

CLAY COUNTY APPRAISAL DISTRICT

101 E OMEGA P O BOX 108
HENRIETTA, TEXAS 76365

GARY L. ZEITLER RPA, RTA, CCA
CHIEF APPRAISER

PHONE: 940-538-4311
FAX: 940-538-4725

TO: All Taxing Entities Entitled to Vote on Budget Amendments

From: Chief Appraiser Gary L. Zeitler RPA, RTA, CCA

RE: Clay County Appraisal District proposed 2016 and 2017 budget amendment

Date: January 19, 2018

Dear Clay County:

The purpose of this letter is to notify all taxing units which participate in the Clay County Appraisal District (CCAD) that the board of directors of CCAD has proposed to amend CCAD's 2016 and 2017 budget by retaining all (approximately \$35,000.00) in existing surplus revenue which was budgeted for District operations in 2016 and 2017, but which has not been spent and transferring these funds into a mapping update and repair reserve fund. The entire proposed amendment is as follows:

"NOW, THEREFORE, BE IT RESOLVED, that the board of directors of the Clay County Appraisal District (CCAD) hereby notifies all constituent taxing units which participate in the District that they propose to amend the 2016 and 2017 CCAD budget by retaining the surplus generated as a result of 2016 and 2017 operations, and placing that amount in a Mapping and Update Reserve Fund, to be spent in 2018 and 2019 on mapping software and deed platting which will upgrade the whole system.

EXPLANATION FOR WHY THE AMENDMENT IS NECESSARY

This amendment requests the taxing units allow the Clay CAD to retain surplus funds. THIS IS NOT A REQUEST FOR ANY ADDITIONAL FUNDS. I have been asked by the Board of Directors to explain to you why unspent revenue, approximately thirty-five thousand dollars, is proposed to be retained through the proposed budget amendment (instead of being distributed back to the taxing units).

How the surplus was generated. For numerous reasons, one involving careful stewardship and secondly resulting from simple good luck, CCAD was blessed with a surplus for the year 2016 and 2017. Overall expenses were lower than might have been expected and useful savings were generated by more efficient office practice. CCAD also mercifully avoided any unforeseen major costs.

Why CCAD is asking to retain the surplus funds. Over the past few years we have been very fortunate to have been able to handle the small changes within the normal operating budget. However, now there are two major problems that have been on the horizon for a while, concerning the CCAD mapping. The first situation coming on us fairly quickly is that the base software program will no longer be supported by our mapping contractor and we will have to convert our mapping system over to a new program, at a cost of six thousand dollars. The other issue involves the abstract lines that tie into the deed mapping are not squaring up and have some fairly significant problems. We will have to redraw nearly every parcel by metes and bounds deed descriptions to rectify this problem at a cost of forty-four thousand dollars. The cost to complete the total update and upgrade of the mapping system will be approximately fifty thousand dollars. With your budget situations the CCAD Board is trying to handle the mapping upgrade with the excess funds from several year's operating budgets and without changing the overall budget or asking for additional monies.

RIGHTS OF THE TAXING UNITS

As all of you know, Clay County Appraisal District operations are funded by the constituent taxing entities in the County. Pursuant to Chapter 6 of the Texas Property Tax Code, each entity has the right to adopt resolutions disapproving the Appraisal District's budget. If a majority of the taxing units have not adopted resolutions disapproving the amendment within 30 days after the secretary of the Board of Directors delivers a written copy of the proposed amendments to each presiding officer of the governing body of each taxing unit, the Appraisal District board of directors may thereafter formally adopt the proposed amendment to the 2016 budget.

In other words, the taxing units may approve or disapprove the proposed amendments, but no action is necessary unless a taxing unit wishes to disapprove the proposed amendment. If a majority of taxing units have not affirmatively adopted resolutions disapproving the amendment within 30 days of receiving the required notice, the proposed budget amendment may be adopted.

CONCLUSION

I would like to personally request each entity's support for this proposed amendment by again emphasizing the importance of all Clay County taxing authorities having the most accurate mapping available.

Should you have any questions, please feel free to contact me.

Sincerely yours,

Clay County Appraisal District Chief Appraiser
Gary L. Zeitler RPA, RTA, CCA