



Notice is hereby given that on December 9, 2022, the Board of Directors of Tarrant Appraisal District will meet in open session beginning at 9:00 a.m. at 2500 Handley-Ederville Road, Fort Worth, Texas

The meeting will also be broadcast live on Facebook. The link for the broadcast:

<https://www.facebook.com/TarrantAD>

AGENDA

- 1. Call to Order**
- 2. Verify Presence of Quorum and Posting of Meeting Notice**
- 3. Pledges of Allegiance**
- 4. Invocation**
- 5. Recognize Visitors; Hear Public Comments**
- 6. Action Items**
 - a. Consent Agenda Items
 - (1) Action regarding approval of Board of Directors meeting minutes – November 11, 2022
 - (2) Action regarding renewal of the annual “CoStar Suite” Subscription
 - (3) Action regarding renewal of annual maintenance agreements for all Environmental Systems Research Institute (ESRI) software products in support of TAD’s Geographic Information Systems (GIS) appraisal mapping system
 - (4) Action regarding Adoption of 2023 Tarrant Appraisal District Investment Policy
 - (5) Action regarding payment of Annual Maintenance and Support services provided by Manitron, Inc. and payment of Annual Escrow Fee
 - (6) Action regarding Appointment of Taxpayer Liaison Officer for 2023

FILED
TARRANT COUNTY CLERK
107 DEC -2 PM 2: 54

MARY LOUISE NICHOLS
COUNTY CLERK
BY 

- (7) Action regarding consent to Agricultural Advisory Board member appointment
- (8) Action regarding a change of designation in TAD Retention Policy in regards to Records Management Officer
- (9) Action regarding Award of Contracts for Medical, Disability and Related Insurance and Authorization for Employer Contribution

- b. Deliberation and action on amending the percentage required for the Contingency Reserve account
- c. Deliberation and action on options for committing unspent funds from 2022 Budget
- d. Deliberation and possible action on adopting a policy governing the filing of complaints by TAD employees with licensing or regulatory agencies
- e. Deliberate and act on Evaluation of the Executive Director/Chief Appraiser

7. Discussion Items

Discussion regarding authorization of agent (AoA) forms

8. Information Items

- a. Report by Taxpayer Liaison Officer
- b. Report by ARB Chairman
- c. Report by Chief Appraiser

9. Recess to executive Session Pursuant to the following part(s) of the Texas Open Meetings Act Government Code Ch. 551, for the following purposes:

- a. Section 551.074 – To deliberate on and evaluate the job performance of the Executive Director/Chief Appraiser.

10. Return to Open Session

- a. Vote on any matters considered in executive session

FILED
TARRANT COUNTY CLERK

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

2022 DEC -2 PM 2: 54

Next meeting date: Friday, January 13th 2023

MARY LOUISE NICHOLSON
COUNTY CLERK

BY _____

Jeff Law
Executive Director/Chief Appraiser

The public is invited to address the Board during the Public Comments period under Agenda Item 5 regarding any item on the Agenda and other issues under the Board's jurisdiction. During the Public Comments period, the Chairman will allow each speaker five minutes but may expand the time as needed if doing so will not interfere with the Board's completing its business and adjourning its meeting at a reasonable time. The Board may refuse to hear comments on subjects not reasonably related to items on the Agenda, to policies and procedures of Tarrant Appraisal District or Tarrant Appraisal Review Board, or to other issues under the Board's jurisdiction. The Board may not respond to comments regarding items not on the Agenda.

Action Item 6(a)(1): Action Regarding Approval of Board of Directors Meeting Minutes – November 11, 2022

Staff Recommendation:

Approve November 11, 2022 minutes as presented.

**Tarrant Appraisal District
Board of Directors Meeting Minutes
November 11, 2022**

These minutes are a summary of only the subjects the Board addressed and the actions it took. For details, see the Agenda and Audio/Video Recording that are posted on TAD's website at this URL:

<https://www.tad.org/about/board-of-directors.php>

Members present:

Ms. Kathryn Wilemon, Chairman
Mr. Rich DeOtte, Secretary
Ms. Wendy Burgess, Tax Assessor Collector
Mr. Jungus Jordan
Mr. Tony Pompa

Not present:

Mr. J.R. Martinez

Also participating:

Mr. Jeff Law, Chief Appraiser
Mr. Matthew Tepper, TAD Board Attorney

A quorum was reached at 9:09am with the arrival of Mr. Tony Pompa. At that time, Ms. Wilemon called the meeting to order. Mr. Law verified a quorum was present. Ms. Burgess arrived at 9:19am. After the invocation and pledges of allegiance, the Board took up the following Agenda items.

5. Recognize Visitors; Hear Public Comments

Seven members from the public spoke.

6. Action Items

a. Consent Items:

- (1) Action regarding approval of Board of Directors meeting minutes – August 12, 2022**
- (2) Action regarding adoption of an elected rate of 14.0% with the Texas County and District Retirement System (TCDRS) for the 2023 budget year; and also authorize a 250% matching employer rate with TCDRS on a “going forward” basis starting January 1, 2023.**
- (3) Action regarding extension of primary banking depository agreement**
- (4) Action regarding approval of the annual renewal of subscription and support of the Tivoli/Spectrum Backup Suite of licenses and support tools**
- (5) Action regarding approval of contract with AT&T for dedicated internet solution for TAD**

(6) Action regarding approval of contract for voice, internet and national long-distance service with Logix Fiber Networks for a three- year term

Mr. Pompa moved to approve the consent agenda items; Mr. DeOtte seconded this and all board members present voted to approve.

7. Discussion Item

Discussion concerning a possible policy regarding ability to file formal complaints as a TAD employee with licensing or regulatory agencies

Mr. Pompa asked for copies of the Personnel Policies and Procedures Manual and suggested that the Chief Appraiser be the only one to file a TAD complaint. Ms. Wilemon added that a private citizen filing an individual complaint should not use TAD information/materials obtained through their TAD employment to file such a complaint. Mr. Jordan clarified that the issue is one of a line of duty. Mr. Tepper differentiated the current policy and the proposed policy. He suggested that the Chief Appraiser be the one to decide whether to file a TAD complaint with TDLR. He added that any individual licensees who has a duty to report misconduct should not be prohibited by this policy from filing an individual complaint. He reminded the board that private citizens have the right to petition the government. Mr. Jordan and Ms. Burgess wanted to make sure that any policy did not infringe upon an employee's rights under the Whistleblower laws or the First Amendment. Mr. Tepper suggested that he convey the points discussed to Mr. Clark for the drafted policy. Ms. Wilemon suggested an item on the December agenda.

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

Mr. DeOtte, Mr. Jordan, Ms. Burgess, and Ms. Wilemon mentioned they would all like a future agenda item regarding AOA forms. After noting that the next regular meeting is scheduled for December 9, 2022, the Board adjourned the meeting at 11:15 a.m.

Kathryn Wilemon, Chairman

Rich DeOtte, Secretary

Action Item 6(a)(2): Renewal of the annual “CoStar Suite” Subscription

Since 2003, TAD has subscribed to CoStar Realty Information Inc. for information on comparable local, area and national sales data on commercial properties. The data is critical to the accurate valuation of commercial property. “**CoStar Suite**” is considered to be a premier source of valuation data in the marketplace.

Vendor’s Description of the Services provided by the “CoStar Suite” Subscription:

CoStar Property Professional – Includes full market inventory of properties and spaces, searchable by market and submarket, with details on each one. Also includes access to photos, aerials, maps, floor plans, stacking plans and more.

CoStar Comps – Includes commercial real estate comparables, across all property types. Also includes detailed sales transactions, including price, cap rates, names of buyers and sellers.

CoStar GO – Includes detailed information on properties, sales comps, tenant information and more. CoStar Go is fully integrated into a mobile platform optimizing exclusively for the iPad.

The subscription renewal provides 16 licenses that are shared among TAD’s commercial appraisal staff members.

The data package subscription is priced on a monthly basis at \$6,236.98. On an annual basis, the total subscription cost is \$78,843.76.

Staff Recommendation:

Authorize renewal of the annual subscription with CoStar Realty Information, Inc. for the “CoStar Suite” of services at a total cost not to exceed \$78,843.76.

Funds for this subscription are included in the FY 2023 Budget

Action Item 6(a)(3): Action regarding renewal of annual maintenance agreements for all Environmental Systems Research Institute (ESRI) software products in support of TAD's Geographic Information Systems (GIS) appraisal mapping system

Comptroller's Rule 9.3002(a) requires, "All appraisal offices and all tax offices appraising property for purposes of ad valorem taxation shall develop and maintain a system of tax maps covering the entire area of the taxing units for whom each office appraises property." The Rules describe, in non-technical terms, the requirements of scale, sectioning, and records-numbering of the mapping system. They also allow for and encourage that the system be, "maintained in electronic data processing records rather than physical documents."

For over 20 years the TAD GIS section has built its electronic mapping system around the software products of the Environmental Systems Research Institute (ESRI). These products serve TAD stakeholders both internally and externally from the inception of a particular map product to the delivery of online GIS data via TAD.org's popular "Interactive Maps" feature. TAD GIS receives frequent requests from cities, school districts, special districts, the general public, and the business community for spatial representation of the property data we maintain. ESRI products allow our staff the features, power, and options to fulfill these requests accurately, professionally, and quickly. The current suite of mapping products TAD utilizes includes basic and advanced desktop applications as well as server and cloud-based applications.

TAD staff want to renew ESRI GIS ArcGIS Maintenance for one year and purchase 10,000 ArcGIS on-line credits.

Environmental Systems Research Institute, Inc. is a sole source provider of these products.

Staff Recommendation:

Authorize the renewal of annual maintenance agreements for all Environmental Systems Research Institute (ESRI) software products in support of TAD's Geographic Information Systems (GIS) appraisal mapping system in an amount not to exceed \$31,000.

Agenda Item 6 (a)(4): Action regarding adoption of Tarrant Appraisal District Investment Policy

The Public Funds Investment Act requires that “The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies” (TGC Ch.2256.005(e)).

The version for consideration encompasses all previous Board of Director approved amendments. There are no changes from the prior adopted version.

Staff Recommendation:

Authorize adoption of the Tarrant Appraisal District Investment Policy.

2023

Tarrant Appraisal District Investment Policy



Tarrant
Appraisal District

Adopted by the
Board of Directors
December 9, 2022

Tarrant Appraisal District Investment Policy

Policy Statement

It is the policy of the Tarrant Appraisal District (the "District") to invest funds in a manner which, first and foremost, ensures the absolute safety of principal and interest earnings, which satisfies the District's liquidity or daily cash flow needs, and which provides the optimal yield or return on investment, and conforming to all state laws and statutes which govern the investment of public funds, including but not by way of limitation, the Public Funds Investment Act, Chapters 2256 and 2257, Government Code. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The Policy and investment strategies shall be reviewed annually by the Board of Directors who will formally approve any modifications.

Scope

This Investment Policy applies to the investment of all District General Fund funds, including Committed Funds and Contingency Reserve funds. Should the District create any new funds (in addition to the District's General Fund) and unless exempted by action of the District's Board of Directors, investment of those funds shall also be governed by these policies. All funds are pooled for investment purposes.

Investment Objectives and Strategies

In accordance with the Public Funds Investment Act, the following prioritized objectives (in order of importance) in accordance with the Texas Government Code, Sec. 2256.005(d) apply for each of the District's investment strategies.

- A. Suitability – Understanding the suitability of the investment to the financial requirements of the District is important. Any investment eligible in the Investment Policy is suitable for all District funds.
- B. Safety - Preservation and safety of principal is the foremost objective, including the mitigation of both credit risk (i.e., the risk of loss due to the failure of either the issuing and/or the collateralizing financial institution) and interest rate risk (i.e., the risk that the market value of the investment will fall due to changes in market interest rates);
- C. Liquidity – The District's investment portfolio will remain sufficiently liquid to meet reasonably anticipated operating requirements. [PFIA 2256.005 (b)(2)]. Investments will be of relatively short duration, with individual maturities typically twelve months or less. For pooled investments, the dollar-weighted average maturity of the portfolio must comport to the same terms as other investments with exceptions requiring Board of Director approval. (See E.)
- D. Diversity - Investment maturities shall be staggered to provide cash flow based on the District's anticipated needs;
- E. Yield – Attaining a competitive market yield, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio, is the desired objective. [PFIA 2256.005(b)(3)] To leverage opportunities to maximize interest income for the District's investments, terms longer than 12 months may be considered by the District. These funds are typically held in committed, technology and capital funds or reserve

balances. Any funds invested for longer than 18 months must have approval from the Board of Directors.

Investment Strategy

In pursuit of the aforementioned objectives, the following strategy and standards shall be utilized:

- A. District investments shall be limited to the types of securities enumerated below.
- B. The market prices of District investments shall be monitored utilizing available United States Treasury Department, Wall Street Journal, and other reputable independent sources of pertinent market prices, data, and information.
- C. Banks, along with the District's primary depository bank, wishing to be designated as secondary depositories and compete for District certificate of deposit investments must be pre-qualified to do so according to criteria established by the District's Investment Officers.
- D. Except for authorized investment pool and mutual fund investments and the District's demand deposit arrangements with its primary depository bank, District investments shall be entered into on a delivery-versus-payment (DVP) basis to insure that purchased securities are deposited in an eligible financial institution prior to the release of District funds in payment for the securities.
[PFIA 2256.005 (b)(4)(E)]
- E. All investments and accrued interest shall be fully secured or collateralized, up to the currently established Federal Deposit Insurance Corporation (FDIC) insurance limits and, when individually or cumulatively in excess of the currently established FDIC insurance limits, by pledge (exclusively to the District and no other party) of eligible collateral securities pursuant to the Texas Public Funds Collateral Act. Substitutions of collateral securities with other eligible collateral securities are permitted with prior written approval of a District Investment Officer.
- F. In anticipation of market changes and as an added measure of security, the market value of pledged or collateral securities shall be at least 102% of the value of investment principal, time and demand deposits, and accrued interest.
- G. All purchased securities shall be held in safekeeping either by the District, the District's primary depository bank, or by an independent third party custodial financial institution lawfully authorized to provide such services in Texas and approved by the District's Board of Directors. A third party custodial financial institution shall not and cannot be a branch of, or within the same holding company as, either the District's depository bank or the financial institution from which the collateral securities are pledged.

Responsibility and Standard of Care

- A. Prudence - Per the “prudent person” standard applied to such activities, investments shall be made with the same judgment and care, under prevailing circumstances, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived. [PFIA 2256.006 (a-b)]
- B. Delegation and Training – The District’s Chief Appraiser and/or the District’s Director of Administration and the Director of Administration’s designee shall, on behalf of the District, serve as the District’s Investment Officers. The Chief Appraiser, Director of Administration, and department designees will use this Policy as the primary guideline for the District’s investment program. [PFIA 2256.005(f)]
- a. Accordingly, the Investment Officers and persons authorized to execute investment transactions shall attend at least one training session relating to their responsibilities under the Public Funds Investment Act within 12 months after assuming duties and receive no less than 10 hours of instruction relating to investment functions every two year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolios, and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source sponsored, accredited or endorsed by the Government Treasurers Organization of Texas (GFOT), Center For Public Management at the University of North Texas (UNT), Government Finance Officers Association of Texas (GFOAT), Texas Municipal League (TML), North Central Texas Council of Governments (NCTCOG), Government Finance Officers’ Association (GFOA), or other sources approved by the Board of Directors. [PFIA 2256.008]
- C. Conflicts of Interest – All participants in the investment process shall seek to act responsibly as custodians of public assets. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.
- D. Disclosure –In an effort to maintain the highest level of trust and transparency, anyone involved in investing District funds **or member of the District’s Board of Directors** shall file a statement disclosing any personal business relationship with a business organization offering to engage in investment transactions with the District or 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 the relationship. A disclosure statement must be filed with the District’s Board of Directors as well as the Texas Ethics Commission. A personal business relationship exists with a business organization if:

- a. The investment officer or Board member owns 10 percent or more of the voting stock or share of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
 - c. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer. [PFIA 2256.005(i)]
- E. Compliance Review - No person may engage in investment transactions except as provided under the terms of this Policy. An annual compliance review will be performed by an external auditor consisting of an audit of management controls on investments, adherence to the District's Investment Policy and a review of the quarterly investment reports. The District's employees shall be personally indemnified in the event of investment loss provided the Investment Policy has been followed.

Authorized Investments

As permitted under the Texas Public Funds Investment Act, District funds may only be invested in the following:

1. Direct Obligations of the United States of America, its agencies and instrumentalities;
2. Direct Obligations of this state or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United State or their respective agencies and instrumentalities;
5. Certificates of deposit if issued by a depository institution having its main or branch office in Tarrant County, Texas:
 - (1) and such Certificates of Deposit are:
 - a. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. Secured by obligations that are authorized under the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates;
 - c. Secured in any other manner and amount provided by law for deposits of the investing entity.
 - (2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

6. Not less than AA-rated Securities and Exchange Commission-registered money market mutual funds; and
7. Not less than AA-rated, constant dollar Texas local government investment pools as defined by the Public Funds Investment Act and approved by the District's Board of Directors.

The Investment Officers may at times restrict or prohibit the purchase of specific types of investments or issuers due to current market conditions. The District shall take all prudent measures consistent with the Investment Policy to liquidate an investment that no longer meets the required minimum rating standards. [PFIA 2256.021] However, if it is determined by the Investment Officers the District would benefit from holding the securities to maturity to recapture its initial investment, then the Investment Officers may act accordingly. The District is not required to liquidate investments that were authorized investments at the time of purchase. [PFIA 2256.017]

Investments shall only be made with those business organizations (including money market mutual funds and local government investment pools) that have provided the District with a written instrument, executed by a qualified representative of the firm, acknowledging that the business organization has:

- a. Received and reviewed the District's Investment Policy; and
- b. Implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards. [PFIA 2256.005 (k-l)]

Depositories

Based on a competitive process, which shall include a formal request for proposal (RFP), as required by Section 6.09 of the Texas Property Tax Code, the District shall designate a primary depository for its central banking services. The selection of a depository will be determined by a competitive process and evaluated on the following criteria:

1. Qualified as a depository for public funds in accordance with state and local laws.
2. Provided requested information or financial statements for the periods specified.
3. Complied with all requirements in the banking RFP.
4. Completed responses to all required items on the proposal form.
5. Offered lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
6. Met credit worthiness and financial standards.

Delegation of Investment Authority

The District's Chief Appraiser and/or the District's Director of Administration and the Director of Administration's designee shall, on behalf of the District, serve as the District's Investment Officers. These Investment Officers are responsible for the investment of District funds in accord with this

Investment Policy, the Texas Public Funds Investment Act, the Texas Public Funds Collateral Act, and other applicable state and federal statutes, rules, and regulations.

As an authorized Investment Officer, the District's Director of Administration, with the Chief Appraiser's approval, shall establish and maintain written internal administrative policies, procedures, and controls in conformance with this Investment Policy, all of which shall be designed to protect District funds from loss arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. Control of collusion
2. Separation of transaction authority from accounting and recordkeeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Development of a wire transfer agreement with the lead bank and third-party custodian.

Reports and Reviews

Quarterly - Not less than once each quarter, the Investment Officers shall jointly prepare and submit a written report to the District's Board of Directors. Such quarterly reports shall, among other information, (a) state book and market values and maturity dates for each investment; (b) state fully accrued interest for the reporting period, and (c) be signed by each investment officer of the District. [PFIA 2256.023 (b)]

Annually - Quarterly reports will be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board of Directors. [PFIA 2256.023 (d)] In conjunction with its annual financial audit, a compliance audit of management controls on investments and adherence to the District's established investment policies shall be performed. [PFIA 2256.005 (m)]

Policy Considerations

- A. Exemption - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- B. Amendments - This policy shall be reviewed on an annual basis. Any changes must be approved by the Investment Officer and the Board of Directors. Any changes in either the policy or strategy will be recorded in the meeting minutes. [PFIA 2256.005(e)]

Action Item 6(a)(5): Action regarding payment of Annual Maintenance and Support services provided by Manatron, Inc. and payment of annual Escrow Fee

Amendment #1 to Agreement TX2010.014, the contract between TAD and Manatron, Inc. for the purchase and ongoing support of the Aumentum software previously approved by this Board, requires TAD to make annual maintenance and support payments through 2024.

2023 is Year #9 on the following schedule and the amount of annual maintenance and support fees due for 2023 is the **\$304,496.00** in the "Adjusted Annual Price" column:

ANNUAL MAINTENANCE AND SUPPORT FEES

Software Product	Original Annual Price	Adjusted Annual Price
GRM Records, Enterprise Edition		
GRM Real Property (CAMA)		
GRM Personal Property		
GRM Assessment Administration		
GRM Appeals Management (includes ARB functionality & iSettle)		
Total Annual Software Support Services Fees:	\$259,885.00	
Adjusted Total Annual Software Support Services Fees: Year #1	\$259,885	\$259,885
Adjusted Total Annual Software Support Services Fees: Year #2	\$267,682	\$265,082
Adjusted Total Annual Software Support Services Fees: Year #3	\$275,712	\$270,384
Adjusted Total Annual Software Support Services Fees: Year #4	\$283,983	\$275,792
Adjusted Total Annual Software Support Services Fees: Year #5	\$292,503	\$281,307
Adjusted Total Annual Software Support Services Fees: Year #6	\$301,278	\$286,934
Adjusted Total Annual Software Support Services Fees: Year #7	\$310,316	\$292,672
Adjusted Total Annual Software Support Services Fees: Year #8	\$319,626	\$298,526
Adjusted Total Annual Software Support Services Fees: Year #9	\$329,215	\$304,496
Adjusted Total Annual Software Support Services Fees: Year #10	\$339,091	\$310,586

Manatron's invoice also includes an annual Escrow Fee for 2023 paid through Manatron to a third party, NGC Group (fka Iron Mountain), to maintain a current version of the Aumentum software source code. The annual escrow fee for this deposit account is **\$2,732.00**.

Staff Recommendation:

Authorize payment of the annual software maintenance and support fee in the amount of \$304,496.00 and the annual escrow fee in the amount of \$2,732.00, for a total payment to Manatron, Inc. of \$307,228.00

Funds are available in the 2023 budget

Action Item 6(a)(6): Action regarding appointment of Taxpayer Liaison Officer

Tax Code Section 6.052 requires the Board to appoint a taxpayer liaison officer who shall serve at the pleasure of the Board. The Taxpayer Liaison Officer (TLO) serves as an ombudsman of sorts whose main job is communicating with property owners who have addressed questions and concerns to the Board and seeking resolution for their issues if they do not involve matters that may be protested. Other duties of the TLO include:

- receiving, compiling list of, and forwarding to the Comptroller comments and suggestions filed by the Chief Appraiser, property owners, or property owners' agents about the duties and operations of Tarrant Appraisal Review Board (TARB);
- providing to the public information and materials about the appraisal process, protest procedures, complaint procedures, and related matters; and
- providing clerical assistance to the local administrative district judge in the selection of members of TARB.

Ms. Shirley Jacobson has been serving as the Taxpayer Liaison Officer during 2022.

Previously, Ms. Jacobson served as a member of the Tarrant Appraisal Review Board for the maximum number of terms allowable, with the last two as the Chairman. In addition to working with taxpayers as the chairman, Ms. Jacobson also has a background that includes working in a tax office and dealing with many of the issues taxpayers must navigate in the entire property tax process. Her service on the ARB and work in the property tax field gives her empathy for the taxpayer and makes her well suited for this position.

The Tarrant Appraisal District staff recommends that the Board appoint Ms. Jacobson to continue to fill this important position

Staff Recommendation:

Appoint Shirley Jacobson to the position of Taxpayer Liaison Officer beginning January 1, 2023.

Action Item 6(a)(7): Action regarding consent to Agricultural Advisory Board member appointments

Section 6.12 of the Texas Property Tax Code states “The chief appraiser of each appraisal district shall appoint, with the advice and consent of the board of directors, an agricultural advisory board composed of three or more members as determined by the board”.

At the end of 2022, those serving staggered terms as members of the agricultural advisory board were Mr. Mark Stucks, Mr. William Hornick and Mr. Dale Rector. In 2023, Mr. Stucks and Mr. Hornick will be serving the second year of a two-year term.

The Agricultural Advisory Board members must be landowners within the District whose land qualifies for agricultural appraisal and residents of the District for at least five years. All of the above-mentioned meet these qualifications.

The Chief Appraiser chooses to appoint, with consent of the board, Mr. Rector to an additional two-year term on the advisory board with Mr. Stucks and Mr. Hornick continuing to serve the remaining year of their terms.

Staff Recommendation:

Consent to the Chief Appraiser’s appointment of Mr. Dale Rector to the Agricultural Advisory Board to a two-year term beginning January 1, 2023.

Action Item 6(a)(8): Action regarding a change of designation in TAD Retention Policy in regards to Records Management Officer

The Texas State Library and Archives Commission (TSLAC), is the agency that guides Texas government in records management. TSLAC has recommended as best practice that appraisal districts designate the Chief Appraiser as the Records Management Officer and that the policy list the position of Chief Appraiser as the Records Management Officer rather than naming an individual.

Staff Recommendation:

Move that the position of Chief Appraiser hold the title of the Records Management Officer rather than a named individual in TAD's Retention Policy.

Action Item 6(a)(9): Award of Contracts for Medical, Disability and Related Insurance and Authorization for Employer Contribution

Per our strategic plan to maintain consistency of our benefit program, requests for proposals for all policies not in rate guarantee or rate increase guarantee, were issued during the fourth quarter of 2022. The chart below lists those carriers that were contacted directly in addition to those responding to the advertised request for proposals:

Carrier Results

ANCILLARY CARRIER	Status of Proposal	Benefits Quoted
Lincoln National (Current Carrier)	Received	Life & Disability
Guardian	Declined to Quote	Life & Disability
MetLife	Received	Life & Disability
Principal	Declined to Quote	Life & Disability
TAC	Received	Life & Disability
Unum	Declined to Quote	Life & Disability

Claims History

Between the years 2011 through 2015, Medical Loss Ratios (MLR) ranged from 75% to 115%. In the policy year 2016-17 TAD suffered its highest loss ratio resulting in the carrier paying out claims at the rate of \$1.40 for every \$1.00 paid in premium. As a result of high loss claim ratios in past years, TAD has been forced to increase deductibles and/or increase physician co-pays and prescription co-pays for employees in an effort to offset the resulting premium increases to TAD. In marketing for 2020, TAD had an excellent MLR upon renewal with United Healthcare, which allowed us to enrich our benefit plans by decreasing copays and deductibles beginning with the March 2020 plan year. The 2020-2021 plan year brought a significant increase in our overall MLR and therefore we had a limited response from the market and renewed with United Healthcare. Due to above average rolling 12 months claims utilize UHC did not provide a favorable renewal for the 2022-2023 renewal. For the first time in many years Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) provided a very competitive quote. TAC HEBP is a non-profit association that serves over 228 member counties and districts. With more than 47,500 lives TAC HEBP can negotiate strong contracts, preferred pricing, and predictable rate changes, thus providing a better opportunity to budget year to year. TAD accepted an 8.15% decrease on current rates. This move has provided TAD a more stable health insurance program through pooling a larger number of employees to guarantee more consistency renewals.

2015 – 07/2022 Renewal History

Year	Em- ployee	Premiums	Total Claims	PEPM		Loss Ra- tio	Original Re- newal	Final Re- newal
				Pre- mium	Total Claims			
2015-16	189	\$1,863,925	\$1,827,378	\$822	\$806	98.04%	9.20%	0.00%
2016-17	195	\$1,910,190	\$2,674,266	\$816	\$1,143	140.00%	29.00%	16.00%
2017-18	197	\$2,049,417	\$1,917,071	\$867	\$811	93.54%	24.50%	5.20%
2018-19	204	\$2,278,111	\$1,428,084	\$931	\$583	62.69%	0.00%	-10.35%
2019-20	204	\$2,300,432	\$1,418,842	\$940	\$580	61.68%	2.50%	3.51%
2020-21	201	\$2,316,331	\$2,388,499	\$960	\$990	103.12%	19.40%	12.03%
2021- 22	202	\$2,439,176	\$1,826,377	\$1,006	\$753	74.88%	11.40%	-8.15%
2022- 7/2022	202	\$943,025	\$630,074	\$934	\$624	66.81%	5.90%	5.90%

2016 – 2022 Averages:

- Loss Ratio: 87.59%
- Original Renewal: 12.74%
- Final renewal: 3.02%

Budget for 2023

The 2023 budgeted amount for TAD's share of group medical insurance premiums for each employee is \$10,605.68 annually or \$883.81 per month. For Dental, TAD's share for each employee is \$426.19 annually or \$35.52 per month.

Results of Marketing

TAD is in a maximum rate increase guarantee with Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) for Medical, Dental and Vision, so the decision was made not to market Medical, Dental and Vision. This year we marketed our Group Life/Accidental Death & Dismemberment, Voluntary Life/Accidental Death & Dismemberment, Group Long-Term Disability, or Voluntary Short-Term Disability.

Besides Lincoln Financial, we received Ancillary proposals from MetLife and Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) who utilizes Voya.

RECOMMENDATIONS FOR CONTRACT AWARDS FOR 2023:

Group Medical

TAD’s existing group medical insurance for active employees expires at the end of February 2023. Our current provider is Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP).

Through out strategic plan to offer greater consistency in budgeting, employee utilization and long term wellness initiatives we recommend renewing with TAC HEBP with a 5.9% increase. TAC HEBP has offered TAD the opportunity to move our effective date from 3/1 to 1/1. Through this offer they have provided many incentives. TAC HEBP has offered TAD a 9 month contract to include prorated deductibles and out of pocket for employees from 3/1/2023 through 12/31/2023. TAC HEBP has guaranteed a rate pass from 1/1/2024 – 12/31/2024. Finally, TAC HEBP has offed TAD a \$10,000 financial incentive for making this transition. It is our recommendation to continue to offer these benefits through Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) for the 2023 plan year and lock in the 2024 rate pass incentive.

The range of monthly costs for these plans is \$759.42 to \$957.42 per month, which is within the 2023 budget amount of \$10,605.68 per employee per year. In addition, we are recommending for 2023 that the contribution toward the HSA in the amount of \$50 per employee per month for those enrolled in the HSA plan will continue. This \$50 contribution would raise the lowest premium amount to \$809.42

For employees, we are still providing an option, which at their discretion would allow them to make a choice on the cost of the dependent care between the three options. Our plan is to provide education and training to employees so they are fully advised on the risks and terms of potential costs and benefits between the three options that most make sense for their individual needs.

Considering the employer contribution, employee contribution for dependents, employee contribution for the buy up plan, HSA contribution and the projected number of employees the total estimated plan cost is \$2,384,789.04. Renewing with the current three plan options will result in an estimated per employee per year cost of \$11,864.62.

PROPOSED ANNUALIZED GROUP MEDICAL PLAN COST FOR TAD:

Base Plan / Buy Up Plan Cost: (Based on projected enrollment)	\$2,087,073.42
HSA Plan Cost: (Based on projected enrollment)	\$297,715.68
HSA Contribution: (Based on projected enrollment)	\$15,600.00
Total Plan Cost:	\$2,384,789.04
PEPY:	\$11,864.62

PROPOSED MONTHLY GROUP MEDICAL COST FOR EMPLOYEES:

Renewal with Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP):

Coverage Level	HSA Plan*		PPO Base Plan		PPO Buy Up Plan	
	CURRENT	PRO-POSED	CURRENT	PRO-POSED	CURRENT	PRO-POSED
Employee Only	\$0.00	\$0.00	\$0.00	\$0.00	\$70.30	\$74.44
Employee + Spouse	\$765.20	\$810.36	\$867.48	\$918.64	\$1,010.94	\$1,070.58
Employee + Children	\$416.84	\$441.44	\$467.64	\$495.22	\$577.36	\$611.42
Employee + Family	\$1,209.22	\$1,280.56	\$1,377.06	\$1,458.30	\$1,563.46	\$1,655.70

* HSA plan will include an additional contribution of \$50 per month to the employee’s HSA fund

PROPOSED MONTHLY GROUP MEDICAL COST FOR TAD:

Renewal of Current Plan with Identical benefits. Employee counts are based on projections from the 11/29/2022 census.

Coverage Level	Employee Counts	HSA 3000	Employee Counts	BASE PPO	Employee Counts	BUY UP PPO
Employee Only	20	\$16,188.40	130	\$114,787.40	16	\$14,127.68
Employee + Spouse	2	\$1,618.84	3	\$2,648.94	2	\$1,765.96
Employee + Children	2	\$1,618.84	19	\$16,776.62	4	\$3,531.92
Employee + Family	2	\$1,618.84	1	\$882.98	0	\$0.00
Totals	32	\$21,044.92	148	\$135,095.94	17	\$19,425.56

*For 2023, TAD will continue to contribute \$50 per employee per month toward the HSA fund for enrolled members. Total above includes a monthly contribution of \$1,300 to the HSA.

Group Dental

In 2019, we moved our dental carrier to United Healthcare for easier administration, the financial incentive to bundle products, along with the offer of a 2-year rate guarantee to move to United HealthCare. The rate guarantee ended in 2021, therefore we did shop the market for the Dental Benefits. United Healthcare came in competitive at that time by giving a 0% increase to the rates upon renewal. We shopped the market for the 2022 Dental Benefits and were able to secure a competitive bid from Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP), utilizing the BlueCross BlueShield network, at 5% below our United Healthcare Dental rates. Texas Association

of Counties Health and Employee Benefits Pools (TAC HEBP) provided a rate pass on Dental for 2023. It is our recommendation to continue to offer these benefits through Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) for the 2023 plan year

DENTAL BENEFITS:

In-Network Benefits	Low Plan	High Plan
Deductible	\$50/\$150	\$50/\$150
Preventive Care	100% covered	100% covered
Basic Services	80% covered*	80% covered
Major Services	50% covered*	50% covered
Annual Maximum	\$1,500	\$2,000
Ortho Lifetime Max	N/A	\$2,000

PROPOSED MONTHLY EMPLOYEE COST FOR DENTAL BENEFITS:

Employee Cost per Month	Low Plan	High Plan
Employee Only	\$0	\$5.68
Employee + Spouse	\$34.82	\$46.36
Employee + Child	\$35.52	\$47.16
Employee + Family	\$70.22	\$87.62

PROPOSED DENTAL BENEFITS AND MONTHLY COST FOR TAD:

2023 Projected Enrollment:	Low Plan	High Plan	TAD CONTRIBUTION
Employee Only	80	47	\$34.82
Employee + Spouse	20	10	\$34.82
Employee + Children	9	15	\$34.82
Employee + Family	7	13	\$34.82
Total	91	106	\$6,859.54

Voluntary Vision

Vision is an optional coverage with no TAD Contribution. In 2020, we moved our vision carrier to United Healthcare with a 2-year rate guarantee. The rate guarantee ended in 2021, therefore we did shop the market for Vision Benefits. United Healthcare came in competitive at that time by giving a 0% increase to the rates upon renewal. We shopped

the market for the 2022 Vision Benefits and were able to secure a competitive bid from Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP), utilizing the BlueCross BlueShield network which also includes the EyeMed network. The proposal was 3% below our United Healthcare Vision rates. Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) provided a rate pass on Vision for 2023. It is our recommendation to continue to offer these benefits through Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) for the 2023 plan year

Health Savings Account

The HSA is currently administered by Optum Bank through Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP). The cost for HSA administration with Optum Bank would be \$1.25 per account per month. It is our recommendation to continue to offer these benefits through Optum Bank for the 2023 plan year.

Group and Voluntary Life, Accidental Death & Dismemberment, Long Term Disability, Voluntary Short-Term Disability

Currently, all ancillary benefits are provided through Lincoln Financial We conducted a full market shop for all lines of coverage. Besides Lincoln Financial, we received Ancillary proposals from MetLife and Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) who utilizes Voya.

Considering all lines of coverage as a combine proposal Lincoln Financial provided the most competitive quote. TAD contributes 100% of the premium for Group Life/Accidental Death & Dismemberment and Long-Term Disability. These policies have a total monthly increase of \$309.95. Group Life and Accidental Death & Dismemberment policy increased from \$0.11 to \$0.12 per \$1,000 with an overall policy increase from \$1,412.57 to \$1,540.99 monthly. Long Term Disability has increased from \$0.15 to \$0.167 with an overall monthly increase of \$1,601.79 to \$1,783.32.

Employees are responsible for 100% of the premium for Voluntary Life, Voluntary Accidental Death & Dismemberment and Voluntary Short-Term Disability. Voluntary Life/Accidental Death & Dismemberment received a 0% increase from Lincoln Financial. Voluntary Short-Term Disability has increased from \$0.36 to \$0.40 per \$10 of weekly covered payroll.

Lincoln Financial has provided these rates on a 2-year rate guarantee with a contract end date of 2/28/2025.

It is our recommendation to continue to offer these benefits through Lincoln Financial for the 2023 plan year.

Staff Recommendations:

Renew with Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) to provide Group Medical, Dental and Vision based on the rates shown above for a 10-month term.

For the high deductible health option, continue to contribute to the HSA.

Select Lincoln Financial to provide Group and Voluntary Life, Accidental Death & Dismemberment, Long Term Disability and Voluntary Short-Term Disability for a 12-month term.

- 1) Award contract to Texas Association of Counties Health and Employee Benefits Pools (TAC HEBP) for Group Medical, Dental and Vision, at the rates shown above for a 10-month term as set out in “PROPOSED MONTHLY GROUP MEDICAL COST FOR TAD” and “PROPOSED DENTAL BENEFITS AND MONTHLY COST FOR TAD”.**
- 2) Continue to contribute \$50 per participant per month to the HSA.**
- 3) Award contract to Lincoln Financial for Group and Voluntary Life, Accidental Death & Dismemberment, Long Term Disability and Voluntary Short-Term Disability for a 12-month term. Award contract to Lincoln Financial for Voluntary Accident, Voluntary Hospital Indemnity and Voluntary Critical Illness for a 12-month term with the 2-year rate guarantee.**

Action item 6(b): Deliberate and act on amending the percentage required for the Contingency Reserve account

For many years, the Board-established contingency reserve had been set at 8% (less than one month) of the current-year operating budget. The Board in past years has approved increasing the amount of the reserve, first to 12.5% which is approximately one and one half months, then in 2013 the reserves were increased to 16.7% which equates to two months (approx..60 days) of the annual budget.

The Board's outside auditor, Patillo, Brown and Hill, LLP (PBH) have reminded us that the Government Finance Officers Association (GFOA) does recommend a bare minimum of no less than two months of regular general fund operating expenditures in fund balance. Of course, that's the bare minimum and there are a number of reasons why TAD might need to keep a larger cushion.

In the discussions with PBH, they believe that the decision as to exactly how much reserve to retain depends on the appraisal district's appetite for risk, as well as the ongoing financial pressures that are unique to appraisal districts which do not levy a tax and do not issues bonds like other government bodies. They note that the likelihood of significant one-time expenditures (the HVAC system in the building fails, other unplanned capital needs, natural disasters, etc.), and what those things could cost should be taken into consideration when determining the size of the contingency fund.

TAD's largest monthly expenditure is for payroll and benefits which account for 77% of the total budget. This is approximately \$1,800,000 monthly.

Based on PBH's experience with other governments in Texas, they believe that three to four months (approx..90 – 120 days) seems to be a solid place for appraisal districts like TAD to be in terms of its board authorized contingency fund

Based on that information, staff believe that it would be prudent to increase the amount of the reserve from two months to three months (60 days to 90 days)

If the board approves increasing the contingency reserve from two months to three months (16.7% to 25.0%) the effect would be:

2022 ~ at the current rate of 16.7% (2 months) the reserve is \$4,473,950
At a rate of 25.0% (3 months) the reserve would become \$6,697,529

This would increase the contingency reserve for 2022 by \$2,223,579

2023 ~ at the current rate of 16.7% (2 months) the reserve is \$4,781,442
At a rate of 25.0% (3 months) the reserve would become \$7,157,847

This would increase the contingency reserve for 2023 by \$2,376,405

The additional funds for this increased contingency are currently unassigned funds. These funds did not come from the allocated amounts paid by the tax units that participate in TAD's budget, but rather from penalties collected, interest on deposits, mineral royalties and other miscellaneous sources and have accumulated over the years. The Board in past years had elected to retain these unassigned funds with the idea of potentially funding expenses such as a homestead review or other one-time costs that would not have to be passed on to the tax units through a budget increase. The Board elected not to pursue the homestead review at this time and in response the district has increased resources to accomplish a great deal, if not all, of that task in-house.

Staff Recommendation:

It is recommended that the District's contingency fund percentage be increased to 25% of the budget with the intent being to move to a three month (approx. 90 day) contingency for the District.

** 16.7% = two months budget expenditures 25.0% = three months budget expenditures*

Agenda Item 6(c): Deliberation and action on options for committing unspent funds from 2022 Budget.

Staff estimates that, after all bills for 2022 are received and paid, about \$2,500,000 in 2022 funds will remain unspent. Options for disposition of such funds include the following:

- add funds to the Committed Fund for Technology
- fund the Retirement Unfunded Liabilities Committed Fund for future liability reduction and/or future Retiree COLAs;
- make an additional contribution to Texas County and District Retirement System (“TCDRS”) to reduce the unfunded liability in TAD’s employee pension plan, as TDCRS suggests; and
- credit or refund to the taxing entities.

2022 Projected Unspent Funds:

(Cost Centers with Largest Projection of Unspent Funds)

	<u>Budgeted</u>	<u>23-Nov</u>	<u>Unspent Funds</u>
Personnel:			
Positions	212	205	7
Salaries	\$ 14,094,498	\$ 13,123,681	\$ 970,817
Cash Overtime Pay	\$ 70,680	\$ 29,095	\$ 41,585
Medical Premiums for 212 employees*	\$ 2,707,325	\$ 2,227,126	\$ 480,199
Pension	\$ 2,015,637	\$ 1,865,348	\$ 150,289
Other:			
Postage & Mail Services	\$ 924,560	\$ 793,782	\$ 130,778
ARB Board Fees	\$ 675,000	\$ 461,658	\$ 213,342
Travel & Training	\$ 187,442	\$ 106,832	\$ 80,610
Other Professional Services	\$ 863,856	\$ 712,602	\$ 151,254
Contingencies	\$ 100,000	-	\$ 100,000
			<u>\$ 2,318,874</u>

*Premiums under budget by \$1,958.44 per year per employee
 Current year premiums are \$833.78/monthly, \$10,005.36 annually
 Premiums budgeted at \$11,963.80 annually

Transfer to the Committed Fund for Technology:

The Board of Directors established a Committed Fund for Technology to be used for unique or one-time technology purchases or to fund necessary items that could not be anticipated in the annual budget process. A committed fund requires Board action to move funds in or out of the fund. At its establishment, this fund was capped at \$250,000 and increasing that limit would require Board action to change.

Currently, the fund contains \$196,250.

The addition of \$53,750 would raise the funding to the \$250,000 cap

Staff recommends transferring \$53,750 to the Fund from the 2022 unspent funds to bring it to its maximum amount.

Transfer to the Retirement Unfunded Liabilities Committed Fund for future liability reduction and/or future Retiree COLAs:

TAD participates in the Texas County and District Retirement System (TCDRS). When an employee retires under the plan, there are no automatic Cost of Living Adjustments (COLA) granted to the retiree. The governing body (Board of Directors) must act to grant a COLA in any given year. If the governing board chooses to adopt a cost-of-living adjustment (COLA) for TCDRS retirees in successive plan years, the plan will receive a “repeating COLA” designation under the GASB 68 reporting standards.

Having a COLA designated as a repeating COLA means that, for financial reporting purposes, it will be assumed that the governing body will continue to adopt COLA’s for the plan in the future. That increases your total pension liability, which in turn causes an increase in the net pension liability on your balance sheet. An increase in net pension liability will also lower the plan’s fiduciary net position as a percentage of total pension liability, for financial reporting purposes only. Once a participating entity receives a repeating COLA designation, it will take two consecutive years of not adopting a COLA to lose the designation.

To avoid this repeating COLA designation, the TAD Board has only considered granting COLA’s to its retirees every third year as allowed without penalty.

TAD has granted COLA's to its retirees in **2018** and **2021**:

TAD/TCDRS Cost-Of-Living Adjustments

Year	COLA
2018	1%
2021	2%

TAD does not participate in Social Security, but for comparison during the same time period, Social Security recipients have been granted COLA's in the following percentages:

Social Security Cost-Of-Living Adjustments

Year	COLA
2018	2.8%
2019	1.6%
2020	1.3%
2021	5.9%
2022	8.7%

*Note: Social Security COLA's are based on the Consumer Price Index (CPI)

TCDRS has estimated the following costs to pre-fund a COLA for TAD retirees in **2024** (paid in 2023):

10% of CPI =	\$ 33,400.00
50% of CPI =	\$ 2,223,917.00
100% of CPI =	\$ 6,330,643.00
1% COLA =	\$ 420,592.68
2% COLA =	\$ 841,184.28
5% COLA =	\$ 2,102,961.23

Staff recommends that the Board authorize transfer of \$_____ out of the unspent 2022 funds to the Committed Fund for Pension Liabilities.

Make Additional Payment to TDCRS to Reduce the Unfunded Liability:

The current funded ratio of TAD's employee pension plan as of December 1, 2022 is estimated to be 97.2%. The unfunded actuarial accrued liability is \$2,851,788. Increasing this ratio has long been a longstanding priority of past Boards.

In 2021, in a "Special Note Regarding 2021 Plan Assessments and Investment Market Declines" attached to its annual Plan Assessment for 2021, TCDRS advised that members' pension plans will likely experience a substantial investment loss which will cause members' required contribution rates to increase. TDCRS recommends that members consider making an additional contribution or adopting a higher elected rate of contribution. Recent investment market declines may indicate that there may be a similar situation in 2023 Plan Assessments.

TAD's contribution rate for next year is already reflected in the adopted budget. Any additional payment toward the liability will work to reduce the liability and help keep the rate stable into the future budget years.

Staff recommends that the Board authorize payment of \$_____ out of the unspent 2022 funds to TDCRS to reduce TAD's unfunded liability.

Credit or Refund to the Taxing Units:

Funds that TAD receives from taxing units as their allocations toward the District's annual budget that remain unspent, unobligated, and uncommitted at the end of the fiscal year are credited or refunded to the entities. Specifically, Texas Property Tax Code Section 6.06 (j) provides, "If the total amount of the payments made or due to be made by the taxing units participating in an appraisal district exceeds the amount actually spent or obligated to be spent during the fiscal year for which the payments were made, the chief appraiser shall credit the excess amount against each taxing unit's allocated payments for the following year in proportion to the amount of each unit's budget allocation for the fiscal year for which the payments were made."

Any remaining unspent funds should be credited or refunded to the taxing units, allocated in the manner provided by Section 6.06(j), all of the unspent 2022 remaining after above transfers and payments.

Staff Recommendations:

- 1) Authorize transfer of \$53,750 out of the unspent 2022 funds to the Committed Fund for Technology; and**
- 2) Authorize transfer of \$_____ to the Committed Fund for Pension Liabilities out of the unspent 2022 funds for future COLA funding; and**
- 3) Authorize payment of \$_____ out of the unspent 2022 funds to TDCRS to reduce TAD's unfunded liability; and**
- 4) Credit or refund to the taxing units, allocated in the manner provided by Section 6.06(j), all of the unspent 2022 remaining after transfer to the Committed Funds for technology and Pension Liability and payment to TDCRS for liability reduction.**

Item 6(d): Deliberation and possible action on adopting a policy governing the filing of complaints by TAD employees with licensing or regulatory agencies

Adherence to Rules regarding RPA, RTA, and RTC Conduct and TDLR Reporting Responsibilities

All employees who hold the RPA, RTA, or RTC designations, whether at the first or any other level, and all trainees for any such designations, will follow all rules, procedures, standards of professional practice, codes of ethics, and all other rules established by the Texas Department of Licensing and Regulation (TDLR) that relate to persons holding any such designation.

Employees considering making a complaint to TDLR, the Texas Real Estate Commission, the Texas Appraiser Licensing & Certification Board, or other regulatory agency regarding any license holder based upon, or because of, information received within the course and scope of the employee's job duties, must seek input from the Chief Appraiser before the filing of such a complaint. If such complaint is to be filed using TAD resources of any kind, such a complaint must be approved, signed, and submitted, by the Chief Appraiser. ~~unless the contemplated complaint pertains to the Chief Appraiser.~~ If the contemplated complaint involves action or inaction by the Chief Appraiser, employees are not required to obtain consent of the Chief Appraiser; however, they are encouraged to consider discussing the issue informally with a member of the Board of Directors prior to filing the complaint. For complaints not concerning the Chief Appraiser, employees should consult with their supervisor, insofar as practical, to coordinate the plan for presentation of the issue to the Chief Appraiser.

If an employee wants to make a complaint to TDLR that is entirely unconnected with their work with TAD, they must present the complaint to TDLR without using any TAD information, time, resources, or credentials. No information gained solely through employment with TAD should be used to make such complaints without the prior consent and explicit written approval of the Chief Appraiser.

No employee may be subjected to discipline or retaliation for raising such complaints or concerns in good faith. They may be subjected to discipline for any unauthorized use of TAD information or resources. Nothing herein should be read to discourage any filing of good faith reports of violations of law with an appropriate law enforcement authority. Employees are encouraged to utilize the TAD grievance process set out elsewhere in these policies to address any workplace concerns they are unable to resolve through informal consultation with their supervisor. Notwithstanding any other provision herein, no employee should feel restricted in their ability to file complaints in good faith with any regulatory agency or with appropriate law enforcement authorities.

Action Item 6(e): Deliberate and act on Evaluation of the Executive Director/Chief Appraiser

Discussion item 7: Discussion regarding authorization of agent (AoA) forms.