

FILED FOR RECORD
AT 2:26 P.M.

JAN 17 2025


County Clerk, Hood County, TX

Hood Central Appraisal District

Board of Directors Meeting
1902 W. Pearl St
Granbury, Texas 76048

Notice is hereby given that on January 23, 2025, the Board of Directors of the Hood Central Appraisal District will meet in open session for a called meeting beginning at 5:00 p.m. at 1902 W. Pearl St., Granbury, Texas

AGENDA

The public is welcome to address the Board of Directors during the public comment period under agenda Item 3 regarding any item on the agenda listed on the agenda for consideration and action, or any other issues under the Board's jurisdiction. During the Public Comments period, the Chairman will allow each speaker three minutes in which to speak. The Board may not respond to comments regarding the items not on the agenda.

1. Call to Order
2. Verify the Presence of a Quorum
3. Organization and Election of Officers
4. Recognize Visitors; Hear Public Comments
5. Action Items
 - a. General Action Items:
 - i. Action regarding approval of the Board of Director's meeting minutes from the December 12, 2024 meeting.
 - ii. Discuss and consider taking action to review, amend as necessary, and approve the district's Investment Policy.
 - iii. Discuss and consider taking appropriate action on line item transfers within the 2024 budget.
 - iv. Discuss and Consider Taking Action to Waive the Penalty and interest of a delinquent entity quarterly allocation payment.
 - v. Discuss and consider taking appropriate action to create a committed fund for the purposes of funding the upcoming forensic audit and commit the 2024 contingency funds for this purpose.

- vi. Discuss and consider taking appropriate action related to the Request for Qualifications for Forensic Auditing Services prepared by the district which may include selection of an auditing firm or rejecting all proposals and resubmitting a new RFQ.

6. Information Items

- a. Report from the Chief Appraiser
 - 2025 Appraisal Activities
 - 2024 Collections update
 - Public Speaking activities

7. Recess to executive session pursuant to the Texas Government Code

- a. 551.074 - To deliberate on and evaluate the job performance of the Chief Appraiser.

8. Reconvene into regular session

- a. Consider taking action regarding evaluation and job performance of the Chief Appraiser.

9. Propose Future Agenda Items; Set Next Meeting Date; Adjourn

- a. Proposed next regular meeting date: March 13, 2025

As authorized by Texas Government Code Section 551.071(2) the Board may convene into executive session for the purpose of seeking confidential legal advice from general counsel for any agenda item listed herein.

Action Item 5(a)(i):

Board Action Requested

It is requested the Board take action to approve the December 12, 2024 minutes.

Staff Recommendation:

If there are no necessary amendments,

Move to approve the minutes of the December 12, 2024 meeting.

Hood Central Appraisal District
Board of Directors Meeting
December 12, 2024

This meeting was conducted in compliance with the Open Meetings Act as written in statute. A quorum of the members of the Board attended in person at the HCAD Office.

These minutes are a summary of the only subjects the Board addressed and the actions it took.

Members Present:

Eddie Rodriguez, Chairman, Presiding Officer
Rick Frye
Scott Bradley
Mark McDonald (joined at 5:15PM)

Also Participating:

Rod Litke (via telephone)
Jeff Law, Chief Appraiser
Braden Metcalf, Attorney for the District (via telephone)

Mr. Rodriguez called the meeting to order at 5:00PM., verified a quorum was present, and that the notice was posted timely. The board took up the following agenda items:

3. Recognize Visitors; Hear Public Comments

1 member of the public spoke

4. Presentation from Texas County & District Retirement Systems regarding recent inquiries of the Hood Central Appraisal District Board Chairman

Erica Aguirre Vasquez of TCDRS gave a presentation regarding the District's TCDRS Retirement plan.

5. At 5:57PM The Board convened to executive session pursuant to the Texas Government Code

- a. Section 551.071(1)(a) and (2) Consultation with general counsel regarding contemplated litigation and;
- b. Section 551.074 to deliberate on and evaluate the job performance of the Chief Appraiser.

6. At 6:17PM the Board Returned to open session

7. Action Items

a. Consent Agenda Items

- i. Action regarding approval of Board of Director's meeting minutes from October 16, 2024 meeting
- ii. Action regarding approval of the Financial Statements from October and November 2024

Rick Frye made a motion to approve the consent agenda items as presented. Mark McDonald seconded the motion. Motion carried 5-0

b. General Action Items

- i. Discuss and consider taking action to amend the Hood Central Appraisal District Board of Director's Policy to add a section establishing guidelines and polices for establishing and maintaining an appropriate fund balance for the District. Scott Bradley made a motion to amend the Board of Directors' Policy to include a new section establishing fund balance guidelines to maintain a fund balance equivalent to 8% of annual operating revenue, based on the most recently adopted budget and periodically review and adjust the fund balance target to align with current fiscal conditions, auditor recommendations and strategic priorities. Mark McDonald seconded the motion. Motion carried 5-0
- ii. Discuss and consider taking action to approve the transfer of \$40,000 from the Technology Committed Fund to the 2024 Information Technology budget account 6381 and \$20,000 from the 2024 Building Maintenance Committed Fund to the Building Maintenance budget account 6120. Rick Frye made a motion to approve fund transfers to align with budget accounts with expenditures incurred in 2024: \$40,000 from the Technology Committed Fund to the Information Technology Budget Account (6381). \$20,000 from the Building Maintenance Committed Fund to the Building Maintenance Budget Account (6120). Mark McDonald seconded the motion. Motion Carried 5-0
- iii. Discuss and consider taking action to accept the Texas County & District Retirement System 2025 Plan Assessment with no changes. Scott Bradley made the motion to accept the 2025 plan assessment documents as presented from TCDRS with no changes. Rick Frye seconded the motion. Motion carried 5-0
- iv. Discuss and consider taking action to accept Texas Municipal League Cyber Liability and Data Breach Responses Coverage plan changes. Rick Frye made the motion to authorize the Chief Appraiser to complete the

interlocal agreement with TML and “opt in” for continued coverage for cyber liability and data break response coverages. Scott Bradley seconded the motion. Motion carried 5-0

- v. Discuss and Consider taking action after executive session regarding the topic of financial audits. No action was taken by the Board
- vi. Discuss and consider taking action after executive session regarding the evaluation and job performance of the Chief Appraiser. No action was taken by the Board. This agenda item will be taken back up by the Board in the January meeting.

8. Information Items

a. Report from the Chief Appraiser

- Collections update – Collections numbers are down compared to 2023 collections due to the delayed mailing of statements due to the Hood County Hospital District VATRE
- Appraisal update – Appraisers are in the field measuring and appraising
- Employment update on open positions – Three vacant positions have been filled
- Announcement of the need for ARB members – Due to the resignation of one ARB member, HCAD is searching for new applicants

9. Propose Future Agenda Items; Set Next Meeting Date; Adjourn

No items were proposed. The next regular meeting was proposed as Thursday, January 9, 2024. The meeting was adjourned at 6:58PM.

Rod Litke, Secretary

**Certified Agenda of the Executive Session of
Hood Central Appraisal District
Board of Directors**

The Hood Central Appraisal District posted a written notice of today's open meeting and executive session of its Board of Directors and furnished copies of the notice to the Hood County Clerk. After the Board convened in open meeting, the chair announced publicly that the Board would recess under authority of the provisions of the Open Meetings Act identified in the posted notices. The chair then recessed the open meeting, the Board reassembled in executive session, and the chair announced that the executive session began on the following date and time:

Date: December 12, 2024

Time: 5:57 PM

The Board deliberated in executive session on the following matters authorized by Texas Open Meetings Act Government Code Ch. 551:

- a. Section 551.071(1)(a) and (2) Consultation with general counsel regarding contemplated litigation regarding financial audits.
- b. Section 551.074 - To deliberate on and evaluate the job performance of the Chief Appraiser.

The chair then announced that the executive session ended on the following date and time:

Date: December 12, 2024

Time: 6:17 PM

The Board then reassembled in open meeting. The Board took no action during its executive session. The public record of the open meeting reflects the Board's actions taken, if any, on the topic above.

I certify that this document is a true and correct record of the proceedings of the executive session of the Hood Central Appraisal District Board of Directors on the date and during the time indicated.

Rod Litke
Secretary

ACTION ITEM 5(a)(ii) – Consider taking action to approve the district’s Investment Policy

Board Action Requested:

It is requested that the Board discuss and consider taking action to review and approve the District’s Investment policy as required by the statute.

Background:

Texas Government Code Chapter 2256, referred to as the Public Funds Investment Act, requires governing bodies to follow certain laws when investing public funds under their control. Public funds may only be invested in investments authorized by state law and in compliance with investment policies approved by the governing body.

The Act goes on to say the District shall adopt a written investment policy regarding the investment of its funds and funds under its control. Furthermore, the District must review its investment policy and investment strategies not less than annually.

The District’s original Investment Policy was created in July 2019 and has been approved by the board annually. At this time, there are no changes being recommended for the current Investment Policy.

Staff Recommendation:

Making a motion that the investment policy of the appraisal district has been reviewed and move that we approve this investment policy for the year 2025.

HOOD CENTRAL APPRAISAL DISTRICT
INVESTMENT POLICY AND PROCEDURE

1. AUTHORITY AND STRATEGY

- A. Pursuant to authority of TEXAS GOVERNMENT CODE ANN., Sec. 2256.001 *et seq.* (Vernon 1995), the Hood Central Appraisal District is authorized to invest Appraisal District funds as provided therein.
- B. All funds of Hood Central Appraisal District that are invested are invested by matching the maturity of investments with liabilities. Investments are made with the intention of holding to maturity, but with the ability to liquidate should funds be needed at any time. This strategy is achieved by utilizing Depository Banks Money, Market Accounts, Certificates of Deposit and short term Treasury Bills, all with a stated final maturity of one year or less.

2. APPLICABILITY

This investment policy applies to all financial assets of all funds of Hood Central Appraisal District at the present time and any funds to be created in the future and any other funds held in custody by the Appraisal District, unless it is in contravention of any depository contract between Hood Central Appraisal District and any depository bank, and/or expressly prohibited by law.

3. INVESTMENT OBJECTIVES AND PRIORITIES

- A. General Statement

This policy serves to satisfy the statutory requirements of the TEXAS GOVERNMENT CODE, ANN., Title 10, Section 2256.00, *et seq.*, The Public Funds Investment Act, as amended by House Bill 2459 (Sept. 95), for all political subdivisions to define and adopt a formal investment policy.

- B. Objectives

The primary objective of Hood Central Appraisal District is to insure the safety of principal in all funds and to avoid speculative investing. The secondary objective of Hood Central Appraisal

District is to strive to maintain adequate liquidity, through scheduled maturity of investments, to cover the cash needs of the Appraisal District consistent with the objectives of this policy.

C. Desired Diversification

It will be the policy of Hood Central Appraisal District to diversify its portfolio to eliminate the risk of loss resulting from over concentration of liquid assets with a specific maturity, a specific insurer or a specific class of investments. Investments of the Appraisal District shall always be selected that provide for stability of income and reasonable liquidity.

D. Rate of Return on Investments

It will be the objective of Hood Central Appraisal District to earn the maximum rate of return allowed on its investments within the policies imposed by its safety and liquidity objectives and state and federal law governing investment of public funds.

E. Maturity

Portfolio maturities will be structured to achieve the highest return of interest consistent with liquidity requirements of the Appraisal District's cash needs. No investment shall have a legal stated maturity of more than twelve (12) months.

4. INVESTMENT RESPONSIBILITY AND CONTROL

A. Delegation of Investment Authority

In accordance with Sec. 2256.005(f) of the Public Funds Investment Act, the Chief Appraiser is designated as the Investment Officer for the Appraisal District, and may invest Appraisal District funds that are not immediately required to pay obligations of the Hood Central Appraisal District. The Investment Officer shall maintain procedures for the operation of the investment program consistent with this investment policy.

B. Quality and Capability of Investment Officer

It is the Appraisal District's policy to provide periodic training in investments for the Investment Officer through courses and seminars offered by professional organizations and associations in order to insure the quality and capability of the Appraisal District's

Investment Officer in making investment decisions in compliance with Sec. 2256.008 of the Public Funds Investment Act.

C. Investment Advisory Committee

The Investment Advisory Committee reviews investment policies and procedure, investment strategies, and investment performance. Members of the Committee may include: the Board of Directors or Audit and Budget Committee Members appointed by the Chairperson of the Hood Central Appraisal District Board of Directors. The Chairperson of the advisory committee will be elected by the committee and meetings will be called as needed.

D. Prudence and Ethical Standards

Hood Central Appraisal District implements the “prudent person rule” when managing the portfolios within the applicable legal and policy constraints. The prudent person rule is restated as follows:

“Investments must be made with the judgment and care, under prevailing circumstances, which persons of prudence, direction and intelligence would exercise in the management of their own affairs for investment, not for speculation, considering the probable safety of their capital as well as the probable income to be derived.”

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the District.

An Investment Officer of the District who has a personal business relationship with an organization seeking to sell an investment to the District shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Directors.

E. Liability of Investment Officer

In accordance with Sec. 113.005, Texas Local Government Code, the Investment Officer is not responsible for any loss of the Hood Central Appraisal District funds through the failure or negligence of a depository. This section does not release the Investment Officer from responsibility for a loss resulting from the official misconduct or negligence of the Investment Officer, including misappropriation of the funds, or from responsibility for funds until a depository is selected and the funds are deposited.

F. Accounting and Audit Control

The Investment Officer will establish liaison with the Hood Central Appraisal District auditor in order to assist the auditor with their accounting and auditing controls. It is the policy of the Hood Central Appraisal District, at a minimum, to have an annual audit of all Appraisal District funds by an independent auditing firm. The Investment Officer and the Appraisal District's investment procedures shall be subject to the annual and any special audits as required.

G. Monitoring Credit Rating

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or Adviser shall notify the governing board of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

5. INVESTMENT REPORTING

In accordance with Texas Government Code, Title 10, Sec. 2256.023, the Investment Officer will report quarterly to the Board of Directors the portfolio statistics, listing the type and description of investment in detail, the broker/dealer used for purchase, the yield to maturity, the stated maturity date, and the previous and current market value.

6. INVESTMENT INSTITUTIONS

A. Depository Bank

Fully collateralized Time Deposits, Certificates of Deposit, Money Market accounts and Interest Bearing Checking accounts shall be placed at the District Depository Bank under a depository contract executed by Hood Central Appraisal District Board of Directors and in compliance with V.C.T.A. Texas Local Government Code, Chapter 117.

B. Broker/Dealers

The Hood Central Appraisal District shall invest Appraisal District funds consistent with federal and state law and the current Bank Depository Contract. Purchases shall be made with U. S. Government Securities Dealers appearing on the Primary Government Securities Dealers list and the Capital Market Division of the Depository Bank. Dealers must comply with Section 6(c) of this Investment Policy to be selected.

C. Approval of Broker/Dealer

The Hood Central Appraisal District reviews the applications of the broker/dealer/financial institutions for compliance with this policy and recommends institutions for approval. To be recommended for approval, a broker/dealer/financial institution must demonstrate possession of the following criteria:

- (1) Institutional investment experience,
- (2) Good references from public fund investment officers,
- (3) Adequate capitalization per the Capital Adequacy Guidelines for Government Securities Dealers,
- (4) An understanding of this Investment Policy,
- (5) Regulation by the Securities and Exchange Commission (SEC),
- (6) Membership in good standing in the National Association of Securities Dealers, Inc.,
- (7) And Valid Licensure from the State of Texas.

The District's Investment Advisory Committee shall, at least annually, review, revise and adopt a list of qualified brokers/dealers and financial institutions authorized to engage in securities transactions with the District. *(Note: a designated investment committee may adopt and annually review the list of qualified brokers/dealers.)* Those firms that request to become qualified bidders for securities transactions will be required to provide a

completed broker/dealer questionnaire that provides information regarding creditworthiness, experience and reputation and a certification stating the firm has received, read and understood the District's investment policy and agree to comply with the policy. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the District's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the District's policy.

7. INVESTMENT INSTRUMENTS

The Hood Central Appraisal District Investment Officer shall use any or all of the following authorized investment instruments consistent with governing law and this policy:

A. Bank Investments:

- (1) Fully collateralized Time Deposits,
- (2) Fully collateralized Certificates of Deposit,
- (3) Fully collateralized Money Market Accounts,
- (4) Fully collateralized Interest-Bearing Checking Accounts.

B. Direct Investments:

- (1) United States Treasury Securities,
- (2) Excluded in the direct investments are derivative securities including but not limited to Collateralized Mortgage Obligations.

8. INVESTMENT PROCEDURES

A. Confirmation of Trade

A confirmation of trade will be provided by the broker/dealer to the Hood Central Appraisal District Investment Officer for every purchase of an investment security. This trade ticket and confirmation will become a part of the file that is maintained on every investment security.

B. Delivery Versus Payment

It will be the policy of the Hood Central Appraisal District that all Treasury and Government Agencies securities shall be purchased using the "delivery vs. Payment" (DVP) method. By so doing, Hood Central Appraisal District funds are not released until Hood Central Appraisal District has received the securities purchased.

C. Safekeeping Institution

- (1) All purchased securities shall be held in safekeeping by Hood Central Appraisal District, or a Hood Central Appraisal District account in a third party financial institution, or with a Federal Reserve Bank.
- (2) All pledged securities by the Depository Bank shall be held in safekeeping by Hood Central Appraisal District or a Hood Central Appraisal District account in a third party financial institution, or with a Federal Reserve Bank.

9. COLLATERAL AND SAFEKEEPING

A. Collateral or Insurance

The Hood Central Appraisal District Investment Officer shall insure that all Appraisal District funds are fully collateralized or insured consistent with federal and state law and the current Depository Contract in one or more of the following manners:

- (1) FDIC insurance coverage,
- (2) United States Government Bonds, Notes, and Bills,
- (3) Securities of Federally-sponsored US Agencies and instrumentalities of the United States Government,
- (4) No Collateralized mortgage obligations are acceptable.

B. Safekeeping

Securities pledged as collateral shall be deposited in trust with the Federal Reserve Bank or another disinterested third party bank under an appropriate legal contract. The amount of such securities pledge shall be determined by their market value.

C. Collateral Reporting

The Investment Officer shall report to the Hood Central Appraisal District Board of Directors his or her evaluation of all collateral compared to all Appraisal District deposits on a quarterly basis. Collateral deficiencies should be identified and immediately corrected through additional collateral deposited or reductions in the volume of deposited funds.

10. INVESTMENT POLICY REVIEW AND AMENDMENT

A. Review Procedures

The Hood Central Appraisal District shall review its investment policy and investment strategies not less than annually, to occur in November or as soon thereafter as practicable.

B. Changes to the Investment Policy

The Investment Officer and the Investment Advisory Committee must review the Hood Central Appraisal District Policy not less than annually and may recommend changes, as needed, to the Board of Directors.

On this 23th day of January, 2025 this Public Funds Investment Policy and Procedure was adopted by the Hood Central Appraisal District Board of Directors.

Chairman

ATTEST:

Secretary

ACTION ITEM 5(a)(iii) – Discuss and consider taking appropriate action on line item transfers within the 2024 budget

Purpose:

To discuss and consider taking action to make line-item adjustments to the 2024 budget by moving funds from one line item to another in order to cover areas where certain lines items may have been over budget. No adjustments are being made to the 2024 budget that would increase the total dollar amount of the overall budget.

Staff Recommendation:

Staff recommends authorizing the Chief Appraiser to transfer funds from one line item of the 2024 budget to another as presented.

January 23, 2025

2024 LINE ITEM ADJUSTMENT

<u>Account Number</u>	<u>Account Name</u>	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Change</u>
6040	Workers' Compensation	\$5,500.00	\$6,055.42	\$555.42
6117	Payroll Services	\$3,000.00	\$3,298.05	\$298.05
6180	Equipment Repair/Maintenance	\$3,000.00	\$3,054.57	\$54.57
6210	Insurance- Director's Liability	\$ 2,600.00	\$ 3,119.34	\$519.34
6230	Janitorial Services	\$13,500.00	\$15,933.08	\$2,433.08
6280	Office Supplies	\$45,000.00	\$46,124.46	\$1,124.46
6290	Postage	\$85,000.00	\$103,805.26	\$18,805.26
6320	Software – Financial	\$2,000.00	\$2,027.74	\$27.74
6330	Software – Mapping	\$6,500.00	\$6,538.68	\$38.68
6340	Travel, Training, Tuition	\$25,000.00	\$26,253.53	\$1,253.53
6345	Memberships, Subscriptions, Fees	\$14,000.00	\$15,994.17	\$1,994.17
6370	Utilities – Telephone	\$18,000.00	\$18,170.39	\$170.39
6381	Information Technology	\$70,000.00	\$71,551.40	\$1,551.40
		TOTAL		\$28,826.09
6000	Salaries	\$1,341,252.00	\$1,312,425.91	<\$28,826.09>
		TOTAL		<\$28,826.09>

Hood Central Appraisal District
Statement of Revenue & Expenditures
Year-to-Date Performance, December 2024 - current month

	<i>12 Months Ended December 31, 2024</i>	<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
Revenue				
Cresson Crossroads MUD 2	2,104.00	2,104.00	0.00	100.0 %
City of Granbury	214,336.00	214,335.00	(1.00)	100.0 %
City of Lipan	2,272.00	2,273.00	1.00	100.0 %
City of Tolar	10,752.00	10,750.00	(2.00)	100.0 %
Granbury ISD	1,741,284.00	1,741,284.00	0.00	100.0 %
Lipan ISD	40,852.00	40,850.00	(2.00)	100.0 %
Tolar ISD	91,536.00	91,535.00	(1.00)	100.0 %
Bluff Dale ISD	1,944.00	1,943.00	(1.00)	100.1 %
Godley ISD	11,204.00	11,205.00	1.00	100.0 %
Glen Rose ISD	12,556.00	12,557.00	1.00	100.0 %
Hood County	715,856.00	715,856.00	0.00	100.0 %
Revenue-Print-Outs	0.00	2.00	2.00	
Revenue-Maps	41.00	200.00	159.00	20.5 %
Revenue-Data Sales	3,960.00	3,000.00	(960.00)	132.0 %
Revenue-Tax Sale Certificate	460.00	500.00	40.00	92.0 %
Interest All Accounts	21,733.23	12,000.00	(9,733.23)	181.1 %
Miscellaneous Revenue	3,547.81	3,000.00	(547.81)	118.3 %
TOTAL Revenue	2,874,438.04	2,863,394.00	(11,044.04)	100.4 %
	2,874,438.04	2,863,394.00	(11,044.04)	100.4 %
	2,874,438.04	2,863,394.00	(11,044.04)	100.4 %
Expenditures				
Salaries	1,281,438.33	1,341,252.00	59,813.67	95.5 %
Payroll Taxes	103,119.48	117,000.00	13,880.52	88.1 %
Group Health Insurance	283,008.65	305,000.00	21,991.35	92.8 %
Workmens Compensation	6,055.42	5,500.00	(555.42)	110.1 %
Retirement	174,151.31	175,000.00	848.69	99.5 %
Aerial Photography Services	56,263.20	58,000.00	1,736.80	97.0 %
Salary Supplement /Auto	100,446.34	110,600.00	10,153.66	90.8 %
Appraisal Review Board	25,909.72	35,000.00	9,090.28	74.0 %
Arbitration Expense	900.00	7,500.00	6,600.00	12.0 %
Appraisal Services P/A	93,016.36	95,000.00	1,983.64	97.9 %
Audit Services	15,043.00	20,000.00	4,957.00	75.2 %
Payroll Services	3,298.05	3,000.00	(298.05)	109.9 %

	<i>12 Months Ended December 31, 2024</i>	<i>Annual Budget</i>	<i>Unused</i>	<i>% Used</i>
Building Maintenance	21,565.81	35,000.00	13,434.19	61.6 %
Capital Outlay	0.00	10,000.00	10,000.00	
Appr/Coll Software	77,606.70	79,061.00	1,454.30	98.2 %
Contingency Fund	0.00	100,000.00	100,000.00	
Deed Record Services	0.00	200.00	200.00	
Equip Repair/Maintenance	3,054.57	3,000.00	(54.57)	101.8 %
Equip Rental	9,192.18	10,000.00	807.82	91.9 %
Insurance-Bldg/Contents	3,309.46	3,500.00	190.54	94.6 %
Insurance-C/A Honesty Bond/Ntr	755.80	1,100.00	344.20	68.7 %
Insurance-Directors Liability	3,119.34	2,600.00	(519.34)	120.0 %
Insurance-Public Emp Crime	473.69	2,000.00	1,526.31	23.7 %
Janitorial Services	15,933.08	13,500.00	(2,433.08)	118.0 %
Legal Services	73,603.37	100,000.00	26,396.63	73.6 %
Misc Supplies	4,403.07	8,000.00	3,596.93	55.0 %
Office Supplies	46,124.46	45,000.00	(1,124.46)	102.5 %
Postage	103,805.26	85,000.00	(18,805.26)	122.1 %
Public & Legal Notices	5,094.24	5,500.00	405.76	92.6 %
Software-Financial	2,027.74	2,000.00	(27.74)	101.4 %
Software Mapping	6,538.68	6,500.00	(38.68)	100.6 %
Travel	26,253.53	25,000.00	(1,253.53)	105.0 %
Membership/Subscriptions/Fees	15,994.17	14,000.00	(1,994.17)	114.2 %
Utilities-Electricity	9,229.12	10,000.00	770.88	92.3 %
Utilities-Sewer	737.17	800.00	62.83	92.1 %
Utilities-Telephone	18,170.39	18,000.00	(170.39)	100.9 %
Utilities-Water	590.35	800.00	209.65	73.8 %
Information Technology/Hardware	71,551.40	70,000.00	(1,551.40)	102.2 %
TOTAL Expenditures	2,661,783.44	2,923,413.00	261,629.56	91.1 %
Program Revenue over Expenditures	212,654.60	(60,019.00)	(272,673.60)	-354.3 %
	212,654.60	(60,019.00)	(272,673.60)	-354.3 %
Excess of Revenue over Expenditures	212,654.60	(60,019.00)	(272,673.60)	-354.3 %

ACTION ITEM 5(a)(iv) – Consider Taking Action to Waive the Penalty and interest of a delinquent entity quarterly allocation payment

Purpose:

The Board is being asked to consider whether to waive the penalty and interest on a delinquent quarterly payment from Glen Rose ISD. Under state law, delinquent payments from taxing entities are subject to a penalty of 5% and interest at a rate of 10%. The Board has the authority to waive these charges for good cause.

Background:

- Glen Rose ISD has consistently made timely quarterly payments in the past. However, the first quarterly payment for this year, amounting to \$2,307.42, has not yet been received.
- Administration has made multiple attempts to contact Glen Rose ISD regarding this payment, but it remains unpaid.
- The penalty and interest on the delinquent payment would amount to \$346.11.

Staff Recommendation:

Staff presents the following options for the Board's consideration:

1. Allow the penalty and interest to be assessed: This would mean applying the 5% penalty and 10% interest to the delinquent payment.
2. Waive the penalty and interest: This would allow the District to forgo the penalty and interest due to the circumstances.
3. Table the agenda item: This would give Glen Rose ISD more time to submit their payment before the Board takes action.

HOOD CENTRAL APPRAISAL DISTRICT

1902 WEST PEARL STREET • P. O. BOX 819
GRANBURY, TEXAS 76048
PHONE: 817-573-2471 • FAX: 817-573-6313

JEFF LAW, CHIEF APPRAISER

November 27, 2024

ATTN: Trig Overbo Superintendent
Glen Rose I.S.D.
P. O. Box 2129
Glen Rose, TX 76043

Dear Dr. Overbo:

Enclosed please find your tax unit's first quarter billing for appraisal services for 2025. The first quarter payment is due by December 31, 2024. A schedule of the payments and due dates is included.

These allocations are based on the actual tax billings for 2024 which were recently mailed.

Sincerely,



Jeff Law
Chief Appraiser

Enclosures

2025 BUDGET ALLOCATION

QUARTERLY PAYMENTS

Glen Rose I.S.D.

1st Quarter Payment \$2,307.42
(due on/before Dec. 31, 2024)

2nd Quarter Payment \$2,307.42
(due on/before March 31, 2025)

3rd Quarter Payment \$2,307.42
(due on/before June 30, 2025)

4th Quarter Payment \$2,307.42
(due on/before Sept. 30, 2025)

TOTAL

\$9,229.69

Allocations by Entity for the 2025 Budget for the Hood Central Appraisal District

	Hood County		Levy % for		Billed Levies		Levy % for		Collection		Total Allocation	Quarterly Payments
	Levies	Appraisal	Appraisal	Allocation	Allocation	Allocation	Allocation	Allocation	Allocation			
Granbury ISD	\$ 83,531,237	0.624958	\$ 1,689,068.84	\$ 85,990,035	0.625354002	\$ 219,622.60	\$ 1,908,691.44	\$ 477,172.86				
Lipan ISD	\$ 1,756,545	0.013142	\$ 35,518.78	\$ 3,870,898	0.028150722	\$ 9,886.46	\$ 45,405.24	\$ 11,351.31				
Tolar ISD	\$ 4,932,965	0.036907	\$ 99,748.25	\$ 4,932,965	0.035874499	\$ 12,599.02	\$ 112,347.27	\$ 28,086.82				
Bluff Dale ISD	\$ 109,517	0.000819	\$ 2,213.50	-	0	-	\$ 2,213.50	\$ 553.38				
Godley ISD	\$ 461,103	0.003450	\$ 9,324.29	-	0	-	\$ 9,324.29	\$ 2,307.42				
Glen Rose ISD	\$ 456,495	0.003415	\$ 9,229.69	-	0	-	\$ 9,229.69	\$ 2,307.42				
City of Granbury	\$ 9,986,047	0.074713	\$ 201,926.21	\$ 9,986,047	0.072622537	\$ 25,504.83	\$ 227,431.04	\$ 56,857.76				
City of Lipan	\$ 106,765	0.000799	\$ 2,159.45	\$ 106,765	0.000776438	\$ 272.68	\$ 2,432.13	\$ 608.03				
City of Tolar	\$ 558,379	0.004178	\$ 11,291.85	\$ 558,379	0.004060756	\$ 1,426.13	\$ 12,717.98	\$ 3,179.50				
Hood County	\$ 31,654,399	0.236830	\$ 640,078.49	\$ 31,654,399	0.230203478	\$ 80,846.83	\$ 720,925.32	\$ 180,231.33				
Cresson Crossroads	\$ 105,550	0.000790	\$ 2,135.13	\$ 406,684	0.002957569	\$ 1,038.69	\$ 3,173.82	\$ 793.46				
MUD II	\$ 133,659,002		\$ 2,702,691.77	\$ 137,506,172		\$ 351,197.24						

ACTION ITEM 5(a)(v) – Discuss and consider taking action to create a forensic audit committed fund

Purpose:

The Board of Directors is considering the creation of a committed fund dedicated to covering the costs of a forensic audit of the District's financial records. The audit will focus on certain financial records, but the total cost is currently unknown. The Board plans to allocate unspent contingency funds from the 2024 budget into a "committed fund" for this purpose, ensuring the funds are specifically earmarked for the audit, rather than seeking additional funding through an amendment to the 2025 budget.

Background:

- Concerns have been raised by the public regarding the need for an audit of the District's finances dating back to 2016. In response, the Board sought legal counsel and decided to pursue a forensic audit.
- A Request for Qualifications (RFQ) was issued to identify suitable auditing firms with experience in forensic audits. The Board is now considering the engagement of a qualified firm and developing a scope of work for the audit.
- The cost of the forensic audit remains uncertain, and the Board wishes to fund the audit without altering the 2025 budget. To achieve this, the Board is looking to allocate unspent contingency funds from the 2024 budget into a specific fund that will be used exclusively for the audit.

Staff Recommendation:

Staff recommends that the Board make a motion to:

- Establish a "Forensic Audit Committed Fund" that will be used exclusively for a forensic audit; and
- commit the \$100,000 held in the 2024 contingency fund to this dedicated account.

ACTION ITEM 5(a)(vi) – Consider the Responses to the Request for Qualifications for Forensic Auditing Services

Purpose:

The Board authorized the Chief Appraiser to initiate a Request for Qualifications (RFQ) for forensic auditing services. The purpose of this agenda item is to review and consider the two proposals the District has received in response to the RFQ. The Board should review both proposals and assess their suitability for the District's needs.

Staff Recommendation:

Staff presents the following options for the Board's consideration after they Consider the two proposals:

1. **Select one of the auditing firms:** Choose a firm from the two proposals and authorize the Chief Appraiser to schedule a future meeting to begin the contract negotiation process.
2. **Reject all proposals:** If the Board finds the proposals unsuitable, they can reject both and re-issue a new RFQ to initiate the process again.
3. **Table this agenda item:** If more time is needed to review the proposals or consult with legal counsel, the Board can table this item and defer action to a future meeting.