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DENTON CENTRAL APPRAISAL DISTRICT

BOARD OF DIRECTORS MINUTES

MAY 21, 2026

3:00 p.m.

ITEM 1: CONVENING OF MEETING

Alex Buck convened the meeting at 3:00 pm.

BOARD MEMBERS PRESENT: Buddy Bonner, Alex Buck, Angie Cox - arrived at 3:08, Rick Guzman, Mike Hennefer, James Lawrence, Rich Olson, Charles Stafford, Dawn Waye

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Don Spencer, Chris Littrell, Jeanne Ashlock, Kim Collins, Misty Baptiste, Daniel Gonzalez

ITEM 2: ESTABLISHMENT OF QUORUM

ITEM 3: INVOCATION AND PLEDGE OF ALLEGIANCE

Invocation was given by Charles Stafford.

The Pledge of Allegiance was stated to the U.S. Flag and Texas Flag by all who were present.

ITEM 4: BOARD OF DIRECTORS OATH OF OFFICE

Oath of Office administered by Misty Baptiste to Buddy Bonner.

ITEM 5: PRESENTATION AND ACCEPTANCE OF 2025 FINANCIAL AUDIT

- Scott Scarborough with Hankins and Eastman - presented 2025 Audit to Board
- Total Fund Balance - $23 Million
- Government wide Income Statement - $6.4 Million
- Began 2025 with $16.6 Million ended 2025 with $23 Million
- Reported that this is the smoothest Audit that they have done all year
- No disagreements with management

ITEM 6: OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD OF DIRECTORS

PERSONS DESIRING TO ADDRESS THE BOARD OF DIRECTORS MUST FILL OUT A SPEAKER'S CARD PRIOR TO THE MEETING. NO PRESENTATION

SHALL EXCEED THREE MINUTES. THE BOARD CANNOT DELIBERATE ON ANY SUBJECT THAT IS NOT INCLUDED ON THE AGENDA.

No public present for comments.

ITEM 7: PRESENTATIONS AND REPORTS

A. ADMIN DIVISION UPDATES - DEPUTY CHIEF OF APPRAISAL, CHRIS LITTRELL
   a. Provided a Stats Sheet to the Board - numbers were pulled morning of the meeting
   b. Renditions and Extensions for BPP are coming in and being processed after the deadline of May 15.
   c. 144K properties still under Review
   d. 8% of Value Completed - towards the 95% of Certification
   e. 146K Online Protests filed - exceeds Total protests from last year - 13K protests filed on paper
   f. Current protests 163K filed - this is expected to increase - 91% of protests are Residential
   g. 90% of protests are currently unresolved
   h. 2025 Agent protests were at 70% and currently agent protests are at 82%

B. ADMIN DIVISION UPDATES - DEPUTY CHIEF OF ADMINISTRATION, JEANNE ASHLOCK
   a. HS Exemptions - In April, Received - 6029 and Processed - 3514
   b. Staffing and Turnover Stats - Started 2026 with 107 FTE's - currently staffed at 110 - have 15 openings - 2 new hires starting in June - only 1 has left in 2026 - 2025 turnover rate was 7.5% - most openings are in Residential and E&A
   c. Discussion around what factors are causing the vacancies

C. TLO REPORT - TLO, DANIEL GONZÁLEZ
   a. No updates from ARB
   b. TLO - did receive a formal complaint on the ARB addressed to the Board of Directors which is under investigation and once Mr. Gonzalez complaints his investigation he will report back.

D. PRESENTATION - STRATEGIC PLAN - JUSTIN EIMERS AND KEVIN KEENE IAAO
   a. Justin Eimers and Kevin Keene presented their findings from the meeting and interviews taken to create the Strategic Plan to provide the Board and Denton CAD a plan to responsibly move forward with future Budget findings

ITEM 8: CONSENT AGENDA

THE ITEMS ON THE CONSENT AGENDA ARE CONSIDERED SELF-EXPLANATORY BY THE BOARD AND WILL BE ENACTED WITH ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A BOARD MEMBER OR CITIZEN SO REQUEST.

A. APPROVAL OF MINUTES FROM THE PREVIOUS BOARD OF DIRECTORS MEETINGS
B. ACKNOWLEDGE RECEIPT OF VALUE CHANGES SEC. 25.25 (B) TAX CODE

C. ACKNOWLEDGE RECEIPT OF MONTHLY FINANCIAL STATEMENTS (February and March)
D. 2026 INVESTMENT POLICY

Rich Olson requested to remove the Investment Policy off Consent Agenda based on the desire for further discussion.

Mike Hennefer moves to approve items A-C on consent agenda. James Lawrence seconded. The motion passed and the vote was unanimous.

Rich Olson - Requested to revise Section 8 - Staff should have more flexibility and Board should support "unless prior approval of Board". Gives staff more flexibility on investments.

Rich Olson moves to approve Item D - Investment Policy with amendment. James Lawrence seconded. The motion passed and the vote was unanimous.

Took a recess - return at 4:48

ITEM 9: BUDGET WORKSHOP - DISCUSSION ON 2027 BUDGET PROPOSAL

- Workshop is to bring Audit Findings, Strategic Plan, and all suggestions from leadership and combing through the budget.
- Presenting a very measured and stabilized budget for 2027
- Budget will start to address a few areas concerning staffing
- In preliminary stages of implementing the things presented in the strategic plan
- Current budget request is $25.07 MIllion - with 3 FTE's - increase of $377K or 1.5% increase over 2026 - this is not an aggressive implementation budget - this is a stabilization budget
- Challenge currently in Exemptions & Assistance is where to put people that we hire - Residential is currently very cramped in the space they are in
- Broker is looking for space to purchase - there is nothing currently in Denton with all our needs available - including parking, etc.
- Will have to potentially consider buying vacant land and building the space we need
- Need a facility study specifically to quantity the needs - square footage, parking spaces, etc
- Looking for direction from board on whether or not to use reserve to offset budget costs - currently not assuming anything there
- 5 Million dollar contingency has been built over the years - Current building reserve is 1.775 Million - for future building needs
- The current two properties would be sold and those funds received from those sales could be included
- Eminent domain is not applicable for the property between us
- Looking at 3% Merit consideration, Benefits remain competitive in today's market, consistently look at PTO and Comp time, etc.
- COLA for Retired Personnel - looking at figures and possibilities with TCDRS of offering an increase
- Legal Services is a very hard target to hit with budget - specialty needs, expert witnesses, etc. - Consider in house council - what those expenses look like
- 2027 DCAD does not have to fund an election
- What are the potential AI possibilities that could be used?

- Board Request - HR and Recruiter Focus and a PR Person - Internship possibilities?
- When budget comes back - will there be a line item to offset building expenses
- Historical refunding over last 3-4 - offsetting budget increase in the past - 2026 was 1.7 million
- Consider reserve offset of half million and designate the rest for expansion
- Cost of facilities study?

ITEM 10: ADJOURN TO EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.074 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES: (AS NEEDED)

A. CONSULTATION WITH OUTSIDE COUNSEL ON ACTIVE LITIGATION
B. DISCUSS PERSONNEL MATTERS REGARDING CHIEF APPRAISER

Adjourn to Executive Session at 5:46

ITEM 11: RECONVENE TO OPEN SESSION AND TAKE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

Reconvene at 5:58

ITEM 12: DISCUSS FUTURE AGENDA ITEMS - NEXT MEETING ON JUNE 11, 2026.

- Reallocation of funds in Reserve

ITEM 13: ADJOURN

- Alex Buck adjourned the meeting at 5:58

Alex Buck

Alex Buck, Chairman

ATTEST: Rick Guzman

Rick Guzman, Secretary