



## Minutes from February 18, 2021

The El Paso Central Appraisal District Board of Directors held its regular meeting on Thursday, February 18, 2021, at 5:00 p.m., in the Conference Room of the El Paso Central Appraisal District (EPCAD), 5801 Trowbridge Drive, El Paso, Texas, with the following quorum of six (6) members present.

1. Freddy Khlayel-Avalos – telephone
2. Kathryn Lucero – telephone
3. Eduardo Mena – in-person
4. Walter Miller – in-person
5. Laure Searls – telephone
6. Chuck Taylor – in-person

Attorney Carmen Hegeman of Dunbar, Armendariz, Hegeman Law Firm, EPCAD legal counsel, was in attendance via video for the entire meeting.

The first order of business was to recite the pledge of allegiance to the flag of the United States of America and the pledge of allegiance to the Texas state flag.

### **AGENDA ITEM 1 - PUBLIC COMMENT**

Ms. Dinah Kilgore, EPCAD Executive Director/Chief Appraiser, stated that no one had signed up to make a public comment.

### **ACTION AGENDA ITEM 2**

### **APPROVAL AND SIGNING OF MINUTES – JANUARY 21, 2021**

Ms. Searls made a motion to approve the January 21, 2021 Minutes as presented; Mr. Taylor seconded; the vote was called and approved.

### **ACTION AGENDA ITEM 3**

### **DISCUSSION AND POSSIBLE ACTION REGARDING 2019/2020 FINANCIAL AUDIT REPORT**

Ms. Kilgore reminded the board members that the financial packet was provided to them in advance for review. Ms. Kilgore introduced Mr. Ray Peña, Auditor, with Peña, Briones, McDaniel & Company.

Mr. Peña presented an overview of the financial audit and compliance with internal controls.

Mr. Peña summarized the five-year financial summary on several items.

- EPCAD's total assets are \$11,756,099. This is a result of a decrease in assets held at the end of the fiscal year.
- The net position is \$4,412,851 because of a higher decrease in total liabilities than in total assets.
- Expenditures requiring taxing jurisdiction funding is \$14,985,168. The increase resulted from an increase in budgeted expenditures and an increase in operating expenses.
- Salaries and employee benefits were over-budget by \$143,436 and under-budget by \$355,961, respectively. The over-budget was market adjustments and re-alignment to some positions that had been deferred from the previous fiscal year; and an increase in the annual leave accrued by employees not using their annual leave due to COVID-19. The under-budget was due to the cost of health insurance, worker's compensation, and unemployment insurance being lower than the amount budgeted.
- Fixed asset acquisition was over-budget by \$151,339 due to implementing a shooter detection system, items needed to protect from COVID-19, and miscellaneous office furniture and equipment. Lease payments were over budget by \$51,823 due to computer equipment leased for employees to work from home due to COVID-19.
- The legal fees account was over-budget by \$149,621 because of contested lawsuits to defend value.
- The Arbitration account was under budget by \$3,600.
- There were no identifiable weaknesses or deficiencies from internal controls, and there is adequate separation of duties.
- The pension plan is in very good shape. EPCAD is 99% funded, with a discount rate of 8.1%.
- EPCAD is returning to the taxing entities \$1,047,619 for the 2019/2020 fiscal year.

Mr. Peña opened the floor to questions.

Mr. Miller asked who administers the pension plan.

Ms. Kilgore replied it is Texas County & District Retirement System (TCDRS).

Ms. Sears congratulated EPCAD staff for all the work that is done.

With no further questions, this concluded Mr. Peña's report.

Mr. Mena moved to approve and accept the 2019/2020 financial audit as presented;

Ms. Searls seconded; the vote was called and passed.

#### **ACTION AGENDA 4**

##### **DISCUSSION AND POSSIBLE ACTION REGARDING EPCAD INVESTMENT POLICY**

Ms. Kilgore stated that an independent auditor from Peña, Briones, McDaniel & Co. and EPCAD staff review the Investment Policy every year and make recommendations for changes as needed. No changes, nor recommendations were made for the Investment Policy.

Ms. Searls moved to approve the Investment Policy as presented; Mr. Mena seconded; the vote was called and passed.

#### **ACTION AGENDA ITEM 5**

##### **REVIEW AND APPROVAL OF FINANCIAL REPORTS – OCTOBER 2020 AND NOVEMBER 2020**

Ms. Rosa Goldmann, EPCAD Chief Financial Officer, presented the financial report for October 2020 and November 2020. EPCAD's financial reports contain the balance sheet; report of revenues, expenditures, and changes in cash balance (in actual-to-budget); the investment report; and the notes to the financial report.

Ms. Goldmann stated that as of November 2020, the Litigation Reserve account had a balance of \$429,826.89.

Mr. Mena moved to approve the financial reports for October 2020 and November 2020 as presented; Mr. Taylor seconded; the vote was called and passed.

## **ACTION AGENDA ITEM 6**

### **DISCUSSION AND POSSIBLE ACTION ON RESUMING IN-PERSON BOARD MEETINGS**

Mr. Miller asked for a roundtable discussion on the matter.

Mr. Miller stated he wants to cautiously resume in-person board meetings. The EPCAD boardroom is spacious where all can be safe and has the technology to do it effectively. He further stated that he does not believe that under the governor's orders, EPCAD can make the board members attend in person. EPCAD staff needs to offer an alternative to in-person meetings.

Mr. Taylor stated that board members can accomplish more in in-person meetings.

Mr. Mena commented he prefers in-person meetings, but respects board members' decisions.

Ms. Lucero said the board has been effective while conducting the meetings virtually. Ms. Lucero recommended a rapid test before the in-person meetings.

Ms. Searls commented she is open to attend in-person meetings. However, she wants the board members to feel comfortable if she attends in-person meetings as she travels regularly.

Mr. Miller informed the board that Mr. Stout previously stated that he prefers remote meetings. He further encouraged the board members to attend the March meeting in-person for the attorney training.

Ms. Kilgore said she will investigate the cost of rapid testing. She added that since May 2020, the EPCAD building has been open to the public and the Appraisal Review Board (ARB) have held hearings. Plexiglass dividers are in place in the hearing and board rooms. The boardroom will be reconfigured for the board meeting. Everyone that enters EPCAD has their temperature taken. Board members may attend the meeting in-person, via video-conferencing, or tele-conferencing.

No action was taken.

## **ACTION AGENDA ITEM 7**

### **DISCUSSION AND POSSIBLE ACTION REGARDING IN-PERSON BOARD OF DIRECTORS TRAINING WITH BOARD ATTORNEY**

Mr. Miller encouraged board members to attend in-person.

Ms. Lucero informed the board that she will attend the meeting remotely.

Mr. Mena stated he encourages board members to attend in-person for the Board training as it will be presented by the EPCAD attorney.

Ms. Kilgore reiterated that the meeting will be held in the EPCAD Boardroom. The board members may attend the meeting in-person, via video-conferencing, or tele-conferencing. EPCAD legal counsel, Joe Longoria of Perdue Brandon Fielder Collins and Mott L. L. P., will conduct the Board of Directors' Training. EPCAD staff will provide materials to board members in advance.

No action was taken.

### **AGENDA ITEM 8 - REPORT ON SETTLED LAWSUITS**

Ms. Kilgore reminded the Board members that the lawsuit information had been provided to them in advance.

Ms. Kilgore brought the Board's attention to the litigation/arbitration report. She used the numbers for University Medical Center (UMC) as an example of its role as an entity in all El Paso County. She informed the board that 11% of the overall appraisal roll is under protest.

Mr. Miller asked how 11% of the appraisal roll being under protest, compared year-over-year.

Ms. Kilgore stated that the percentage was high because of taxpayers filing more lawsuits. She also expects that those lawsuits requesting disaster relief will go to the Texas Supreme Court. Therefore, the expense on those lawsuits will affect the litigation reserve budget.

Mr. Mena asked about the Texas Supreme Court expenses.

Ms. Kilgore replied it will be several years before the lawsuits get to the Texas Supreme Court. EPCAD staff can go through mediation to resolve the value difference. However, when it is a matter of the law, the law is the law.

## **ITEM 9 - CHIEF APPRAISER REPORT**

Ms. Kilgore, EPCAD Executive Director/Chief Appraiser, informed the board:

- EPCAD's Property Value Study (PVS) results showed that seven school districts met confidence level, which means they were over 95%. El Paso Independent School District (EPISD) and San Elizario School District (San Elizario ISD) were out of confidence level. EPCAD staff is confident that it will get EPISD and San Elizario ISD back-up to the confidence level of 95%. The superintendents of EPISD and San Elizario ISD have given EPCAD permission to protest the value.
- EPCAD staff submitted everything to the Methods Assistance Program (MAP) reviewer; currently no recommendations have been made.
- The City Tax Office had a mobile kiosk in the front EPCAD parking lot to accept property tax payments from January 25-29, 2021. The City Tax Office collected 2.3 million dollars. Ms. Kilgore elaborated on EPCAD staff assistance to the public.
- The ARB received a two-day training [February 17-18, 2021] from Attorney Roy Armstrong and Mr. John Trabold, MAI Appraiser. ARB officers Ms. Sylvia Calderon, Chair, and Mr. Phillip Gonzalez, Secretary, were present to answer questions from the Board.

Ms. Kilgore provided the Board with the confidence level numbers for each member's corresponding entity.

Mr. Mena congratulated EPCAD staff in general for a job well done.

## **AGENDA ITEM 10 - EXECUTIVE SESSION UNDER THE AUTHORITY OF TEX GOV'T. CODE § 551.071 & 551.074 TO DISCUSS LEGAL AND PERSONNEL MATTERS**

## **ACTION AGENDA ITEM 11 - DISCUSSION AND POSSIBLE ACTION REGARDING ITEM 10A**


With no further business to come before the Board, the meeting adjourned at 5:45 p.m.

The next EPCAD Board of Directors' meeting is scheduled for Thursday, March 18, 2021, at 5:00 p.m.

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Walter Miller, Chair  
El Paso Central Appraisal District  
Board of Directors

ATTEST:

  
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Eduardo Mena, Secretary  
El Paso Central Appraisal District  
Board of Directors  
Date Approved: March 19, 2021





EL PASO CENTRAL APPRAISAL DISTRICT


**BALANCE SHEET**  
**October 31, 2020**
**Assets**

Cash in Bank	4,936,810.93	
Investments	1,925,720.32	
Petty Cash	150.00	
Total Cash		<u>6,862,681.25</u>

Prepaid Expenses	13,139.11	<u>13,139.11</u>
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**Total Current Assets** **6,875,820.36**

Building	2,354,796.59	
Building Accum Deprec	(880,977.96)	1,473,818.63
Building Refit	637,114.19	
Bldg Refit Accum Deprec	(637,112.19)	2.00
Furniture & Equipment	688,159.62	
Furn & Equip Accum Deprec	(621,061.70)	67,097.92
Computer Equipment	720,163.48	
Computer Equip Accum Deprec	(697,877.93)	22,285.55
Vehicles	563,125.03	
Vehicles Accum Deprec	(168,363.35)	394,761.68
CAMA System	1,378,742.00	
CAMA Sys Accum Deprec	(1,378,738.00)	4.00
Building Improvements	1,788,945.11	
Building Improv Accum Deprec	(954,652.92)	834,292.19
Building Equipment	280,835.38	
Build Equip Accum Deprec	(154,870.72)	<u>125,964.66</u>

**Total Fixed Assets** **2,918,226.63**
**Deferred Outflow Res-Pension** **1,457,753.77**
**Total Assets** **11,251,800.76**
**Liabilities and Fund Balance**

Accounts Payable	318,462.90
Accrued Expenses	103,471.96
Accrued Payroll Payable	972,112.91
TCDRS Payable	253,285.37
Dep. Personal Life Ins & Cobra	<u>902.02</u>

**Total Current Liabilities** **1,648,235.16**

TCDRS Net Pension Liability	1,390,553.00
Deferred Inflow Res-Pension	780,800.00
TCDRS Expense-Allowance	<u>629,537.37</u>

**TOTAL LIABILITIES** **4,449,125.53**

Reserved Encumbrance	429,826.89
Fund Balance	<u>6,372,848.34</u>

**TOTAL LIABILITIES AND FUND BALANCE** **11,251,800.76**



**EL PASO CENTRAL APPRAISAL DIST**  
**REPORT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**For Month Ending October 31 , 2020**

	October	YTD	YTD Budget	Variance
<b>Revenues</b>				
Revenues from Taxing Entities	4,008,196.70	4,008,196.70	4,008,196.70	0.00
Interest Income	122.20	122.20	100.00	22.20
Miscellaneous Income	21.84	21.84	10.00	11.84
Rendition Penalty Income	2,451.01	2,451.01	2,000.00	451.01
<b>Total Revenue</b>	<b>4,010,791.75</b>	<b>4,010,791.75</b>	<b>4,010,306.70</b>	<b>485.05</b>
<b>EXPENDITURES</b>				
Wages and Salaries	645,528.24	645,528.24	673,840.18	28,311.94
Payroll Related Expenses	172,110.02	172,110.02	178,538.11	6,428.09
Payroll tax-mandatory	28,883.39	28,883.39	90,507.41	61,624.02
Computer Expense	1,053.55	1,053.55	1,200.00	146.45
Software, Support, Licensing	340,370.77	340,370.77	341,370.77	1,000.00
Vehicles - Insurance	12,522.44	12,522.44	13,000.00	477.56
Vehicles - Gas/Oil/Maintenance	6,317.51	6,317.51	7,000.00	682.49
Building - Utilities	14,062.36	14,062.36	16,666.67	2,604.31
Building - Maintenance	12,283.31	12,283.31	15,000.00	2,716.69
Building - Janitorial	587.24	587.24	1,000.00	412.76
Assets - Furniture	1,289.32	1,289.32	1,300.00	10.68
F/E - Lease	18,533.98	18,533.98	19,957.15	1,423.17
F/E - Maintenance	20,456.91	20,456.91	20,500.00	43.09
Small Furn & Equip	455.55	455.55	2,000.00	1,544.45
Paper, supplies, etc	5,101.76	5,101.76	5,532.08	430.32
Printing	274.94	274.94	3,047.08	2,772.14
Advertising Req. by Law	0.00	0.00	500.00	500.00
Advertising Other	1,865.04	1,865.04	3,109.75	1,244.71
Postage/Mailing	339.75	339.75	2,000.00	1,660.25
Education, dues	14,071.17	14,071.17	14,885.33	814.16
Bonding/General Insurance	25,161.50	25,161.50	27,531.00	2,369.50
Audit & Consultation	0.00	0.00	1,974.17	1,974.17
Chief Appraiser-Education, dues	68.05	68.05	1,000.00	931.95
BOD - Education	0.00	0.00	666.67	666.67
Books, Publications, Subscrip	3,679.97	3,679.97	4,000.00	320.03
Legal Fees	96,757.99	96,757.99	100,000.00	3,242.01
Arbitration	0.00	0.00	1,854.17	1,854.17
Appraisal Review Board	200.00	200.00	1,500.00	1,300.00
Taxpayer Liaison Officer-Expen	7.00	7.00	200.00	193.00
Professional Services	124,496.46	124,496.46	130,000.00	5,503.54
Supplemental Help/Temps	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Contingency Fund	0.00	0.00	0.00	0.00
Encumbered Fund - Litigation	0.00	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>1,546,478.22</b>	<b>1,546,478.22</b>	<b>1,679,680.54</b>	
<b>Excess Revenue over Expenditures</b>		<b><u>2,464,313.53</u></b>		

El Paso Central Appraisal District

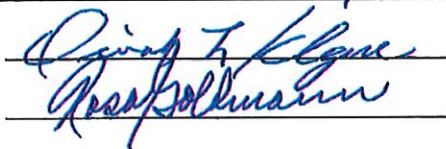
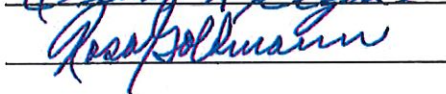
INVESTMENT REPORT

October 31, 2020

Institution	Type	Issue Date	Maturity Date	Amount	Interest Rate	Interest Earned	Accrued
Wells Fargo	WF Gov MMF Sel		none	1,756,127.39	0.040%	80.00	
Wells Fargo	JP Morgan US Gov		none	169,592.93	0.010%	3.49	
				1,925,720.32		83.49	0.00

Executive Director/Chief Appraiser

Chief Financial Officer

NOTE TO OCTOBER, 2020 FINANCIAL REPORT

Over Budget:

Encumbered Funds:

- Litigation Reserve

429,826.89

429,826.89 Bal



EL PASO CENTRAL APPRAISAL DISTRICT



**BALANCE SHEET**  
**November 30, 2020**

**Assets**

Cash in Bank	3,747,108.07	
Investments	1,975,779.50	
Petty Cash	<u>150.00</u>	
Total Cash		5,723,037.57
Prepaid Expenses	<u>13,139.11</u>	13,139.11
<b>Total Current Assets</b>		<b>5,736,176.68</b>

Building	2,354,796.59	
Building Accum Deprec	(883,904.62)	1,470,891.97
Building Refit	637,114.19	
Bldg Refit Accum Deprec	(637,112.19)	2.00
Furniture & Equipment	688,159.62	
Furn & Equip Accum Deprec	(623,315.73)	64,843.89
Computer Equipment	720,163.48	
Computer Equip Accum Deprec	(699,392.38)	20,771.10
Vehicles	563,125.03	
Vehicles Accum Deprec	(172,664.03)	390,461.00
CAMA System	1,378,742.00	
CAMA Sys Accum Deprec	(1,378,738.00)	4.00
Building Improvements	1,788,945.11	
Building Improv Accum Deprec	(961,487.83)	827,457.28
Building Equipment	280,835.38	
Build Equip Accum Deprec	<u>(156,051.76)</u>	<u>124,783.62</u>

Total Fixed Assets **2,899,214.86**

Deferred Outflow Res-Pension 1,219,843.77

**Total Assets** **9,855,235.31**

**Liabilities and Fund Balance**

Accounts Payable	358,521.10
Accrued Expenses	103,471.96
Accrued Payroll Payable	1,021,115.16
TCDRS Payable	102,538.02
Dep. Personal Life Ins & Cobra	(1,152.34)
Refunds due to Taxing Entities	<u>1,047,618.68</u>

**Total Current Liabilities** **2,632,112.58**

TCDRS Net Pension Liability	383,402.00
Deferred Inflow Res-Pension	1,075,219.00
TCDRS Expense-Allowance	<u>1,104,359.37</u>

**TOTAL LIABILITIES** **5,195,092.95**

Reserved Encumbrance 429,826.89  
Fund Balance 4,230,315.47

**TOTAL LIABILITIES AND FUND BALANCE** **9,855,235.31**

**EL PASO CENTRAL APPRAISAL DIST**  
**REPORT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**For Month Ending November 30, 2020**

	November	YTD	YTD Budget	Variance
<b>Revenues</b>				
Revenues from Taxing Entities	0.00	4,008,196.70	4,008,196.70	0.00
Interest Income	59.18	181.38	100.00	81.38
Miscellaneous Income	129.84	151.68	100.00	51.68
Rendition Penalty Income	2,249.80	4,700.81	4,000.00	700.81
<b>Total Revenue</b>	<b>2,438.82</b>	<b>4,013,230.57</b>	<b>4,012,396.70</b>	<b>833.87</b>
<b>EXPENDITURES</b>				
Wages and Salaries	640,938.19	1,286,466.43	1,347,680.38	61,213.95
Payroll Related Expenses	151,857.08	323,967.10	357,076.22	33,109.12
Payroll tax-mandatory	66,200.66	95,084.05	181,014.82	85,930.77
Computer Expense	408.50	1,462.05	2,400.00	937.95
Software, Support, Licensing	5,328.12	345,698.89	682,741.54	337,042.65
Vehicles - Insurance	0.00	12,522.44	14,000.00	1,477.56
Vehicles - Gas/Oil/Maintenance	1,964.01	8,281.52	10,000.00	1,718.48
Building - Utilities	11,579.39	25,641.75	33,333.34	7,691.59
Building - Maintenance	6,490.81	18,774.12	25,656.17	6,882.05
Building - Janitorial	3,678.00	4,265.24	4,500.00	234.76
Assets - Furniture	0.00	1,289.32	3,300.00	2,010.68
F/E - Lease	26,889.37	45,423.35	46,957.15	1,533.80
F/E - Maintenance	(369.96)	20,086.95	22,000.00	1,913.05
Small Furn & Equip	1,768.34	2,223.89	4,000.00	1,776.11
Paper, supplies, etc	4,080.22	9,181.98	10,532.08	1,350.10
Printing	94.00	368.94	4,047.08	3,678.14
Advertising Req. by Law	0.00	0.00	500.00	500.00
Advertising Other	0.00	1,865.04	3,109.75	1,244.71
Postage/Mailing	70.76	410.51	3,000.00	2,589.49
Education, dues	1,670.36	15,741.53	17,885.33	2,143.80
Bonding/General Insurance	213.00	25,374.50	27,531.00	2,156.50
Audit & Consultation	6,896.00	6,896.00	7,974.17	1,078.17
Chief Appraiser-Education,dues	1,490.36	1,558.41	2,500.00	941.59
BOD - Education	0.00	0.00	666.67	666.67
Books, Publications, Subscrip	95.00	3,774.97	4,500.00	725.03
Legal Fees	144,807.74	241,565.73	250,000.00	8,434.27
Arbitration	0.00	0.00	1,854.17	1,854.17
Appraisal Review Board	0.00	200.00	1,500.00	1,300.00
Taxpayer Liaison Officer-Expen	0.00	7.00	200.00	193.00
Professional Services	2,191.29	126,687.75	133,000.00	6,312.25
Supplemental Help/Temps	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Contingency Fund	0.00	0.00	0.00	0.00
Encumbured Fund - Litigation	0.00	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>1,078,341.24</b>	<b>2,624,819.46</b>	<b>3,203,459.87</b>	
<b>Excess Revenue over Expenditures</b>		<b><u>1,388,411.11</u></b>		

El Paso Central Appraisal District

INVESTMENT REPORT

November 30, 2020

Institution	Type	Issue Date	Maturity Date	Amount	Interest Rate	Interest Earned	Accrued
Wells Fargo	WF Gov MMF Sel		none	1,756,184.98	0.020%	57.59	
Wells Fargo	JP Morgan US Gov		none	169,594.49	0.020%	1.56	
	Symbol						
W/F Advisors	GVIXX	11/20/2020	none	25,000.00	0.01%	0.015	
W/F Advisors	PISXX	11/20/2020	none	25,000.00	0.01%	0.015	
				1,975,779.47		59.18	0.00

Executive Director/Chief Appraiser

Chief Financial Officer

*George T. Kline*  
*Joseph Goldman*

NOTE TO NOVEMBER, 2020 FINANCIAL REPORT

Over Budget:

Encumbered Funds:

- Litigation Reserve 429,826.89

429,826.89 Bal