



Minutes from November 21, 2019

The El Paso Central Appraisal District Board of Directors held its regular meeting on Thursday, November 21, 2019, at 5:07 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 eight (8) members present.

1. Freddy Khlayel-Avalos
2. Ronald Lowenfield
3. Kathryn Lucero
4. Eduardo Mena
5. Vincent Perez
6. Laure Searls
7. Chuck Taylor
8. Samuel Trimble
  
9. Paul Garcia arrived at 5:10 p.m.

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

**ACTION AGENDA ITEM 2 - APPROVAL & SIGNING OF MINUTES FROM OCTOBER 17, 2019**

Mr. Lowenfield made a motion to approve the October 17, 2019 Minutes as presented; Mr. Taylor seconded; the vote was called and approved.

**ACTION AGENDA ITEM 3 - DISCUSSION AND POSSIBLE ACTION OF LONG TERM DISABILITY, ACCIDENTAL DEATH, AND DISMEMBERMENT AND LIFE INSURANCE GROUP PLANS. PRESENTED BY MICHAEL DENNIS, COMPASS BENEFITS**

Mr. Michael Dennis, Compass Benefits Senior Executive, stated that EPCAD's group long-term disability, life, and AD&D insurance renews on January 1, 2020. Unum Insurance Company is increasing its premium by \$4,200 per year. Compass Benefits contacted sixteen benefit insurance companies; seven companies submitted proposals and nine companies declined or did not submit a proposal before the deadline expired.

One America provides the same level of benefits as Unum Insurance Company with about \$4,000 of annual savings and it has a three-year rate guarantee.

Mr. Dennis recommends One America for long-term disability, life and AD&D insurance with a three-year rate guarantee.

Mr. Trimble asked why Unum Insurance Company's rate increased.

Mr. Dennis responded that they increase the premium to recover for the claims they lost for long-term disability and life insurance.

Ms. Lucero asked if EPCAD had to be in the contract for a certain number of years.

Mr. Dennis replied that the average is a two-years rate guaranteed.

Mr. Mena inquired how much employees would have to pay.

Mr. Dennis replied that the District pays for the premiums.

Ms. Kilgore added that One America is an A-rated company, the benefits are the same as what EPCAD has and is a recommended company.

Mr. Perez asked why seven companies dropped out.

Mr. Dennis replied that companies do not have to give a proposal or quote.

Ms. Searls asked if the EPCAD insurance committee agreed with the recommendation.

Ms. Kilgore replied yes.

Mr. Perez motioned to approve EPCAD's long-term disability, life, and AD&D insurance group plans; Mr. Mena seconded; the vote was called and approved.

#### **ACTION AGENDA ITEM 4 - DISCUSSION AND POSSIBLE ACTION REGARDING CHIEF APPRAISER CONTRACT**

Ms. Kilgore reminded the Board that her three-year contract expires on December 31, 2019. The board did the chief appraiser evaluation in February 2019. One stipulation was that the chief appraiser would not request a pay raise increase.

Ms. Kilgore requests a three-year contract renewal, ten-thousand car allowance, and five-thousand expense account.

Mr. Lowenfiled said he would consider a one-year contract term.

Ms. Searls said that contracts are usually for more than one-year because at the administrative level they want continuity and stability.

Ms. Kilgore added that previous boards have agreed for a three-year term for continuity for the staff and deadlines.

Ms. Kilgore suggested serving a two-year term with a one-year extension.

Ms. Searls suggested that the new board members trust the veteran board members.

Mr. Khlayel-Avalos stated that he is comfortable deciding. He asked if there are any implications if the board postpones the decision.

Ms. Hegeman replied that Ms. Kilgore would need an extension to review the renewal of her contract.

Mr. Khlayel-Avalos suggested a 90-day extension.

Mr. Perez stated that he opposes the contract in its current form because of the three-year term, but is comfortable with a two-year contract with a one-year extension.

Ms. Lucero said that she is comfortable with a two-year contract with a one-year extension. She asked if board members had concerns.

Mr. Lowenfield commented that from the City's perspective the commercial property appraisals are too low and the timeliness communication between EPCAD and the City.

Ms. Searls said that as a representative of four entities, EPCAD informed the entities all along the way of the changes.

Ms. Kilgore added that she visits with all the entities' financial personnel. For the future, she plans to have better communication with the entities, have more entity meetings, and provide the entities additional reports. There was no loss in value. The method used was different.

Mr. Trimble also stated that from the City's perspective the issue is EPCAD's lack of communication.

Mr. Taylor said he would extend Ms. Kilgore's contract because he has a year experience as a board member; whereas the new board members should not vote on the contract. He added that the contract wording should be more detailed so that all participants understand it.

Mr. Garcia said he is not comfortable voting on the contract.

Ms. Kilgore said that the February 2019 board did the evaluation. The board told her to wait until the end of the year.

Ms. Searls added that it was board approved, the board asked to, and gave direction to address Ms. Kilgore's contract at the end of the year.

Ms. Kilgore said that with a 90-day extension it allows the board members to postpone the item.

Mr. Khlayel-Avalos confirmed that in January the board would consider the same contract except with a ten-thousand car allowance and five-thousand expense account.

Mr. Trimble said that the board could vote on the contract during the January meeting following the board of directors training.

Ms. Kilgore said that she has no problem with the 90-day extension, as long as EPCAD is protected as there are things the chief appraiser has to sign.

Mr. Perez stated that the dates on the contract need amending.

Mr. Klayel-Avalos made a motion to extend the Chief Appraiser contract until March 31, 2020; Mr. Garcia seconded; the vote was called and approved.

## **AGENDA ITEM 5 - TAXPAYER LIAISON REPORT**

Ms. Tracy Carter, Taxpayer Liaison Officer (TLO), reported that the Local Administrative Judge Linda Chew appointed twenty Appraisal Review Board (ARB) members; ten ARB members were reappointed and ten ARB members are new members. Ms. Chew reappointed Mr. Michael Briggs as ARB Chairman and Mr. Fred Munoz as ARB Secretary. Ms. Sylvia Calderon as ARB Chairwoman and Mr. Phillip Gonzalez as ARB Secretary.

On November 12, 2019, the ARB members met with Roy Armstrong, the ARB's Attorney, to explain new legislative updates.

Ms. Carter stated that the State Comptroller's Property Tax Assistance Division requires the Taxpayer Liaison Officer to provide them with property owner comments and suggestions. The results from the survey will be available at the end of January 2020.

Mr. Perez asked if the local administrative judge interviewed all applicants. Ms. Carter responded that yes. Judge Chew interviewed 32 applicants.

Ms. Kilgore informed the board that the local administrative judge selects the ARB board members, appoints the ARB Chairperson and ARB Secretary. The ARB provides training for the members and is represented by its own attorney. Nevertheless, it is included in EPCAD's annual budget. The Chief Appraiser may not look at ARB applicant resumes or make any comments about ARB members.

Mr. Perez explained that the Council of Judges elects the local administrative judge.

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

## **AGENDA ITEM 6 - REPORTS ON SETTLED LAWSUITS**

Ms. Kilgore stated that owners are offered an informal, face-to-face hearing with an EPCAD appraiser where they can bring their evidence to make adjustments before having a formal hearing with an ARB panel. EPCAD uses a process known as mass appraisal. Historically, business owners bypass the informal hearings and go straight through to the ARB process. The Property Tax Code does not require property owners to bring evidence to their ARB appointment. Once a property owner files a lawsuit, they are required to bring evidence to their hearing. The ARB panel makes adjustments based on the property owner's data.

Mr. Albert Molina, EPCAD Director of Litigation & Appeals, explained that during October 2019, \$ 4,380 was spent on attorney fees. There were four lawsuits involving twenty-nine properties.

Mr. Molina reviewed items shown on a spreadsheet provided to board members.

Ms. Kilgore said that school districts can file with the Texas Controllars office for lost revenue.

Mr. David Stone, Assistant Chief Appraiser, further explained that most of the school districts in El Paso County contract with Linebarger, Goggan, Blair & Sampson law firm to take care of their appeals for state funding. Every year in September, EPCAD will report the school districts' values to the Texas Comptroller's office. In years that EPCAD has a Property Value Study (PVS), the Comptroller will evaluate EPCAD. Then in March, the school districts appeal the values if the Texas Comptroller makes any adverse decisions against the school district. The funds school districts receive from the state are based on how much property value tax the school is receiving per student. All school districts in El Paso County are low property value districts. The lower the property tax per student, the more the state needs to help the school district to bring it to where it needs to be. Linebarger, Goggan, Blair & Sampson will file an appeal based on EPCAD's data in March. Then, the following October, the school districts perform an audit. The only thing outstanding is the lawsuits. School districts may file one more audit at a future date. Afterward, Linebarger, Goggan, Blair & Sampson will file another audit. The process usually takes a couple of years to complete.

Ms. Kilgore added that the El Paso Independent School District files its appeals. Lawsuits, homestead exemption, over 65-year exemptions, veterans' exemptions can lower the certified value.

Mr. Khlayel-Avalos inquired about the pending board of directors member appointment/reappointment.

Ms. Kilgore explained that EPCAD follows the ¾ rule on selecting board members. Ms. Searls represents the Upper Valley entities: Town of Vinton, Anthony Independent School District, Canutillo Independent School District, and Town of Anthony. Mr. Trimble and Mr. Lowenfield represent the City of El Paso. Mr. Perez represents El Paso County. Ms. Lucero represents Ysleta Independent School District. Mr. Mena and Mr. Garcia represent the Lower Valley entities: Tornillo Independent School District, San Elizario Independent School District, Town of San Elizario, Clint Independent School District, Town of Clint, El Paso Community College, Fabens Independent School District, Town of Horizon City, Socorro Independent School District, and Town of Socorro.

## **ITEM 7 - CHIEF APPRAISER REPORT**

Ms. Kilgore, EPCAD Executive Director/Chief Appraiser, reminded the board of the following:

1. There will not be a meeting in December 2019 and July 2020;
2. The next meeting will be January 16, 2020;
3. The EPCAD Board of Directors training will be January 16, 2020, with Mr. Joe Longoria of Perdue Brandon Fielder Collins and Mott L. L. P., EPCAD legal counsel; and
4. Board members should only respond to emails individually to prevent a quorum.

She further informed the board:

- EPCAD appraisers are conducting fieldwork.
- EPCAD is offering several courses instructed by EPCAD staff who are state approved instructors Four individuals from Brewster County attended the Uniform Standards of Professional Appraisal Practice Update class (USPAP).
- The City Tax Office will have a mobile kiosk in the EPCAD parking lot to accept property tax payments. Ms. Carter, TLO, will be available to guide taxpayers who need assistance to access their property account information on public-use computers in the EPCAD Deeds and Exemptions Department.
- The International Association of Assessing Officers (IAAO) elected Ms. Kilgore to serve on their Board; the three-year term starts January 2020.
- The financial audit is ongoing.

Mr. Trimble asked for an update on the Dealer Motor Vehicle Inventory (VIT) penalty fees collected by the County Tax Office.

Ms. Kilgore replied that EPCAD is receiving a monthly check and staff will provide the Board with an update later. EPCAD and the County Tax Office have a contract that EPCAD will receive a percentage of whatever they collect from car dealers who are not paying their monthly payment to the County. The revenue goes to a general funds account.

**AGENDA ITEM 8 - EXECUTIVE SESSION UNDER THE AUTHORITY OF TEXAS GOV'T. CODE § 551.071 & 551.074 TO DISCUSS LEGAL AND PERSONNEL MATTERS**

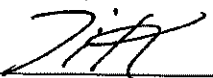
There being no further business to come before the Board; the meeting adjourned at 6:35 p.m. The next EPCAD Board of Directors' meeting is scheduled for Thursday, January 16, 2020, at 5:00 p.m.

**AGENDA ITEM 9 - DISCUSSION AND POSSIBLE ACTION REGARDING THE PREVIOUS ITEM**

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

ATTEST:

  
Freddy Khlayel-Avalos, Vice-Chair  
El Paso Central Appraisal District  
Board of Directors  
Date Approved: January 16, 2020

## **DESIGNATION OF VOTING DELEGATE**

**Texas Association of Appraisal Districts  
Thirty-ninth Annual Conference  
Delegate Assembly and Business Meeting**

The El Paso Central Appraisal District Appraisal District designates the following delegate and alternate delegate for the Delegate Assembly and Business Meeting on Tuesday, February 25, 2020.

**Voting Delegate:** Sam Trimble

**Alternate Voting Delegate:** Walter L. Miller

***Please return form to TAAD by February 11, 2019***

Fax Number: (512) 452-0427  
Or, scan and email to [kkemp@taad.org](mailto:kkemp@taad.org)