



Minutes from September 21, 2017

The El Paso Central Appraisal District Board of Directors held its regular meeting on Thursday, September 21, 2017, at 5:05 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 five (5) members present.

1. Jerry Romero
2. Mike Rosales
3. Chuck Taylor
4. Al Velarde
5. Joyce Wilson

6. Gary Gandara joined the meeting at 5:11 p.m.

Ms. Vernique R. Hutchinson of Perdue Brandon Fielder Collins and Mott L. L. P., EPCAD legal counsel, was present via telephone for the entire meeting.

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 - EMPLOYEE RECOGNITION – FELIPE D. GUZMAN – 20 YEARS

Ms. Dinah Kilgore, EPCAD Chief Appraiser, recognized Mr. Felipe D. Guzman for his 20 years of service. Chairman Jerry Romero presented Mr. Guzman with a certificate followed by congratulations from Board members and those in attendance.

Mr. Romero introduced Mr. Chuck Taylor, the newly appointed Board member from El Paso Independent School District.

AGENDA ITEM 2 – PUBLIC COMMENT

Ms. Kilgore stated that no one had signed up to make public comment.

ACTION AGENDA ITEM 3 - APPROVAL & SIGNING OF MINUTES FROM AUGUST 17, 2017 MEETING

Ms. Wilson made a motion to approve the August 17, 2017 Minutes as presented; Mr. Velarde seconded; the vote was called and approved.

ACTION AGENDA ITEM 4 - REVIEW & APPROVAL OF FINANCIAL REPORT – JULY, 2017

Ms. Rosa Goldmann, EPCAD Chief Financial Officer, presented the financial reports for July 2017. 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 EPCAD has \$116,649.19 in the Litigation Reserve and \$21,261.72 in the Strategic Plan Reserve. EPCAD's Supplemental/Temps account is over budget by \$1,291.44 due to retiree vacancies.

Mr. Velarde questioned the negative variances in the Assets and Legal fees line item.

Ms. Goldmann explained that those two accounts have a negative variance to show the current expenses compared to current budget; however, the overage in budget is compensated from funds encumbered in the previous fiscal year for the purpose to be used in current fiscal year. The last two line items of the report list the encumbered funds for the Strategic plan and Litigation reserve with positive amounts and therefore offset the negative variance.

Mr. Rosales made a motion to accept the financial report for July 2017 as presented; Ms. Wilson seconded; the vote was called and approved.

AGENDA ITEM 5 - MONTHLY HEALTH BENEFIT AND DENTAL INSURANCE PLAN REPORT FOR AUGUST, 2017

Ms. Goldmann presented the Health and Dental Insurance Plan Report for August, 2017.

The August activity is as follows:

- Deposits: \$86,854.54
- Other Expenses: \$0.00
- Claims Paid: \$97,794.82
- Balance: \$624,119.07

Ms. Wilson asked if the claims were monthly or cumulative.

Ms. Kilgore responded that the claims were monthly.

Mr. Romero inquired if the activity is better compared to last year.

Ms. Goldmann stated that it is better compared to last year.

Ms. Kilgore informed the Board that a report detailing plan performances will be presented in November.

Mr. Rosales asked if the amounts were normal.

Ms. Kilgore responded that EPCAD is stable.

This concluded Ms. Goldmann's report.

ACTION AGENDA ITEM 6 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION TO ENCUMBER FUNDS FOR LITIGATION RESERVE

Ms. Kilgore stated that the Litigation Reserve was created in 2014. EPCAD has depleted the line item of three hundred thirty thousand (\$330,000) in the current fiscal year budget has and utilized eight hundred thousand dollars (\$800,000) from the Litigation Reserve account. The current balance in the Litigation Reserve is one hundred sixteen thousand, six hundred forty-nine and nineteen cents (\$116,649.19). EPCAD projects eight hundred thousand (\$800,000) will be reimbursed to the entities. The funds will come from this year's surplus in the contingency and operating accounts. In order to encumber funds, EPCAD has to estimate the amount that will be necessary to cover litigation expenses for next fiscal year.

EPCAD requests four hundred thousand (\$400,000) to replenish the Litigation Reserve account.

Ms. Wilson asked if there are any pending accruals that still need to be paid.

Ms. Kilgore responded that there are some pending invoices.

Ms. Wilson requested EPCAD staff to provide the Board current figures and future projections.

Ms. Kilgore acknowledged the request.

Mr. Velarde probed if EPCAD was prepared for the litigation expenses.

Ms. Kilgore responded that the Litigation Reserve has allowed EPCAD to counter claim litigation disputes.

Mr. Romero provided a two-year historical review about the creation of the Litigation Reserve account and stated that Western Refining Company was the first litigation case where EPCAD had to resort to the Litigation Reserve funds.

Mr. Gandara inquired on the current relationship EPCAD has with the new owners of Western Refining.

Ms. Kilgore replied that she anticipates positive meetings, but only time will tell.

Mr. Rosales made a motion to approve the resolution to encumber four hundred thousand dollars (\$400,000) towards the Litigation Reserve; Ms. Wilson seconded; the vote was called and approved

ACTION AGENDA ITEM 7 - DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION TO ENCUMBER FUNDS TOWARDS TCDRS UNFUNDED LIABILITY

Ms. Kilgore stated that the Texas County and District Retirement System (TCDRS) Unfunded Liability currently stands at 77.3%. A healthy TCDRS Unfunded Liability is at 80%. Employees contribute 7% and EPCAD contributes 10.6% towards TCDRS Unfunded Liability.

Ms. Goldmann provided the Board with an Asset and Liability Projection sheet and elaborated on the projections.

EPCAD staff requests to increase the TCDRS Unfunded Liability by contributing a lump sum payment.

Ms. Wilson asked if the funds from the TCDRS Unfunded Liability can be transferred to the Litigation Reserve account.

Ms. Kilgore stated that funds cannot be moved from the health account to the Litigation Reserve account.

Ms. Wilson suggested postponing to next year to encumber funds.

Ms. Kilgore replied that EPCAD will address the item next year.

Mr. Romero requested a breakdown of the actuarial accrued liability versus the actuarial value of assets.

Ms. Wilson proposed adding two hundred thousand dollars (\$200,000) to the budget; an extra percentage from payroll and adding it to the budget to be used toward the Unfunded Liability.

Ms. Kilgore stated that the TCDRS Unfunded Liability will be brought up to the budget committee's attention.

Ms. Wilson asked if EPCAD has capital funds.

Ms. Kilgore stated that EPCAD does not have capital funds.

With no action taken on this item, this concluded the discussion.

AGENDA ITEM 8 - CHIEF APPRAISER REPORT – DINAH KILGORE

Ms. Kilgore, EPCAD Executive Director/Chief Appraiser, informed the Board that advertising for Appraisal Review Board (ARB) members will continue due to the fact that an insufficient number of applications have been received.

Ms. Kilgore informed the Board that EPCAD had collaborated with staff appraiser, Robert Garcia, and numerous organizations to house donations for Hurricane Harvey victims from August 29 thru September 1, 2017. Five trailers and four semi-trailers delivered items to Houston, Texas.

Ms. Kilgore stated that EPCAD is currently offering several courses. Several City of El Paso employees and regional appraisers have been in attendance.

She continued that EPCAD appraisers were busy performing fieldwork.

Ms. Kilgore concluded by informing the Board that the LED lighting retrofit throughout the building has been completed; and the replacement of parking lot lighting fixtures would conclude the project.

With no further business to come before the Board, the meeting adjourned at 5:38 p.m.

The next EPCAD Board of Directors' meeting is scheduled for October 19, 2017 at 5:00 p.m.



Jerry Romero, Chairman
El Paso Central Appraisal District
Board of Directors

ATTEST:



Vincent Perez, Secretary
El Paso Central Appraisal District
Board of Directors



BALANCE SHEET
7/31/2017

Assets

Cash in Bank	687,882.49		
Investments	5,106,513.06		
Petty Cash	150.00		
Total Cash		5,794,545.55	
Accrued Interest Receivable	3,393.50		
Prepaid Expenses	31,934.52	35,328.02	
Total Current Assets			5,829,873.57
Building	2,354,796.59		
Building Accum Deprec	(766,838.32)	1,587,958.27	
Building Refit	637,114.19		
Bldg Refit Accum Deprec	(637,112.19)	2.00	
Furniture & Equipment	664,245.98		
Furn & Equip Accum Deprec	(532,071.54)	132,174.44	
Computer Equipment	886,890.57		
Computer Equip Accum Deprec	(756,648.89)	130,241.68	
Vehicles	341,204.28		
Vehicles Accum Deprec	(254,866.00)	86,338.28	
CAMA System	1,378,742.00		
CAMA Sys Accum Deprec	(1,378,738.00)	4.00	
Building Improvements	1,534,661.06		
Building Improv Accum Deprec	(683,795.20)	850,865.86	
Building Equipment	154,057.32		
Build Equip Accum Deprec	(104,622.00)	49,435.32	
Total Fixed Assets			2,837,019.85
Deferred Outflow Res-Pension			1,068,987.68
Total Assets			9,735,881.10

Liabilities and Fund Balance

Accounts Payable	132,699.04		
Accrued Expenses	111,732.65		
Accrued Payroll Payable	784,976.52		
Payroll Taxes Payable	34,746.51		
TCDRS Payable	92,052.73		
Dep. Personal Life Ins & Cobra	(135.24)		
Total Current Liabilities		1,156,072.21	
TCDRS Net Pension Liability		1,052,344.00	
Deferred Inflow-Res-Pension		869,019.00	
TCDRS Expense-Allowance		240,373.28	
TOTAL LIABILITIES			3,317,808.49
Reserved Encumbrance			137,910.91
Fund Balance			6,280,161.70
TOTAL LIABILITIES AND FUND BALANCE			9,735,881.10

EL PASO CENTRAL APPRAISAL DIST
 REPORT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE
 For Month Ending 7/31/2017

	July	YTD	YTD Budget	Variance
Revenues				
Revenues from Taxing Entities	19,712.55	14,279,288.80	14,279,288.80	0.00
Interest Income	4,621.45	25,644.55	15,000.00	10,644.55
Miscellaneous Income	639.77	5,414.29	4,200.00	1,214.29
Rendition Penalty Income	1,186.13	61,701.81	26,500.00	35,201.81
Total Revenue	26,159.90	14,372,049.45	14,324,988.80	17,988,368.30
EXPENDITURES				
Wages and Salaries	556,388.34	5,865,925.35	5,954,466.73	88,541.38
Payroll Related Expenses	139,985.97	1,440,542.92	1,526,481.96	85,939.04
Payroll tax-mandatory	63,128.40	659,938.59	713,456.41	53,517.82
Computer Expense	0.00	905.77	3,425.00	2,519.23
Software, Support, Licensing	51,331.73	518,765.04	538,765.04	20,000.00
Vehicles - Insurance	0.00	8,976.22	8,300.00	(676.22)
Vehicles - Gas/Oil/Maintenance	18,004.66	48,884.93	48,884.93	0.00
Building - Utilities	19,029.12	146,042.97	201,782.00	55,739.03
Building - Maintenance	9,361.89	81,929.49	97,458.00	15,528.51
Building - Janitorial	128.30	4,090.73	5,535.00	1,444.27
Assets	0.00	206,667.28	27,929.00	(178,738.28)
F/E - Lease	12,152.57	122,668.96	122,673.76	4.80
F/E - Maintenance	5,678.48	122,488.35	158,811.99	36,323.64
Small Furn & Equip	1,542.20	27,974.62	27,983.38	8.76
Paper, supplies, etc	4,857.76	43,551.27	65,200.00	21,648.73
Printing	329.00	10,437.60	24,851.60	14,414.00
Advertising	410.29	34,823.30	44,211.91	9,388.61
Postage/Mailing	12,298.28	69,525.90	127,010.00	57,484.10
Education, dues	4,548.96	94,736.15	105,187.53	10,451.38
Bonding/General Insurance	0.00	17,150.58	18,551.36	1,400.78
Audit & Consultation	0.00	15,600.00	22,400.00	6,800.00
Chief Appraiser-Education, dues	645.87	11,319.52	11,673.65	354.13
BOD - Education	0.00	2,371.16	4,351.16	1,980.00
Books, Publications, Subscrip'tn	125.77	5,144.84	12,715.00	7,570.16
Legal Fees	40,654.18	1,013,350.81	330,000.00	(683,350.81)
Arbitration	0.00	1,300.00	18,450.00	17,150.00
Appraisal Review Board	71,300.00	214,375.00	250,050.00	35,675.00
Taxpayer Liaison Officer-Expen	4,000.00	29,573.93	34,537.97	4,964.04
Professional Services	96,504.24	899,677.85	947,193.02	47,515.37
Supplemental Help/Temps	2,725.80	27,645.04	26,353.60	(1,291.44)
Interest Expense	0.00	0.00	0.00	0.00
Contingency Fund	0.00	120,000.00	120,000.00	0.00
Encumbered Fund - Strategic	0.00	(178,738.28)	0.00	178,738.28
Encumbered Fund - Legal	(40,654.18)	(683,350.81)	0.00	683,350.81
Total Expenditures	1,074,477.63	11,004,294.88	11,598,690.00	
Excess Revenue over Expenditures		<u>3,367,754.57</u>		

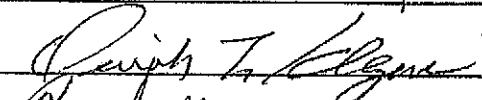
El Paso Central Appraisal District

INVESTMENT REPORT

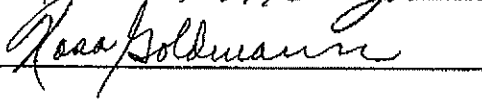
JULY 31, 2017

Institution	Type	Issue Date	Maturity Date	Amount	Interest Rate	Interest	
						Earned	Accrued
Wells Fargo	WF Gov MMF Sel		none	348,083.39	0.880%	964.61	
Wells Fargo	JP Morgan US Gov		none	162,076.75	0.870%	119.44	
Wells Fargo	FHDN	7/8/2017	8/8/2017	1,498,625.00	1.000%		1,040.75
Wells Fargo	FHDN	7/8/2017	9/1/2017	1,397,727.92	1.025%		995.00
Compass	CD	7/6/2017	10/4/2017	1,700,000.00	1.150%		1,357.75
				5,106,513.06		1,084.05	3,393.50

Executive Director/Chief Appraiser



Chief Financial Officer



NOTE TO JULY, 2017 FINANCIAL REPORT

Over budget: Supplemental/Temps: \$1,291.44 over this month due to retiree vacancies.

Contingency: \$120,000.00 was approved at BOD meeting October 20, 2016 for LexisNexus expense in Professional Services.

Encumbered Funds:

-	Litigation Reserve		800,000.00	
		Dec, 2016	(50,286.45)	
		Jan, 2017	(129,700.67)	
		Feb, 2017	(143,689.66)	
		Mar, 2017	(65,983.45)	
		April, 2017	(67,000.59)	
		May, 2017	(140,574.24)	
		June, 2017	(45,461.57)	
		July, 2017	(40,654.18)	116,649.19 Bal
-	Strategic Plan Reserve		200,000.00	
	vehicles	June, 2017	(68,738.28)	
	lighting	June, 2017	(110,000.00)	21,261.72 Bal

Health and Dental Insurance Plan

Texas Municipal League (TML)

	Deposits	Assured Benefits		Other		Balance
		Administrators		Expenses	Claims Paid	
2016 September	100,000.00			89.80	0.00	99,910.20
October	83,699.07			0.00	0.00	183,609.27
November	85,656.60			0.00	0.00	269,265.87
December	86,073.42			0.00	26,391.06	328,948.23
2017 January	85,955.98			0.00	94,573.41	320,330.80
February	86,475.53	239,306.10	Reserve	0.00	74,984.62	571,127.81
March	86,420.57	5,631.11	Stop-Loss	0.00	89,195.22	573,984.27
April	86,267.53			0.00	65,982.47	594,269.33
May	86,834.98			0.00	83,564.76	597,539.55
June	82,558.16			0.00	54,210.10	625,887.61
July	86,589.82			0.00	77,418.08	635,059.35
August	86,854.54			0.00	97,794.82	624,119.07