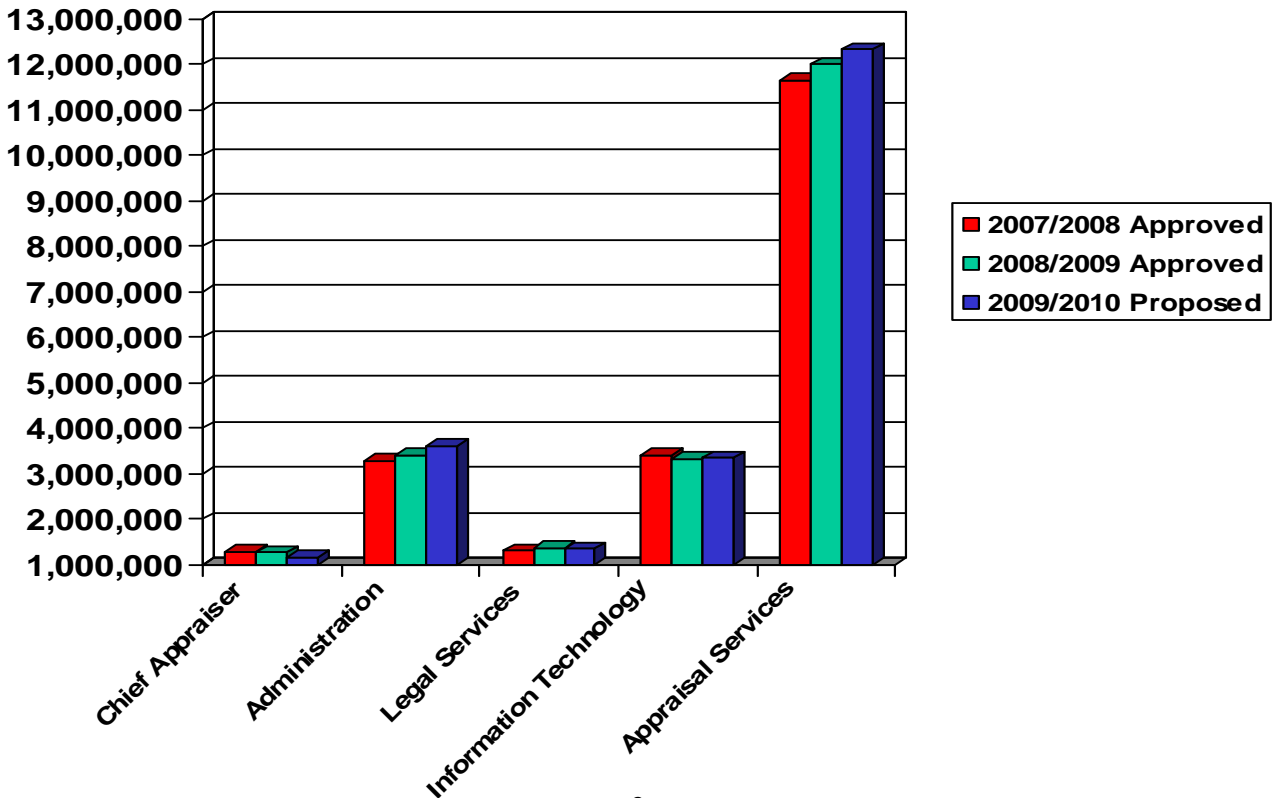


<u>Division</u>	<u>Budget Total</u>	<u>Percent</u>
1 Salaries & Wages	\$13,229,981	60.7%
2 Auto Expenses	760,250	3.5%
3 Supplies & Materials	737,317	3.4%
4 Operational Services	62,340	0.3%
5 Maintenance of Structure	432,164	2.0%
6 Maintenance of Equipment	375,986	1.7%
7 Contractual Services	482,762	2.2%
8 Sundry Expenses	264,003	1.2%
9 Insurance & Benefits	3,776,653	17.3%
10 Professional Services	1,603,680	7.4%
11 Capital Expenditures	73,991	0.6%
Total	\$21,799,127	100%

Dallas Central Appraisal District

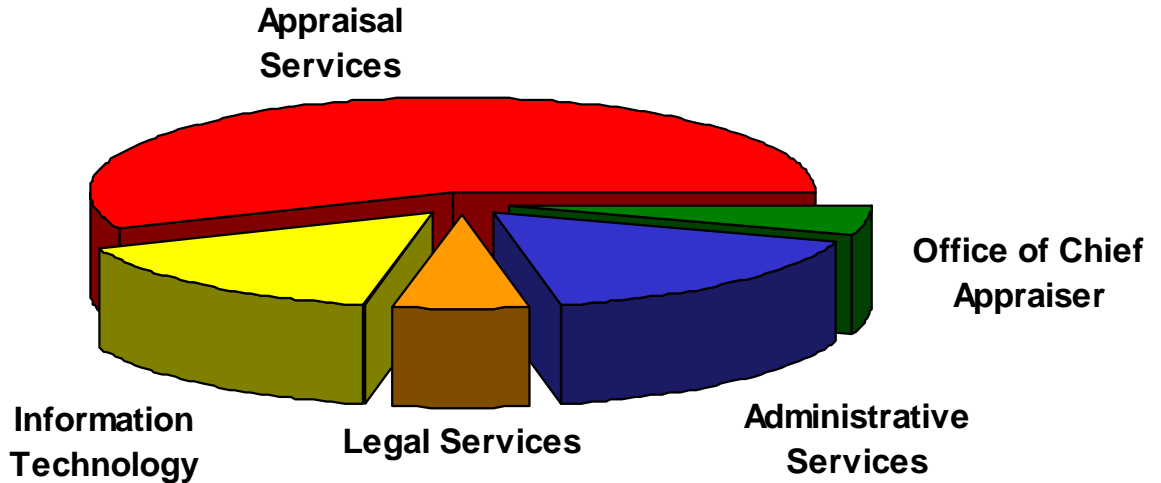
Budget Comparison

<u>Category</u>	<u>2007/08 Approved</u>	<u>2007/2008 Actual</u>	<u>2008/09 Approved</u>	<u>2009/2010 Proposed</u>
Consolidated				
Office of Chief Appraiser	\$1,292,158	\$1,164,196	\$1,278,041	\$1,169,806
Consolidated				
Administrative Services	3,279,959	3,719,543	3,403,721	3,612,684
Consolidated				
Legal Services	1,314,679	1,239,639	1,368,142	1,348,740
Consolidated				
Information Technology	3,421,894	3,412,241	3,332,614	3,349,836
Consolidated				
Appraisal Services	11,651,335	11,274,723	11,997,545	12,318,061
Contingency	0	0	0	0
Total	\$20,960,025	\$20,810,342	\$21,380,063	\$21,799,127



2009/2010

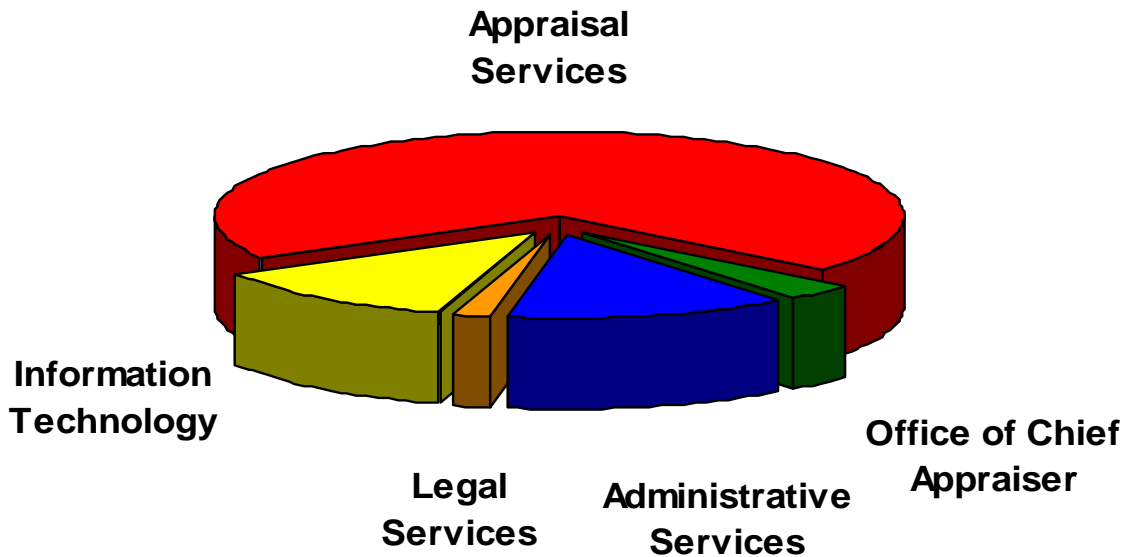
Budget By Department



<u>Department</u>	<u>Budget Total</u>	<u>Percent</u>
Office of Chief Appraiser	\$1,169,806	5%
Administrative Services	3,612,684	17%
Legal Services	1,348,740	6%
Information Technology	3,349,836	15%
Appraisal Services	<u>12,318,061</u>	<u>57%</u>
Total	\$21,799,127	100%

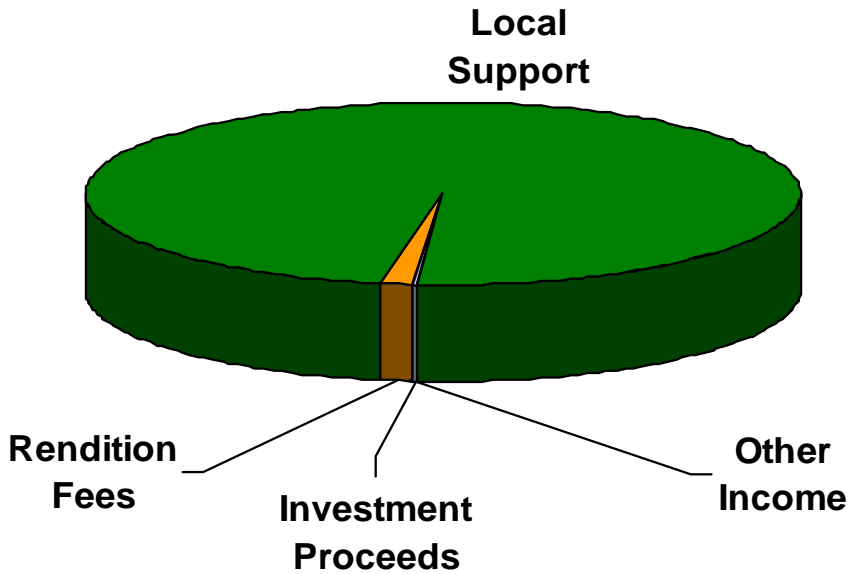
2009/2010

Personnel Breakdown



<u>Department</u>	<u>Number of Personnel</u>	<u>Percent</u>
Office of Chief Appraiser	8	3%
Administrative Services	33	14%
Legal Services	4	2%
Information Technology	30	12%
Appraisal Services	<u>170</u>	<u>69%</u>
Total	245	100%

2009/2010 Revenue Resources



<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Local Support	\$21,479,127	98.5%
Special Assessments	0	0.0%
Rendition Fees	275,000	1.3%
Investment Proceeds	25,000	0.1%
Other Income	20,000	0.1%
Total	\$21,799,127	100%

Revenue Summary

Budget Allocation Comparison

	<u>2008/2009</u>	%	<u>2009/2010</u>	%
	<u>Allocation</u>		<u>Allocation</u>	
Local Support				
Municipalities	\$5,534,005	26.34%	\$5,568,955	25.93%
School Districts	8,472,704	40.33%	8,750,463	40.74%
County/County Wide	6,752,451	32.14%	6,895,175	32.10%
Special Districts				
Non-County Wide	250,903	1.19%	264,534	1.23%
Special Districts				
<hr style="border: 1px solid black;"/>				
TOTAL	\$21,010,063	100%	\$21,479,127	100%

2009/2010

PROPOSED BUDGET ALLOCATIONS

	<u>2008/2009</u> <u>Allocation</u>	<u>2009/2010</u> <u>Proposed</u> <u>Allocation</u>	<u>Increase or</u> <u>(Decrease)</u>	<u>% Change</u>
County/County-wide				
Special Districts:				
Dallas County	2,880,930	2,899,767	18,837	0.65%
D.C.H.D.	3,208,050	3,229,026	20,976	0.65%
D.C.C.D.	663,471	766,382	102,911	15.51%
Subtotal	6,752,451	6,895,175	142,724	2.11%
Non-County-Wide				
Special Districts:				
Dallas URD	161,913	175,175	13,262	8.19%
Valwood Imp. Authority	28,063	24,517	(3,546)	-12.64%
Irving FCD 1	3,671	3,619	(52)	-1.42%
Irving FCD 3	19,092	18,576	(516)	-2.70%
Dallas FCD1	24,267	29,536	5,269	21.71%
Denton County LID #1	1,349	1,296	(53)	-3.93%
Denton County RUD #1	3,516	2,413	(1,103)	-31.37%
Lancaster MUD #1	1,334	1,781	447	33.51%
Grand Prairie Metro URD	1,830	1,769	(61)	-3.33%
Northwest FCD	5,868	5,852	(16)	-0.27%
Subtotal	250,903	264,534	13,631	5.43%

PROPOSED BUDGET ALLOCATIONS

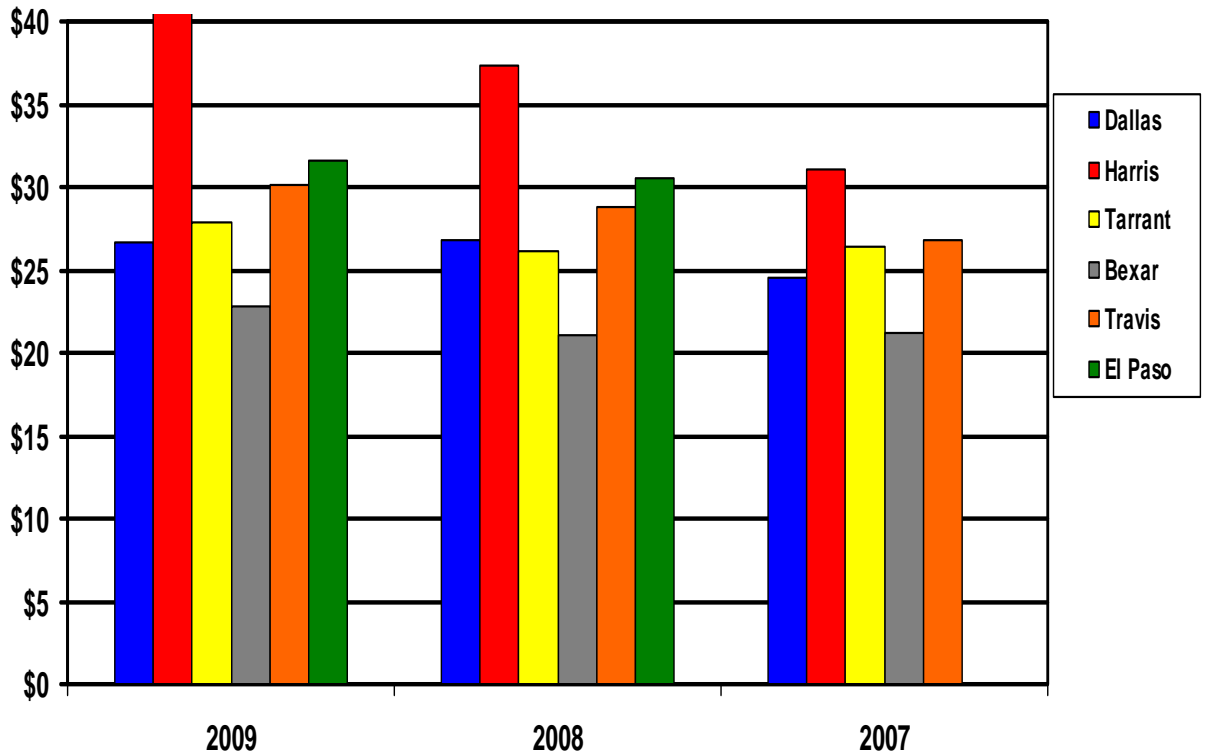
Cities:	2008/2008	2009/2010	Increase or	% Change
	<u>Approved</u>	<u>Proposed</u>	<u>(Decrease)</u>	
	<u>Allocation</u>	<u>Allocation</u>		
Addision	74,060	80,246	6,186	8.35%
Balch Springs	21,493	21,801	308	1.43%
Carrollton	146,356	146,230	(126)	-0.09%
Cedar Hill	92,591	92,854	263	0.28%
Cockrell Hill	2,962	3,114	152	5.13%
Combine	126	129	3	2.38%
Coppell	141,125	147,046	5,921	4.20%
Dallas	3,080,895	3,052,141	(28,754)	-0.93%
DeSoto	102,781	103,035	254	0.25%
Duncanville	63,408	63,686	278	0.44%
Farmers Branch	94,209	96,269	2,060	2.19%
Ferris	336	322	(14)	-4.17%
Garland	365,932	375,069	9,137	2.50%
Glenn Heights	9,644	9,837	193	2.00%
Grand Prairie	154,445	158,731	4,286	2.78%
Grapevine	2,626	2,363	(263)	-10.02%
Highland Park	43,470	46,030	2,560	5.89%
Hutchins	6,177	6,659	482	7.80%
Irving	455,477	477,567	22,090	4.85%
Lancaster	61,370	63,986	2,616	4.26%
Lewisville	1,051	1,203	152	14.46%
Mesquite	204,008	202,591	(1,417)	-0.69%
Ovilla	903	773	(130)	-14.40%
Richardson	184,216	186,138	1,922	1.04%
Rowlett	102,823	102,992	169	0.16%
Sachse	21,514	23,777	2,263	10.52%
Seagoville	14,497	15,014	517	3.57%
Sunnyvale	10,631	11,856	1,225	11.52%
University Park	71,539	74,210	2,671	3.73%
Wilmer	2,962	2,964	2	0.07%
Wylie	378	322	(56)	-14.81%
Total	5,534,005	5,568,955	34,950	0.63%

PROPOSED BUDGET ALLOCATIONS

School Districts:	<u>2008/2009</u> Allocation	<u>2009/2010</u> Proposed Allocation	Increase or <u>(Decrease)</u>	<u>% Change</u>
Carrollton/F.B.	779,594	640,096	(139,498)	-17.89%
Cedar Hill	154,908	169,934	15,026	9.70%
Coppell	347,115	375,697	28,582	8.23%
Dallas	3,558,834	3,760,526	201,692	5.67%
Dallas County Schools	13,983	32,513	18,530	132.52%
DeSoto	139,246	138,872	(374)	-0.27%
Duncanville	189,789	193,243	3,454	1.82%
Ferris	689	853	164	23.80%
Garland	677,662	698,644	20,982	3.10%
Grand Prairie	269,415	282,842	13,427	4.98%
Grapevine/Colleyville	32,321	12,688	(19,633)	-60.74%
Highland Park	413,244	477,821	64,577	15.63%
Irving	505,598	543,005	37,407	7.40%
Lancaster	91,586	93,020	1,434	1.57%
Mesquite	369,936	378,932	8,996	2.43%
Richardson	898,514	916,891	18,377	2.05%
Sunnyvale	30,270	34,886	4,616	15.25%
Wilmer/Hutchins	0	0	0	
Total	8,472,704	8,750,463	277,759	3.28%

APPRAISAL DISTRICT COMPARISONS

	2009	Real	Personal	Total	Cost Per Parcel		
	<u>Budget Amount</u>	<u>Property</u>	<u>Property</u>	<u>Parcels</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Dallas CAD	\$21,799,127	717,312	98,582	815,894	\$26.72	\$26.80	\$24.47
Harris CAD	\$63,889,143	1,361,896	194,807	1,556,703	\$41.04	\$37.27	\$31.06
Tarrant CAD	\$19,003,352	621,550	59,983	681,533	\$27.88	\$26.15	\$26.36
Bexar CAD	\$14,278,245	580,497	45,597	626,094	\$22.81	\$21.06	\$21.16
Travis CAD	\$11,856,540	348,625	44,484	393,109	\$30.16	\$28.78	\$26.84
El Paso CAD	\$12,242,388	364,195	23,235	387,430	\$31.60	\$30.55	NA



APPRAISAL DISTRICT EMPLOYEE COMPARISONS

Appraisal District	2009 Budget	Total Parcels	Number of Employees	Parcels per Employee	Number of Appraisers	Parcels per Appraiser
Dallas Central Appraisal District	\$21,799,127	815,894	245	3,330	95	8,588
Harris Central Appraisal District	\$63,899,143	1,556,703	640	2,432	298	5,224
Tarrant Appraisal District	\$19,003,352	681,533	207	3,292	82	8,311
Bexar Appraisal District	\$14,278,245	626,094	157	3,988	73	8,576
Travis Central * Appraisal District	\$11,856,540	393,109	119	3,303	47	8,364
El Paso Central Appraisal District	\$12,242,388	387,386	124	3,124	37	10,470

***2008**

2008 BUDGET/LEVY COMPARISON

	2008 Tax Levy	2008-2009 Budget Amount	2008 Cost As % Of Levy
Dallas CAD	\$4,483,051,555	\$21,799,127	0.49
Harris CAD	\$6,577,283,337 *	\$63,889,143	0.97
Tarrant CAD	\$3,133,657,329	\$19,003,352	0.61
Bexar CAD	\$2,110,568,032 *	\$14,278,245	0.68
Travis CAD	\$2,238,045,494	\$10,774,750	0.48
El Paso CAD	\$719,167,668 *	\$12,242,388	1.70
STATE TOTALS *	\$30,868,199,135	\$279,255,932	0.90

* 2007

ACCURACY OF APPRAISALS

	Median Level of Appraisals	Coefficient of Dispersion
Dallas Central Appraisal District	1.00	6.20
Harris Central Appraisal District	0.98	7.78
Tarrant Appraisal District	0.99	6.14
Bexar Appraisal District	0.98	12.07
Travis Central Appraisal District	0.98	9.49
El Paso Central Appraisal District	1.01	11.00