

**MINUTES OF THE JULY 18, 2016  
FINANCE AND BUDGET COMMITTEE MEETING OF  
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Finance and Budget Committee of North Plains Groundwater Conservation District met on July 18, 2016, at 5:05 P.M. in the North Plains Groundwater Conservation District offices, 603 East First Street, Dumas, Texas. The following persons were present:

**Members Present at 5:00 P.M.**

Harold Grall, Chairman and Vice-President;  
Mark Howard, Director;  
and  
Justin Crownover, Director.

**Staff Present during part or all of the meeting:**

Steve Walthour, General Manager;

Chairman Grall called the meeting to order at 5:05 P.M.

The Budget and Finance met to review 2015-2016 District budget and propose budget amendments as necessary to complete the fiscal year. Walthour proposed the following amendments to the 2015- 2016 as recommended by the Budget and Finance Committee, as follows:

Budget Item description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
Personnel	1,254,000.01	10,000.00	1,264,000.01	Increased to cover anticipated end of year expenses.
Technical, Communications & Utilities	100,000.00	30,000.00	130,000.00	Increased to cover additional costs of network repairs and maintenance, equipment and software
Vehicle, Building and Field supplies	100,000.00	-10,000.00	90,000.00	Decreased to reflect EOY estimate
Aquifer Science	200,000.00	-25,000.00	175,000.00	Decreased to reflect EOY estimate
Capital Outlay	50,000.00	-10,000.00	40,000.00	Decreased to reflect EOY estimate
Director Expenses	95,000.00	-15,000.00	80,000.00	Decreased to reflect EOY estimate
North Plains WCC	202,174.00	20,000.00	222,174.00	Increased to reflect additional construction costs for drip that district should be reimbursed half.
<b>Total overall 2015-2016 budget</b>		<b>0.00</b>		<b>No change in overall budget</b>

By consensus, the committee recommended that the Board approve the following amendments to the District's 2015-2016 Budget, which will result in no increase in the District's total budget as follows:

Budget Item description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount
Personnel	1,254,000.01	10,000.00	1,264,000.01
Technical, Communications & Utilities	100,000.00	30,000.00	130,000.00
Vehicle, Building and Field supplies	100,000.00	-10,000.00	90,000.00
Aquifer Science	200,000.00	-25,000.00	175,000.00
Capital Outlay	50,000.00	-10,000.00	40,000.00
Director Expenses	95,000.00	-15,000.00	80,000.00
North Plains WCC	202,174.00	20,000.00	222,174.00
<b>Total overall 2015-2016 budget change</b>		<b>0.00</b>	



Walthour reported preliminary information from the tax collection and appraisal districts (CADs) shows that the total appraised property values will decrease for 2016. The table below shows the preliminary tax values as provided by the CADs.

County	Certified Values				Preliminary Values	Percent Change
	2012	2013	2014	2015	2016	
Dallam	657,512,807	705,324,465	736,674,045	803,102,856	759,071,556	-5.48%
Hansford	640,494,348	598,011,802	629,065,320	657,620,582	560,000,000	-14.84%
Hartley	554,727,947	594,833,715	588,456,108	609,979,400	617,816,586	1.28%
Hutchison	284,764,250	233,750,810	206,343,400	186,668,380	160,623,680	-13.95%
Lipscomb	1,110,751,947	1,217,513,558	1,219,888,949	910,776,732	547,270,901	-39.91%
Moore	2,230,479,493	2,288,939,037	2,245,567,863	2,149,580,872	1,954,648,148	-9.07%
Ochiltree	1,331,731,584	1,730,153,898	1,976,158,575	2,159,858,960	1,296,793,919	-39.96%
Sherman	699,862,530	625,571,890	665,431,950	626,051,650	593,098,145	-5.26%
<b>Total</b>	<b>7,510,324,906</b>	<b>7,994,099,175</b>	<b>8,267,586,210</b>	<b>8,103,639,432</b>	<b>6,489,322,935</b>	<b>-19.92%</b>

Based on this preliminary information, the current tax rate of \$0.026829/\$100 of valuation would increase to an effective rate of \$0.032173/\$100 of valuation or 19.92 percent. The CADs have not provided their certified values yet and the above estimates will change.

The 2015-2016 budget contemplated reducing the District’s reserves by \$289,172.48. The District’s total assets and liabilities are approximately \$1,833,526.51. The District should realize \$2,754,316.87 estimated income and \$2,863,621.40 estimated expenses for the fiscal year. Total expenses and income should reduce reserves by \$401,420.70 to \$1,432,105.81 for this fiscal year. Walthour discussed what an effective tax rate is how it affects an individual taxpayer. The effective rate is designed to collect the same amount of funds from taxes as was collected in the previous year. When tax values go up the effective rate goes down and when the tax values go down the effective rate goes up.

The Walthour provided a draft budget for the committee to consider proposing for the fiscal year 2016-2017 budget as described below. Walthour’s estimated end-of-year (EOY) income for FY 2015-2016 compared to proposed income for FY 2016-2017 is as follows:

Description	2015-2016 EOY	Draft 2016-2017 Budget Effective Tax Rate	Draft 2016-2017 Budget Current Tax Rate
Taxes	2,155,399.62	2,155,399.62	1,726,024.99
Penalties and Interest	15,725.24	12,265.69	8,475.46
Delinquent Taxes	22,058.54	17,205.66	12,841.13
North Plains Water Conservation Center	100,000.00	50,000.00	50,000.00
Refunds	3,180.86	2,500.00	2,500.00
Fees for District Services	102,000.00	110,000.00	110,000.00
Other Income	45,654.35	60,000.00	60,000.00
TWDB Grant 3-4-5 and dashboard	65,058.19	75,000.00	75,000.00
TWDB Grant Meters	162,576.05	300,000.00	300,000.00
Investment Income	8,500.49	8,500.49	8,500.49
Donations	1,500.00	0.00	0.00
Dallam County Untaxed Area	60,000.00	60,000.00	60,000.00
Total Anticipated Income	2,741,653.34	2,850,871.46	2,413,342.07

The District’s projected income from all sources in FY 2016-2017 will be \$2,850,871.46, if the Board elects to establish taxes based on the effective tax rate, or \$2,413,342.07 if the Board establishes a tax rate that is consistent with the current rate. Assuming all budgeted funds are expended in FY 2016-2017, the District will use \$41,858.38 from its reserves, if the District elects to maintain the same effective tax rate, reducing the District’s assets to approximately \$1,400,000.

The draft proposed expense budget for FY 2016-2017 compared to the FY 2015-2016 is as follows:

Anticipated Expenses	2015-2016 Budget	2015-2016 EOY	Draft 2016- 2017 Budget	Explanation
Director's Expense	95,000.00	62,131.15	70,000.00	Director's expenses based on fewer meetings
Personnel	1,254,000.01	1,239,561.20	1,200,788.42	Reduction of one staff member
Administrative	122,000.00	114,403.88	119,500.00	Reduced based on projected EOY Expenses
Contracted Services	81,000.00	73,993.14	89,172.65	Reduced based on projected EOY Expenses
Professional Fees	227,500.00	203,703.71	217,500.00	Based on EOY and upcoming legislative session


Tech., Communication & Utilities	100,000.00	126,619.19	123,000.00	Increased based on projected EOY Expenses
Vehicle; Bldg; Field; Supplies	100,000.00	86,334.04	85,000.00	Reduced based on projected EOY Expenses
Capital Outlay	50,000.00	38,023.54	120,000.00	Funding for property improvements
Aquifer Science	200,000.00	176,130.82	55,000.00	Decrease to reflect concentration on telemetry
Conservation Outreach	540,000.00	378,837.66	430,000.00	Reduced based on projected EOY Expenses
Conservation Demo Project & Master Irrigator	175,000.00	157,445.28	245,000.00	Increased based on Master Irrigator Program, and Dashboard
Water Conservation Center	202,174.00	206,437.80	104,614.00	Equipment installation completed.
Elections	0.00	0.00	25,000.00	Expenses related to elections
<b>Total Anticipated Expenses</b>	<b>3,146,674.01</b>	<b>2,863,621.40</b>	<b>2,859,575.07</b>	


Income and expenses for 2015-2016 compared to 2016-2017 are set forth below. The Walthour recommended that the committee propose an expense budget for 2016- 2017 fiscal year as follows:

<b>Budget Item</b>	<b>Amount</b>
Director's Expense	70,000.00
Personnel	1,200,788.42
Administrative	119,500.00
Contracted Services	89,172.65
Professional Fees	217,500.00
Tech., Communication & Utilities	123,000.00
Vehicle; Bldg.; Field; Supplies	85,000.00
Capital Outlay	120,000.00
Aquifer Science	55,000.00
Conservation Outreach	430,000.00
Conservation Demo Project	245,000.00
Water Conservation Center	104,614.00
Elections	25,000.00
<b>Total</b>	<b>2,859,575.07</b>

By consensus, the committee proposed the expense budget at this time for the purposes of determining taxes for this year.

There being no further business to come before the meeting, Chairman Grall declared the meeting adjourned at 6:05 p.m.

  
Bob B. Zimmer, President

  
Daniel L. Krienke, Secretary