

# The Chief Appraiser's presentation of



*What you need to know about ...*

**Denton Central  
Appraisal District**

# WHAT YOU NEED TO KNOW ABOUT...

## THE PROPERTY TAX SYSTEM

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### **WHO DETERMINES PROPERTY TAX LAW**

The Texas Legislature meets every two years to discuss updating and refining the property tax laws laid out in the Texas Property Tax Code.

Appraisal Districts administer and adhere to the laws put forth in the Texas Property Tax Code.

### **WHAT IS AN APPRAISAL DISTRICT**

Appraisal Districts are a political subdivision of the State of Texas for the purpose of discovering and appraising property for ad valorem tax purposes - for each local taxing unit - within the boundaries of the district.

Denton CAD is not a subdivision of Denton County or the Denton County Tax Office, it is a state entity.

### **WHO GOVERNS THE APPRAISAL DISTRICT**

The Texas State Comptroller's Property Tax Assistance Division (PTAD), the International Association of the Assessing Officers (IAAO), the Uniform Standards of Professional Appraisal Practice (USPAP).

PTAD conducts two types of audits on all appraisal districts, the PVS and the MAP.

The Property Value Study (PVS) determines the value on which Texas school districts receive state funding. PTAD gathers and analyzes sales data and conducts appraisals of sample properties and analyzes property value data received from appraisal districts, school districts and tax offices. The Methods and Assistance Program (MAP) reviews the governance, taxpayer assistance, operating procedures, appraisal standards, procedures and methodology of each appraisal district.

### **WHAT ARE THE ROLES OF THE...**

#### **BOARD OF DIRECTORS**

The local property tax system follows the principle of checks and balances. An Appraisal District Board of Directors hires/fires the chief appraiser, sets the appraisal district budget, and approves contracts. The Directors have no authority to set values or appraisal methods.

#### **CHIEF APPRAISER**

The Chief Appraiser of an Appraisal District is a Chief Executive Officer (CEO). The chief appraiser carries out the appraisal district's legal duties, hires/fires the staff, oversees and executes the annual budget, annual audit, monthly financials, banking, payroll, healthcare, and many more administrative functions. As well as, manages the appraisal process and operations of the entire appraisal office. The Chief Appraiser does not set or change law, just administers it.

#### **TAXING JURISDICTIONS**

Local taxing jurisdictions consist of counties, school districts, cities/towns, and special-purpose districts.

Appraisal Districts determine the value and send those values to each taxing jurisdiction that levies taxes on each property appraised. Then the governing body of each jurisdiction sets the Tax Rates. The Tax Rate, when applied to property values, will generate the needed revenues for each jurisdiction.

#### **TAX OFFICE**

A local taxing jurisdiction may collect its own taxes or may contract with another governmental jurisdiction (Tax Office). Property Tax Bills get sent to each nonexempt property owner in October/November of each tax year by the Tax Office or Taxing Jurisdiction.

# WHAT YOU NEED TO KNOW ABOUT...

## HOPE McCLURE

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### QUALIFICATIONS

- ★ Hope McClure has over 25 years of experience at the Denton Central Appraisal District, with 16 years in the Administration department working directly for the last two Chief Appraisers and working directly with the last eight appointed Board of Directors.
- ★ Hope McClure has built strong relationships with the other Appraisal Districts all over the State of Texas and has current and past Chief Appraisers she considers mentors, advisors, and friends.
- ★ Hope McClure has been the direct lead on every successful Texas Comptroller's Methods & Assistance Program (MAP). This audit reviews an appraisal district's governance, taxpayer assistance, operating procedures, appraisal standards, and methodology. Denton CAD has not just passed MAP, but has received scores that "*exceeded expectations*" on every audit.
- ★ Hope McClure was also the sole lead on the prestigious IAAO Certificate of Excellence in Assessment Administration (CEAA) designation for Denton CAD. "*The IAAO CEAA is intended for jurisdictions that have developed superior assessment practices for all aspects of their operations.*" It is the most "*rigorous and challenging*" accomplishment earned in the Appraisal District industry. The paper that Hope submitted on behalf of Denton CAD received a perfect score.

### EDUCATION

#### MASTER'S DEGREE - MBA

*Concentration: Business Leadership & Management*  
*Recognition: National Scholars Honor Society*

Texas Woman's University • Denton, Texas  
Graduated: Dec 2008

#### BACHELOR'S DEGREE

*Concentration / Major: Psychology*

University of North Texas • Denton, Texas  
Graduated: May 2004

#### ASSOCIATE'S DEGREE

*Did Dual Credit while still in High School*

North Central Texas College • Corinth, Texas  
Graduated: May 2002

### SUPPLEMENTAL EDUCATION

#### State of Texas Certifications

Certified Tax Administrator (CTA)	Obtained: 08 / 2016
Certified Chief Appraiser (CCA)	Obtained: 09 / 2015
Registered Texas Assessor/Collector (RTA)	Obtained: 05 / 2014
Registered Professional Appraiser (RPA)	Obtained: 10 / 2011

# WHAT YOU NEED TO KNOW ABOUT... THE WESTERN VALUATIONS REPORT

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Denton CAD finds it unfortunate that this report was leaked to the media before the Board of Directors and Chief Appraiser had time to properly evaluate and address the inaccuracies of the report. Due to the premature release of this report, Richard Petree will be presenting his report (as submitted) to the Board of Directors, and then the Chief Appraiser will present her report directly afterwards.

## **CULTURE**

In Petree's opening letter to the Board of Directors, he states, "Unfortunately, I found serious problems with the culture that need immediate attention, but overall, there is more to report that is good about the district operations than is problematic."

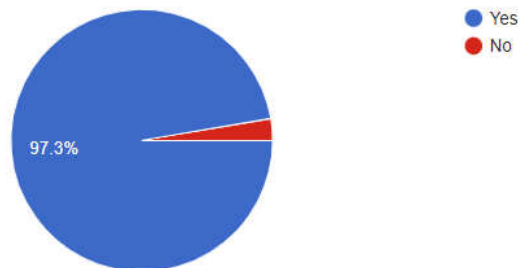
Denton CAD questions this subjective statement and wants to know where Mr. Petree received his information about "serious problems with the culture that need immediate attention." At Denton CAD, we work with numbers and data to provide accuracy; therefore, under the leadership of Mrs. McClure, an anonymous survey of the DCAD staff was conducted to validate or discredit the subjective comment.

75% of the staff responded to the survey. The results are as follows:

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If you have worked here 2 YEARS OR LESS... is the culture at Denton CAD better than your previous employer?

37 responses

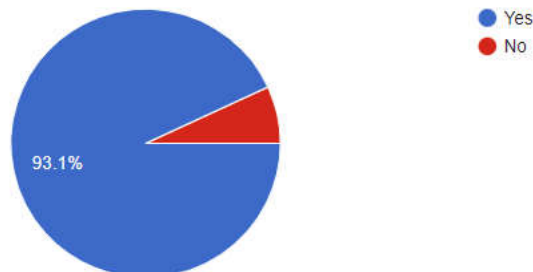


**37 responses = 36 yes (97.3%) and 1 no (2.7%)**

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If you have worked here for MORE THAN 2 YEARS... is the culture at Denton CAD better than under previous administration?

29 responses



**29 responses = 27 yes (93.1%) and 2 no (6.9%)**

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Based on data, the results from the Denton CAD staff do not match Mr. Petree's subjective comment.

Findings: 97% of employees that have two years or less with Denton CAD state that the culture at Denton CAD is better than that of their previous employer. Additionally, 93% of employees over two years with Denton CAD state that they find the culture better under the new leadership than that of past leadership.

## **TRUST**

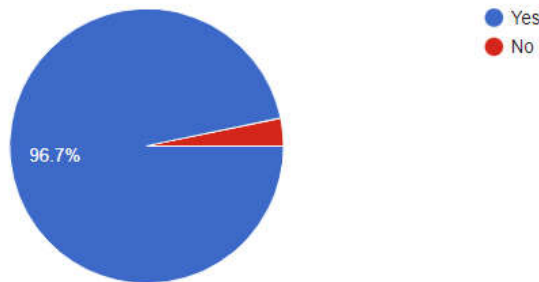
Petree makes statements throughout the report like, “Trust is critical to any successful organization and trust is lacking at DCAD.” “Employees must not feel threatened.” “Unfortunately, there are still people who are employed in the district that continue to struggle with Ms. McClure’s leadership. There is currently a toxic environment in the building.”

Again Denton CAD questions Mr. Petree’s subjective statement about trust, employees feeling threatened, struggling with Mrs. McClure’s leadership, and a toxic environment. Likewise, aiming for accuracy and objectivity, Denton CAD continued with the anonymous survey to solicit feedback to address this statement.

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Do you trust that the Chief Appraiser cares about your best interest and the best interest of Denton CAD?

61 responses

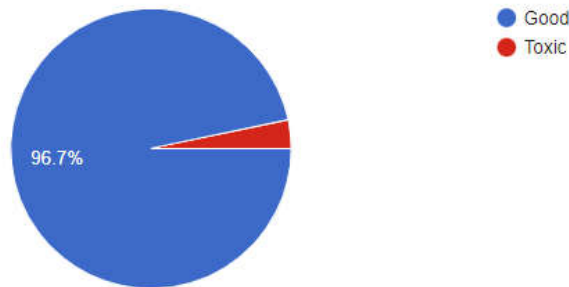


**61 responses = 59 yes (96.7%) and 2 no (3.3%)**

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Do you think the overall culture at Denton CAD is...

60 responses



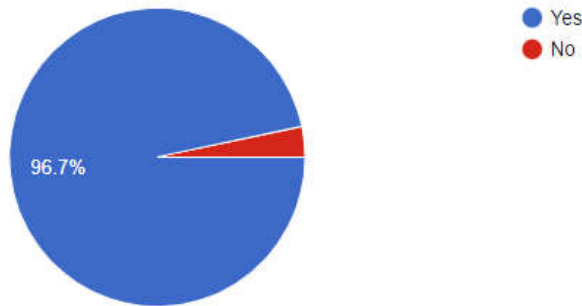
**60 responses = 58 Good (96.7%) and 2 Toxic (3.3%)**

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Do you feel that you are treated fair and equally at Denton CAD?

60 responses



**60 responses = 58 yes (96.7%) and 2 no (3.3%)**

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Based on data, the results from the Denton CAD staff do not match Mr. Petree's subjective comment.

Findings: 96% of employees said they trust Mrs. McClure and feel she cares about them and Denton CAD. Additionally, 96% of the employees stated that they believe the overall culture is good, and 96% said they feel they are treated fairly and equally.

### **TURNOVER & HIRING**

Although Denton CAD agrees that turnover was an issue in 2020 and early 2021, it should be no surprise that according to the Society for Human Resource Management (SHRM), more than half of employees surveyed in North America plan on finding a new job in 2020, while a quarter plan on quitting in 2021. Denton CAD is no exception to this unprecedented wave of turnover across all business industries. However, although this was a concern, it has not been a problem for over a year for Denton CAD.

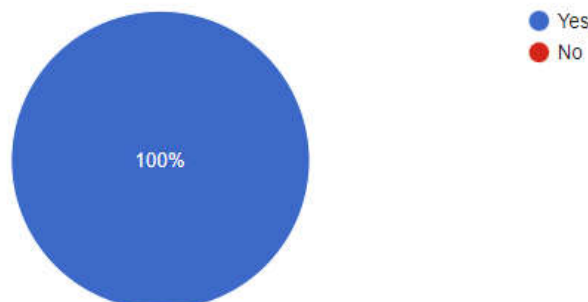
Denton CAD is surprised and disappointed that Mr. Petree did not take the time to discuss the hiring process with the Chief Appraiser. Had the report been more objective, it would praise Mrs. McClure for accomplishing everything in this report already. She has been doing his listed hiring methods for over a year now.

McClure takes pride in the current team she has assembled at Denton CAD. She understands that having the right team makes all the difference in the organization's success. She recognizes talent, experience, and if the individual will be a culture fit for the rest of the Denton CAD team. Over the last two years, she has overseen the hiring process of over 40 new employees. Mrs. McClure is a leader that is fully engaged and invested in building a team that will take the organization to new and sustainable heights. We think this survey speaks for itself:

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Do you enjoy working with your fellow co-workers?

61 responses



**61 responses = 61 yes (100%) and 0 no (0%)**

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**Findings:** 100% of employees said they enjoy working with their fellow employees. Being engaged in the hiring process results in building a solid team.

Throughout the report, Mr. Petree makes statements without any references or evidence. One such statement is that, "it is difficult for the district to find qualified applicants and openings will remain open for longer periods of time" and "The mass appraisal system in Texas and the employees of those districts are a small community. They hear about problematic issues within appraisal districts and are hesitant to apply for jobs in a district in turmoil, regardless of the source of that turmoil. That creates a smaller pool of experienced candidates that might, otherwise, apply for open positions."

Since McClure has become Chief Appraiser, Denton CAD has received over 500 job applications! They have received applicants from employees at Tarrant CAD, Collin CAD, Dallas CAD, Travis CAD, and others. Which again, makes Denton CAD reluctant about the report's accuracy that Mr. Petree published.

The only solid recommendation that Denton CAD does agree with, is that Denton CAD's "budget is lower than districts of similar size" and Denton CAD "needs to increase the appraisal staff to 54 and to increase the total staff to 124."

### **CUT AND PASTE**

From Chapter 3 through Chapter 13, the vast majority of the material (95%) is a template that Petree copied and pasted from a report he did for Fort Bend Central Appraisal District. In Chapter 12, he even states, "The past year, over 73,000 appeals were filed in DCAD equaling 21% of active accounts." The 73,000 appeals are from the Fort Bend CAD audit report. Denton CAD had roughly 95,000 appeals last year.

He states, "The Board of Directors has approved the appointment of 24 Appraisal Review Board (ARB) members." The Denton CAD Board of Directors has approved 33 ARB Members.

He states, "The business personal property staff has 10 appraisers and staff to handle the approximately 30,000 BPP accounts." Denton CAD's BPP department actually has 5 appraisers, 23,000 BPP accounts, and 97,000 Mineral accounts that they help filter.

It appears that in a couple of areas, Petree is trying to imply that Denton CAD did not pass the Property Value Study for Lewisville ISD and Denton ISD. That is inaccurate. Neither one of those school districts is even in grace period. Denton ISD and Lewisville ISD both passed the 2021 Property Value Study (PVS).

In one chapter, Petree recommends signage for the building within the city specifications. If he would have asked Denton CAD's administration, he would have found out that Denton CAD has already worked with the City of Denton for months trying to get signage out on the road and the city will not allow it.

### **CONCLUSION**

Denton CAD found numerous other discrepancies with Petree's audit, but it feels repetitive to continue to break apart this report. So we will conclude by saying, Denton CAD was expecting more from this report. We are disappointed with not only the quality of the report, but with Petree's approach. He should have asked more questions and, at the very least, interviewed the Chief Appraiser.

The Board of Directors hired his firm to provide statistical data to help Denton CAD grow, improve and help calm some of the taxing jurisdictions' minds. Denton CAD feels like this reckless report has done more damage than good. While we appreciate the recommendation of more employees, Denton CAD's data team has provided the Chief Appraiser with more accurate statistical data, than Petree's firm ever did.

Denton CAD will choose to focus on the few accurate details and recommendations in this report. We will take those recommendations to the drawing board and will continue to make Denton CAD a great place to work and a professional and friendly place for property owners.

# WHAT YOU NEED TO KNOW ABOUT...

## THE DENTON CENTRAL APPRAISAL DISTRICT

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### **WHY WAS THE WESTERN VALUATION REPORT TABLED IN MAY?**

To ensure an objective and accurate report, Denton CAD received the confirmation that they would obtain adequate time to review the report and provide additional feedback to the auditor. As well as the Board of Directors who typically receive a week to review all material before the scheduled Board meeting.

Unfortunately, Denton CAD did not receive the 50-page report from Western Valuation until 3:00 pm on Friday, right before a 3-day holiday weekend. The Board Meeting was scheduled for Tuesday. This did not allow adequate time to properly review the entire 50-page document. On that Tuesday's agenda was a budget workshop, so the Chief Appraiser chose to send only the auditor's staffing and building recommendations to the Board (as it pertained to the 2023 Budget) and table the rest of the report until the Chief and the Board had more time to review the findings and give the report the proper attention it needed.

### **WHY IS THERE AN INCREASE IN THE 2023 DCAD BUDGET?**

DCAD needs more employees to keep up with the growth of the county and increased workload. Below are just a few examples.

DCAD receives nearly 1,000 phone calls, 3,000 helpdesk tickets, and has over 650 walk-ins per DAY; all of those areas are served by only 7 customer service specialists. They do all that while trying to process over 50,000 homestead applications annually.

DCAD receives roughly 100,000 protests yearly and has only 33 appraisers to work all of them. DCAD has only 61 business days to execute all of those protests and certify 95% of Denton County's total value.

DCAD has a 95-105% ratio of value that all school districts must remain in to receive state funding. That requires immense accuracy. Each year, DCAD has roughly 465,000 accounts they must work to ensure they stay within the required ratio and DCAD has only 33 appraisers to work all of those accounts/values.

DCAD processes over 60,000 deeds, 20,000 permits and 16,500 splits per year and has only 7 Mapping Techs to execute the workload.

### **WHAT IS THE RESPONSE TO THE CRITICS WHO DON'T BELIEVE THAT HOPE McCLURE WAS THE MOST QUALIFIED CANDIDATE FOR THE CHIEF APPRAISER POSITION?**

The Chief Appraiser of an Appraisal District is a Chief Executive Officer (CEO). The Chief Appraiser holds numerous responsibilities, of which the majority of their time is administrative. Mrs. McClure holds a Master's Degree in Business Administration and has the unique experience of working directly under and with the past two Chief Appraisers. She has over 16 years of administrative experience and has been with Denton CAD for over 25 years. She has worked in nearly every department during her career, including the appraisal departments. Her experience with Denton CAD has groomed her to be in this position.

Some critics have even said Hope McClure "is not an appraiser".

That is like saying a Superintendent "is not a teacher." Yes, a Superintendent could step in and do a teacher's job if needed; however, that is not where they are most strategic for the organization. Like a CEO, her responsibilities are mainly administrative. She oversees and ensures the District is operating correctly and that the staff has the tools to succeed.



## **WHAT IS THE RESPONSE TO THE CRITICS WHO SAY HOPE McCLURE IS JUST A PRODUCT OF NEPOTISM AND HER MOM IS THE REASON SHE IS CHIEF APPRAISER?**

While at Denton CAD, Mrs. McClure never worked directly under her mother. Mrs. McClure gained the majority of her experience from working directly under the two previous Chief Appraisers. Mrs. McClure's mother never held the position of Chief Appraiser, although reports claimed she did. In fact, her mother had announced her retirement three months prior to the Board of Directors even starting their search for a new Chief Appraiser for Denton CAD.

When Hope was presented with the opportunity to become Chief Appraiser, her mother actually advised against taking the position. She knew how much clean up would have to be done as Denton CAD's new Chief Appraiser, how challenging it would be, and advised Hope to decline the offer. Hope was so motivated and driven to truly make changes and raise the standards of Denton CAD that she accepted the offer knowing the challenges she would face.

## **WHAT ARE SOME OF THE POSITIVE CHANGES THAT HOPE McCLURE HAS MADE AT DENTON CAD SINCE BECOMING CHIEF APPRAISER?**

- Effectively restructured the organization to remove redundancy and increase efficiency
- Reduced the District's debt liability by over \$1mil
- Created a data integrity/quality control team
- Limited comp hours, thus reducing overhead and burnout
- Added efficiency through a new time and attendance system
- Initiated a new disciplinary and improvement system
- Implemented a team building day and meaningful incentives for staff
- Remodeled workspaces for more efficient customer flow, privacy, and the protection of the staff
- Drastically improved the culture
- Incorporated new and updated technologies
- Created an Employee Handbook with clear expectations and goals for Denton CAD employees
- Updated and revamped every manual, policy, and procedure guide at Denton CAD
- Improved communication within the District, with the Taxing Units, and between DCAD and the Tax Office
- Improved communication with property owners via Facebook, Website, eFile Portal, & Press Releases
- Standardized all internal and external communications- headshots, email signatures, business cards, new logo, updated letterhead, bios, etc.
- Created new visions and values for Denton CAD
- Restated Denton CAD's mission statement to better align with today's environment

## **WHAT IS SOME OF THE POSITIVE FEEDBACK THAT DCAD AND THE CHIEF APPRAISER HAS RECENTLY RECEIVED?**

DCAD received "three cheers" for their quick responses and "actionable information". "What really caught my eye was the one (email) I sent on June 8. I had a response in my inbox the same day, and it was after-hours, time stamped at 7:32pm. That's service! Keep up the good work DCAD!"

-Dallas Morning News (June 18, 2022)

"Congrats to your team on moving the property records of the previous Castle Hills water districts due to our annexation! I know that was a large undertaking and just wanted to let you know we appreciate it!"

-City of Lewisville (May 24, 2022)

"Thank you, Hope. We appreciate all of your hard work!"

-City of Frisco (April 29, 2022)

"Hope, one thing I have found to be true in public service. Occasionally someone will disagree with you and instead of getting the facts they choose to attack and discredit. Please be assured, everyone I know with the municipalities have total faith in you and your staff."

-Town of Copper Canyon (January 6, 2022)

"This is great communication and I really appreciate you building in all the resources that we commonly ask for this time of year!"

-Little Elm ISD (April 29, 2022)

"You are so welcome and I'm glad you do your job for us!"  
-Slidell ISD (January 6, 2022)

"You are the first appraisal district to provide the preliminary files and balancing reports!"  
-Dallas County Tax Office (May 23, 2022)

"Working with you (Hope) and everyone in that office has been courteous and professional. I wanted you to know we do support you and think very highly of you and your staff and we wish you the best."  
-Utility Tax Service, LLC (January 6, 2022)

"Thank you Hope for everything that you do, not only for me, but for everyone at the CAD. We are all extremely lucky to work for a Chief that cares so strongly about their people's well being."  
-Current Employee (April 22, 2022)

"I appreciate the effort and thought.. I am grateful for the kindness you guys have shown me!"  
-Current Employee (March 24, 2022)

"Thank you Hope for your kindness to me and my family by doing this. It really means a lot to us."  
-Current Employee (January 28, 2022)

"Hope, thanks for allowing us to have a voice."  
-Current Employee (January 28, 2022)

"Hope, I just wanted to give you some kudos... your desire to do what's best for the employees, the taxpayers, and Denton County really came through."  
-Current Employee (January 27, 2022)

"DCAD was in a metaphorical hole due to poor leadership before Hope took over. Hope had worked there for a long time and was a natural choice in a chief appraiser due to her extensive internal knowledge and education. She's done an excellent job of getting the organization as far out of that hole as possible and has done so with a furious will. It was a great place to work... and Hope was an excellent leader, even inspirational. I don't know her personally and only interacted with her on a professional level, but her door was always open and her responses to whatever issues I had were well thought out and always empathetic."  
-Former Employee (moved due to family reasons) (June 15, 2022)

"It has been a pleasure to work at Denton Central Appraisal District these last 19 1/2 years... You now have a great group of people to keep the DCAD going strong. I wish you (Hope), Don and the employees much success in the future. I will miss everyone here and will come back to visit."  
-Former Employee (Retired) (February 28, 2022)

"Hope, thanks so much, you have had a positive influence on my life and I will miss it here."  
-Former Employee (left for family reasons) (January 11, 2022)

"Thank you, Hope. I think you have done a great job turning the District around and I wish the best for you and the District team."  
-Former Employee (Retired) (January 7, 2022)

"We are blessed beyond belief to have you (Hope) and Don leading DCAD. The job performance of you (Hope McClure) and Don Spencer has been A+ off the charts. Much progress has been made and we just need to keep working together to stay the course and continue this positive trend."  
-Current Board Member (January 28, 2022)

**We hope you have walked away with a greater understanding of the Denton Central Appraisal District and what is actually happening internally. We have a wonderful group of employees committed to serving Denton County through accurate and uniform valuations while providing professional and exceptional customer service.**