



## Minutes from September 16, 2021

The El Paso Central Appraisal District Board of Directors held its regular meeting on Thursday, September 16, 2021 at 5:10 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 members present.

1. Freddy Khlayel-Avalos
2. Tanny Berg
3. Eduardo Mena
4. Walter Miller
5. David Stout
6. Jackie York

Attorney Carmen Hegeman of Dunbar, Armendariz, Hegeman Law Firm, EPCAD legal counsel, was in attendance 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 L. Kilgore, EPCAD Executive Director/Chief Appraiser, stated that no one had signed up to make public comment.

### ACTION AGENDA ITEM 2

#### APPROVAL AND SIGNING OF MINUTES FROM AUGUST 19, 2021 MEETING

Mr. Mena made a motion to approve the August 19, 2021, Minutes as presented; Mr. Khlayel-Avalos seconded; the vote was called and approved.

### ACTION AGENDA ITEM 3

#### REVIEW AND APPROVAL OF FINANCIAL REPORT FOR JULY, 2021

Ms. Rosa Goldmann, EPCAD Chief Financial Officer, presented the financial report for July 2021. EPCAD's financial report contains the balance sheet; report of revenues, expenditures, and changes in cash balance (in actual-to-budget); the investment report; and the notes on the financial report.

Ms. Goldmann stated the following line-items were over-budget:

- Janitorial for July 2021, by \$8,654.91 due to deep cleaning and sanitization of the building.
- Postage/Mailing for July 2021, by \$143,769.12 due to the current year being a reappraisal year and EPCAD sent Notice of Appraised Value (NOV) to all taxpayers. Increase in protests caused higher volume of certified appointments letters to taxpayers.
- Supplemental Help for July 2021, by \$8,524.52 due to additional temporary staff keeping areas clean and sanitized during protest season and to cover for staff who separated from the district.
- The litigation reserve encumbered funds balance is \$180,565.64.

Mr. Miller asked how much money staff expects will be needed for litigation until the end of the fiscal year.

Ms. Kilgore responded that the accounting department anticipates it will need 60,000 to 65,000 each month until the end of the fiscal year.

Mr. Khlayel-Avalos made a motion to approve the financial report for July 2021 as presented; Mr. Mena seconded; the vote was called and approved.

#### **AGENDA ITEM 4**

##### **PRESENTATION FROM WARDLAW APPRAISAL GROUP, LC. (WAG)**

Ms. Kilgore stated that Wardlaw Appraisal Group, LC (WAG) completed the 2021 summer protest season. She further explained that WAG specializes in complex industrial properties in Texas. WAG provides EPCAD a detailed rendition report on the property.

Ms. Peggy Wardlaw, P.E., R.P.A. of Wardlaw Appraisal Group, presented the following details:

- The 2021 certified value is \$3.708 billion. The 2020 certified value was \$3.725 billion; while the 2019 certified value was \$3.666 billion.
- In 2021 Wardlaw personnel performed virtual inspections.
- After Wardlaw received and reviewed the 2020 Property Value Study (PVS), they immediately provided data to EPCAD and contacted the Comptroller's office to resolve the error. The error was resolved, and the category of properties received a corrected ratio, bringing El Paso Independent School District (EPISD) to the confidence level.
- El Paso Electric signed a settlement and waiver on a value of \$663 million. El Paso Electric agreed to a 14% increase in value on distribution accounts.

- Western Refining [Marathon] agreed informally to a value of over \$437 million. Mr. Miller asked why Western Refining is still referred to as Western Refining. Ms. Wardlaw explained that Marathon purchased Western Refining three years ago, and requested to be referred as Western. The tax rolls have it listed as Western.
- Ms. Wardlaw stated that the working relationship with EPCAD staff had been cooperative and smooth. She further pointed-out that throughout their work, they focus on three primary goals: accuracy, uniformity, and efficiency.

Mr. Mena asked how long does it take to do an appraisal?

Ms. Wardlaw responded that it takes 80 to 90 labor hours.

Ms. Kilgore added that it is more than that because she meets with Ms. Wardlaw before properties are visited.

With no further questions from the board, this concluded Ms. Wardlaw's presentation.

## **ACTION AGENDA ITEM 5 –**

### **DISCUSSION AND POSSIBLE ACTION REGARDING WARDLAW APPRAISAL GROUP, LC CONTRACT**

Ms. Kilgore stated Wardlaw Appraisal Group, LC (WAG) has made a great connection with utility and industrial property representatives. WAG includes EPCAD in their field work, decisions, and to obtain detailed information.

Mr. Miller inquired if the new contract needs to be procured first.

Ms. Kilgore responded that WAG provides a professional service and does not need to go through the procurement process. EPCAD staff can draft a new contract with the same stipulations other than the terms.

Ms. Hegeman added that the board can approve the issuance of a new contract conditioned on a satisfactory explanation how it falls into the exception to the procurement provisions.

Mr. Miller requested that the wording in the new contract with WAG be clarified.

Ms. York asked if the payment would be like the previous contract payment.

Ms. Kilgore replied that EPCAD staff requests WAG's new contract be three years with a two-year option to renew at the end of the contract with board approval. The contract would take effect October 1, 2021, with payments of \$405,000 for the first year, \$410,000 for the second year, and \$415,000 for the third year.

Mr. Miller asked why the pay increase.

Ms. Kilgore replied that there are additional properties WAG will be responsible for evaluating.

Ms. York made a motion for a new contract with WAG for three years with a two-year option to renew at the end of the contract with board approval. The contract will take effect October 1, 2021, with payments of \$405,000 for the first year, \$410,000 for the second year, and \$415,000 for the third year; Mr. Mena seconded; the vote was called and approved.

Mr. Stout asked for clarification on the option to renew.  
Ms. Kilgore responded that the board could renew for only one year or for two years or none. The language will be included in the contract.

## **ACTION AGENDA ITEM 6**

### **DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION TO ENCUMBER FUNDS FOR LITIGATION RESERVE**

Ms. Kilgore stated that EPCAD encumbers litigation funds in addition to the budget line item. Last year, the litigation reserve item was not increased. As of July 31, 2021, the litigation reserve balance is \$180,565.64. If the litigation reserve funds are not used, the board may direct EPCAD to return them to the entities. EPCAD would like to have a million dollars in the litigation reserve account. The prior boards have previously approved \$600,000. Usually, EPCAD returns a million back to the taxing entities as a credit against the entity's quarterly payment.

EPCAD staff requests to encumber \$600,000 for the litigation reserve account for the 2021/2022 budget year.

Mr. Miller asked if the entities would have a problem if they do not receive their portion of the return.

Mr. Khlayel-Avalos stated that El Paso Independent School District would have a problem.

Mr. Miller recommended adding \$100,000 to the \$600,000 requested due to inflation.

Mr. Stout restated that staff has previously asked prior board members for \$600,000. The litigation reserve account has \$200,000; therefore, making the total litigation reserve account balance \$800,000.

Ms. Kilgore added that EPCAD has a contingency budget line item for unaccounted emergencies.

Mr. Khlayel-Avalos asked what the long-term ramifications would be if the request is not approved.

Ms. Kilgore replied that EPCAD would not be able to take any cases to litigation.

Mr. Mena asked where the litigation reserve funds were located.

Ms. Kilgore replied that the funds are with the general funds, but reserved only for the litigation reserve account.

Mr. Mena asked if cases are being heard by the courts.

Ms. Kilgore responded that the judges are not hearing litigation cases. EPCAD is resolving some cases through mediation. Mediation costs EPCAD \$2,000 a day.

Ms. Hegeman added that during mediation, the mediator hears eight to twelve cases a day.

Ms. York asked if \$900,000 would be enough.

Ms. Kilgore responded that the line item under legal services is \$641,000, plus the \$700,000 in the litigation reserve would make it very healthy.

Mr. Mena made a motion to encumber \$750,000 for the Litigation Reserve;

Ms. York seconded; Ms. Kilgore asked to clarify if the \$750,000 is in addition to the current litigation reserve balance of \$180,565. Mr. Stout commented that he believes that they (board members) should increase the amount. The vote was called and unanimously opposed.

Mr. Mena made a motion to encumber \$900,000 in addition to the current litigation reserve balance of \$180,565; Mr. Khlayel-Avalos seconded; the vote was called and the motion was approved.

Mr. Khlayel-Avalos left the meeting at 5:57 p.m.

## **AGENDA ITEM 7**

### **EPCAD COMMUNITY OUTREACH PRESENTATION**

Mr. Robert Garcia, EPCAD Project Coordinator/ HR Assistant, presented a power point presentation on EPCAD's back-to-school supply drive. All EPCAD staff participated to collect 350 backpacks, plus several boxes of other school supplies. One hundred and fifty backpacks went to Josefa L. Sambrano Elementary School and 150 backpacks went to Tornillo Independent School District. EPCAD employee representatives delivered them.

Ms. Kilgore added that she requested to be anonymous. However, Tornillo Independent School District and Sambrano Elementary School wanted to recognize EPCAD and staff.

Mr. Mena stated that EPCAD staff should invite board members to attend future events. Ms. Kilgore agreed that EPCAD staff will include them for future events.

With no questions from the Board, this concluded Mr. Garcia's report.

## **AGENDA ITEM 8**

### **TAXPAYER LIAISON REPORT**

Ms. Tracy Carter, Taxpayer Liaison Officer (TLO), informed the Board:

- Nineteen ARB positions need to be filled.
- The ARB *Applicants Sought* ad was published on August 22, September 5, and will also be published on September 26, 2021. The deadline for the applications to be accepted will be October 19, 2021.
- Judge Linda Chew will start the interview process on November 1, 2021.
- Ms. Carter has been working with the taxing entities in updating the Truth-in-Taxation website.

Ms. Carter provided the Board with a packet containing ARB complaints and follow-up reports.

With no questions from the Board, this concluded Ms. Carter's report.

## **AGENDA ITEM 9**

### **CHIEF APPRAISER REPORT – DINAH L. KILGORE**

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

- EPCAD passed the Comptroller's Property Tax Assistance Division (PTAD) Methods and Assistance Program (MAP) review with a preliminary total of 100%.
- Ms. Kilgore congratulated Mr. James Thompson, Director of Appraisal Services, and Mr. Bill Gonzalez, Statistical Coordinator, and his statistical department staff, for providing PTAD the information needed to pass the MAP review.
- EPCAD Human Resource Department has coordinated to have the Army National Guard provide Covid-19 vaccines to the public in the front parking lot, September 22, 2021.
- EPCAD will host a wellness fair for employees, October 12, 2021

Ms. Kilgore informed the board that Mr. Miller had her evaluation packet to handout.

Mr. Miller handed out the Chief Appraiser Evaluation packets to board members.

With no questions from the Board, this concluded Ms. Kilgore's report.

**AGENDA ITEM 10**

**EXECUTIVE SESSION UNDER THE AUTHORITY OF TEX GOV'T. CODE § 551.071  
& 551.074 – DISCUSSION OF LEGAL MATTERS WITH ATTORNEY**

No discussion or action on this item.

**ACTION AGENDA ITEM 11**

**DISCUSSION AND POSSIBLE ACTION REGARDING PREVIOUS ITEM**

No discussion or action on this item.

With no further discussion, the meeting adjourned at 6:26 p.m.



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

ATTEST:



Eduardo Mena, Secretary  
El Paso Central Appraisal District  
Board of Directors

Date Approved: 10/21/2021



EL PASO CENTRAL APPRAISAL DISTRICT



# **BALANCE SHEET** **July 31, 2021**

## **Assets**

Cash in Bank	3,760,189.48	
Investments	2,476,162.68	
Petty Cash	150.00	
Total Cash		6,236,502.16
Prepaid Expenses	42,863.53	42,863.53

## **Total Current Assets** **6,279,365.69**

Building	2,354,796.59	
Building Accum Deprec	(907,317.88)	1,447,478.71
Building Refit	637,114.19	
Bldg Refit Accum Deprec	(637,112.19)	2.00
Furniture & Equipment	687,813.53	
Furn & Equip Accum Deprec	(640,615.22)	47,198.31
Computer Equipment	744,056.79	
Computer Equip Accum Deprec	(706,620.22)	37,436.57
Vehicles	535,812.53	
Vehicles Accum Deprec	(185,769.48)	350,043.05
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	(1,009,473.14)	779,471.97
Building Equipment	280,835.35	
Build Equip Accum Deprec	(166,304.38)	114,530.97

## **Total Fixed Assets** **2,776,165.58**

Deferred Outflow Res-Pension 1,219,843.77

## **Total Assets** **10,275,375.04**

## **Liabilities and Fund Balance**

Accounts Payable	150,498.47
Accrued Expenses	19,880.96
Accrued Payroll Payable	793,662.81
TCDRS Payable	159,023.41
Dep. Personal Life Ins & Cobra	238.77
Cafeteria 125	(49.96)

## **Total Current Liabilities** **1,123,254.46**

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

## **TOTAL LIABILITIES** **3,686,234.83**

Reserved Encumbrance 180,565.64  
Fund Balance 6,408,574.57

## **TOTAL LIABILITIES AND FUND BALANCE** **10,275,375.04**

**EL PASO CENTRAL APPRAISAL DIST**  
**REPORT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**For Month Ending July 31, 2021**

	July	YTD	YTD Budget	Variance
<b>Revenues</b>				
Revenues from Taxing Entities	1,009,091.56	16,032,786.53	16,032,786.53	0.00
Interest Income	44.76	1,603.99	1,500.00	103.99
Miscellaneous Income	464.14	2,430.97	2,000.00	430.97
Rendition Penalty Income	6,193.63	85,387.92	84,000.00	1,387.92
<b>Total Revenue</b>	<b>1,016,794.09</b>	<b>16,122,209.41</b>	<b>16,120,286.53</b>	<b>1,922.88</b>
<b>EXPENDITURES</b>				
Wages and Salaries	663,695.70	6,462,054.01	6,476,520.58	14,466.57
Payroll Related Expenses	193,620.27	1,683,275.56	1,758,624.57	75,349.01
Payroll tax-mandatory	112,000.77	757,217.87	794,522.23	37,304.36
Computer Expense	712.49	9,859.53	10,000.00	140.47
Software, Support, Licensing	2,375.92	689,033.28	842,766.37	153,733.09
Vehicles - Insurance	0.00	12,522.44	14,000.00	1,477.56
Vehicles - Gas/Oil/Maintenance	1,201.58	21,170.84	26,000.00	4,829.16
Building - Utilities	16,168.78	129,442.17	141,750.00	12,307.83
Building - Maintenance	7,859.24	100,199.67	105,558.39	5,358.72
Building - Janitorial	624.77	15,794.91	7,140.00	(8,654.91)
Assets - Furniture	0.00	943.23	950.00	6.77
Assets - Computer Equipment	0.00	23,893.31	32,550.00	8,656.69
F/E - Lease	20,475.73	188,038.60	203,773.23	15,734.63
F/E - Maintenance	5,093.81	72,494.81	85,000.00	12,505.19
Small Furn & Equip	2,478.90	16,783.33	28,000.00	11,216.67
Paper, supplies, etc	4,972.01	45,115.36	52,032.08	6,916.72
Printing	142.00	17,434.44	25,461.81	8,027.37
Advertising Req. by Law	694.36	12,118.62	18,100.00	5,981.38
Advertising Other	0.00	21,387.04	25,109.75	3,722.71
Postage/Mailing	13,637.82	320,335.62	176,566.50	(143,769.12)
Education, dues	13,622.43	74,644.07	99,185.33	24,541.26
Bonding/General Insurance	71.00	25,764.78	27,531.00	1,766.22
Audit & Consultation	0.00	16,186.00	19,974.17	3,788.17
Chief Appraiser-Education,dues	929.54	4,606.17	8,500.00	3,893.83
BOD - Education	0.00	1,125.00	3,666.67	2,541.67
Books, Publications, Subscrip	199.00	13,433.74	16,700.00	3,266.26
Legal Fees	81,750.81	749,261.25	500,000.00	(249,261.25)
Arbitration	2,700.00	10,750.00	19,354.17	8,604.17
Appraisal Review Board	92,600.00	310,257.08	335,200.00	24,942.92
Taxpayer Liaison Officer-Expen	668.38	2,729.18	4,500.00	1,770.82
Professional Services	39,675.67	819,423.27	875,000.00	55,576.73
Supplemental Help/Temps	9,246.84	59,724.52	51,200.00	(8,524.52)
Interest Expense	0.00	0.00	0.00	0.00
Contingency Fund	0.00	0.00	0.00	0.00
Encumbured Fund - Litigation	(81,750.81)	(249,261.25)	0.00	249,261.25
<b>Total Expenditures</b>	<b>1,205,467.01</b>	<b>12,437,768.45</b>	<b>12,785,236.85</b>	
<b>Excess Revenue over Expenditures</b>		<b><u>3,684,450.96</u></b>		

El Paso Central Appraisal District

INVESTMENT REPORT

July 31, 2021

Institution	Type	Issue Date	Maturity Date	Amount	Interest Rate	Interest Earned	Accrued
Wells Fargo	WF Gov MMF Sel		none	1,756,511.94	0.030%	36.34	
Wells Fargo	JP Morgan US Gov		none	169,625.92	0.030%	3.62	
W/F Advisors	WF Gov MMF Inst.		none	275,012.41	0.01%	2.40	
W/F Advisors	WF Treasury Plus M MKT		none	275,012.41	0.01%	2.40	
				<u>2,476,162.68</u>		<u>44.76</u>	<u>0.00</u>

Executive Director/Chief Appraiser

Chief Financial Officer

*Quincy T. Kegan*  
*Rosa Goldmann*

NOTE TO JULY, 2021 FINANCIAL REPORT

Over Budget:

Building - Janitorial - \$8,654.91  
 Postage/Mailing - \$143,769.12

Supplemental Help - \$8,524.52

Due to additional supplies to disinfect & sanitize - Covid-19  
 Current fiscal year is reappraisal year & sent notice of appraised value to everybody. Increase in protest caused higher volume of appraisal review board appointments letters, which are certified mailed.  
 Additional help keeping areas clean & sanitized during protest season and to cover staff who retired or voluntary left.

Encumbered Funds:

- Litigation Reserve

	429,826.89
May	(52,151.26)
June	(115,359.18)
July	(81,750.81)

180,565.64 Bal



## EL PASO CENTRAL APPRAISAL DISTRICT BOARD OF DIRECTORS

### RESOLUTION

#### LITIGATION RESERVE

In accordance with Section 6.06 (j) of the Texas Property Tax Code and Texas Attorney General Opinion GA-1040, the El Paso Central Appraisal District Board of Directors hereby obligates revenue excess from the current fiscal budget year 2020/2021, the amount of Nine Hundred Thousand Dollars (\$900,000), to the fiscal budget year 2021/2022, which begins October 1, 2021. These funds are to be obligated specifically for the following:

- I. Litigation Reserve of Nine Hundred Thousand Dollars (\$900,000) for the El Paso Central Appraisal District, fiscal year 2021/2022.

Funds from the reserve can be used only to satisfy costs related to litigation.

Funds from the reserve can be utilized only upon Board of Directors' Approval. The balance of the reserve will be included in the financial report at Board of Directors' meetings.

If for any reason the above item of obligation is satisfied and/or otherwise terminated, any excess remaining funds will be credited back to the taxing entities in accordance with Section 6.06 (j) of the Texas Property Tax Code.

This resolution was adopted by a majority vote of the El Paso Central Appraisal District Board of Directors on September 16, 2021.

  
Walter L. Miller  
Chairman, Board of Directors

  
Eduardo Mena  
Secretary, Board of Directors