

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
HIDALGO COUNTY APPRAISAL DISTRICT
4405 South Professional Drive
Edinburg, Texas



May 10, 2023

BOARD MEMBERS PRESENT: Joe D Olivarez, Vice-Chairman
Amador Requenez, Secretary
Eddy Betancourt, Member
Pablo "Paul" Villarreal, Jr., Member
Richard A. Garza, Member

BOARD MEMBERS PRESENT (VIA WEBEX):

BOARD MEMBERS ABSENT: Albert D. Cardenas, Chairman

OTHERS PRESENT: Rolando Garza, RPA, Chief Appraiser
Patricia Garza, Executive Secretary
Lydia Elizondo, Finance/Personnel Director
Richard S. Talbert, HCAD Legal Counsel

NOTICE had been posted that on the 12th day of May 2021, the Hidalgo County Appraisal District Board of Directors would hold a Budget Workshop for 2021 at 3:00 p.m. immediately followed by a Regular Board of Directors meeting at 4405 S. Professional Drive, Edinburg, Texas, to consider the below items:

ITEM 1. DECLARATION OF QUORUM AND CALL TO ORDER – Mr. Joe D Olivarez, Vice-Chairman of the Board, determined a quorum was present and called the meeting to order at 2:07 p.m.

ITEM 2. PLEDGE OF ALLEGIANCE – Mr. Joe D Olivarez, Vice-Chairman of the Board, lead the Board in the Pledge of Allegiance.

Budget Workshop

ITEM 3. 2024 BUDGET WORKSHOP -

a. Open Budget Workshop - Mr. Rolando Garza, Chief Appraiser, presented the Proposed 2024 Budget to the Board and briefly reviewed the increases or decreases with the Board as follows:

2024 PROPOSED BUDGET

ITEM DESCRIPTION:	2022 EXPENDITURES	2023 BUDGET	2024 PROPOSED BUDGET	PERCENTAGE FROM 2023 TO 2024
Payroll (1.00)				
1.01 Salaries	\$ 5,169,485.37	\$5,659,048.00	\$5,976,427.00	5.8%
1.02 Overtime	\$ 107,884.43	\$ 55,000.00	\$ 80,000.00	45.5%
1.03 Medicare	\$ 68,336.23	\$ 84,000.00	\$ 88,500.00	5.4%
<i>1.45% of gross wages per emp. hired after Mar 1986</i>				
1.04 Unemployment Insurance	\$ 1,525.51	\$ 25,000.00	\$ 25,000.00	0.0%
<i>\$9,000. Reportable per employee</i>				
1.05 Worker's Compensation	\$ 7,902.00	\$ 15,000.00	\$ 15,000.00	0.0%
<i>\$32 per \$100 of annual salary for appraisers</i>				
<i>\$16 per \$100 of annual salary for Administrative Personnel</i>				
<i>and Clerical Personnel \$3.20 per \$100 of annual salary for Custodians</i>				
1.06 Temporary/Part Time Employees	\$ 33,553.80	\$ 32,000.00	\$ 35,000.00	9.4%
Payroll Sub Total:				
	\$ 5,388,687.34	\$5,870,048.00	\$6,219,927.00	
EMPLOYEE BENEFITS (2.00)				
2.01 Retirement (14.25% for 2024)	\$ 748,058.37	\$ 790,000.00	\$ 862,000.00	9.1%
2.02 Health Insurance	\$ 794,863.00	\$ 882,000.00	\$ 910,000.00	3.2%
<i>\$736.00 X 7%</i>				
<i>(788.00 X 96 emp X 12)</i>				
2.03 Life Insurance	\$ 29,947.50	\$ 36,000.00	\$ 36,000.00	0.0%
<i>Life - \$28.00 per emp per mo.</i>				
2.04 Disability Insurance	\$ 34,675.54	\$ 40,000.00	\$ 42,000.00	5.0%
<i>Disability -.68% of Salaries</i>				
Employee Benefits Sub Total				
	\$ 1,607,544.41	\$ 1,748,000.00	\$ 1,850,000.00	
TRAVEL & EDUCATION (3.00)				
3.01 Professional Travel & Education (BOD)	\$ 22,358.10	\$ 22,000.00	\$ 28,000.00	27.3%
3.02 Professional Travel & Education (ARB)	\$ 25,922.27	\$ 25,000.00	\$ 28,000.00	12.0%
3.03 Professional Travel & Education (Staff)	\$ 61,087.32	\$ 50,000.00	\$ 70,000.00	40.0%
<i>Required by law that District provide personnel with educational courses</i>				
3.04 Mileage - (IRS Standard Mileage Rate)(2023 Standard Mileage Rate - \$65)	\$ 3,213.84	\$ 1,500.00	\$ 3,500.00	133.3%
3.05 Car Allowance - \$1,000 mthly-Chief Appraiser; \$450 mthly - Asst. Chief Appraiser and \$500 mthly - Quality Control Specialist	\$ 23,400.00	\$ 23,400.00	\$ 23,400.00	0.0%
3.06 Gasoline Expense	\$ 21,401.47	\$ 25,000.00	\$ 28,000.00	12.0%
Travel & Education Sub total				
	\$ 157,383.00	\$ 146,900.00	\$ 180,900.00	

2024 PROPOSED BUDGET

ITEM DESCRIPTION:	2022 EXPENDITURES	2023 BUDGET	2024 PROPOSED BUDGET	PERCENTAGE FROM 2023 TO 2024
APPRAISAL EXPENSES (4.00)				
4.01 Minerals & Utilities Appraisals	\$ 252,500.00	\$ 255,000.00	\$ 265,000.00	3.9%
4.02 Maps & Mapping Supplies	\$ 2,608.20	\$ 5,000.00	\$ 5,000.00	0.0%
4.03 Appraisal Supplies (<i>Measuring Equipment</i>)	\$ 5,775.55	\$ 3,500.00	\$ 4,000.00	14.3%
4.04 Library and Appraisal Manuals (<i>Subscriptions/Publications/etc</i>)	\$ 37,554.38	\$ 40,000.00	\$ 42,000.00	5.0%
4.05 Professional Membership Fees & Dues (<i>Association Membership/TDLR/etc</i>)	\$ 8,536.13	\$ 12,000.00	\$ 12,000.00	0.0%
4.06 Advertising	\$ 17,019.10	\$ 20,000.00	\$ 20,000.00	0.0%
4.07 Appraisal Review Board Expenses (<i>Meetings/Supplies/Legal fees - \$175 for every 4 hours</i>)	\$ 187,526.93	\$ 200,000.00	\$ 210,000.00	5.0%
4.08 Other Professional Services	\$ 120,833.00	\$ 362,500.00	\$ 362,500.00	0.0%
Appraisal Expenses Sub Total	\$ 632,353.29	\$ 898,000.00	\$ 920,500.00	
FACILITY & OPERATIONAL EXPENSES (5.00)				
5.02 Utilities and Services (<i>Water, electricity,garbage pickup</i>)	\$ 54,369.09	\$ 92,000.00	\$ 92,000.00	0.0%
5.03 Building and Grounds supplies	\$ 20,690.18	\$ 25,000.00	\$ 25,000.00	0.0%
5.04 Building and Grounds Maintenance	\$ 25,362.77	\$ 25,000.00	\$ 28,000.00	12.0%
5.04.1 Building and Grounds Fixtures/Repairs	\$ 35,013.99	\$ 250,000.00	\$ 250,000.00	0.0%
5.05 Miscellaneous Office Expense	\$ 19,736.64	\$ 23,000.00	\$ 23,000.00	0.0%
5.06 Telephone Expense	\$ 20,981.03	\$ 40,000.00	\$ 40,000.00	0.0%
5.07 Wireless Internet	\$ 4,740.00	\$ 6,000.00	\$ 6,000.00	0.0%
5.08 Cellular Phone Allowance	\$ 27,280.00	\$ 30,000.00	\$ 32,000.00	6.7%
5.09 Postage Meter Rent	\$ 16,082.91	\$ 23,000.00	\$ 23,000.00	0.0%
5.10 Postage	\$ 343,897.31	\$ 380,000.00	\$ 380,000.00	0.0%
5.11 Copiers Lease	\$ 15,501.88	\$ 25,000.00	\$ 25,000.00	0.0%
5.12 Office Supplies	\$ 74,334.31	\$ 95,000.00	\$ 95,000.00	0.0%
5.13 Safety Equipment & Training	\$ 4,091.74	\$ 20,000.00	\$ 15,000.00	-25.0%
5.14 Forms and Printing	\$ 147,957.24	\$ 150,000.00	\$ 150,000.00	0.0%
5.15 Furniture and Equipment (<i>see attached list</i>)	\$ 64,634.68	\$ 68,750.00	\$ 79,150.00	15.1%
5.16 Landscaping & Lawn Expense	\$ 8,400.00	\$ 15,000.00	\$ 15,000.00	0.0%
5.17 Office Remodeling (<i>Architectural Services & Remodeling</i>)	\$ 18,936.23	\$ 20,000.00	\$ 40,000.00	100.0%
5.18 Security Services (<i>Officer/Argus Security/Surveillance</i>)	\$ 41,558.66	\$ 40,000.00	\$ 42,000.00	5.0%
5.19 Uniform Expense (<i>Shirts with logo</i>)	\$ 68.00	\$ 20,000.00	\$ 20,000.00	0.0%
5.20 GPS System Expense	\$ 17,028.00	\$ 28,000.00	\$ 28,000.00	0.0%
5.21 Drug/Alcohol Testing Services Expense	\$ 1,080.00	\$ 2,000.00	\$ 2,000.00	0.0%
5.23 Vehicle Expense (<i>Maintenance, Repairs, etc</i>)	\$ 18,879.60	\$ 30,000.00	\$ 30,000.00	0.0%
5.24 Parking Lot Expense	\$ 759.60	\$ 20,000.00	\$ 20,000.00	0.0%
5.26 Vehicle - Purchase	\$ -	\$ 35,000.00	\$ 35,000.00	0.0%
5.27 Construction Expense (<i>Addition to Building -Architect Fees</i>)	\$ -	\$ 250,000.00	\$ 400,000.00	60.0%
Facility & Operational Expenses Sub Total	\$ 981,383.86	\$ 1,712,750.00	\$ 1,895,150.00	

2024 PROPOSED BUDGET

ITEM DESCRIPTION:	2022 EXPENDITURES	2023 BUDGET	2024 PROPOSED BUDGET	PERCENTAGE FROM 2023 TO 2024
COMPUTER COSTS (6.00)				
6.02 Software Maintenance- Technical Assistance Plan	\$ 160,724.66	\$ 275,000.00	\$ 302,000.00	9.8%
6.03 Software Maintenance - ESRI	\$ 11,900.00	\$ 15,000.00	\$ 15,000.00	0.0%
6.04 Hardware Maintenance - Servers	\$ 399.90	\$ 10,000.00	\$ 10,000.00	0.0%
6.05 Hardware Maintenance - Printers	\$ 2,167.82	\$ 3,000.00	\$ 3,000.00	0.0%
6.07 GIS Services (Pictometry)	\$ 301,500.00	\$ 305,000.00	\$ 305,000.00	0.0%
6.08 Other Maintenance- Virus software and upgrades of peripheral equipment not under contract	\$ 28,054.31	\$ 55,000.00	\$ 55,000.00	0.0%
6.09 Software Expense - Exemptions/Deeds	\$ 174,000.00	\$ 175,000.00	\$ 237,500.00	35.7%
Computer Costs Sub Total	\$ 678,746.69	\$ 838,000.00	\$ 927,500.00	
VIDEO & IMAGING COSTS (7.00)				
7.01 Digital Cameras	\$ 4,350.54	\$ 5,500.00	\$ 5,500.00	0.0%
7.02 Document Imaging (Converting Records into Digital Imaging)	\$ 29,939.89	\$ 30,000.00	\$ 30,000.00	0.0%
Video & Imaging Costs Sub Total	\$ 34,290.43	\$ 35,500.00	\$ 35,500.00	
LEGAL AND AUDIT (8.00)				
8.01 Legal - est expenses for BOD/ARB meetings and litigation	\$ 168,372.92	\$ 155,000.00	\$ 180,000.00	16.1%
8.02 Audit - annual audit fees and consulting services	\$ 9,250.00	\$ 10,000.00	\$ 15,000.00	50.0%
8.03 Other consulting fees- Appraisal on lawsuits	\$ 32,707.96	\$ 35,000.00	\$ 40,000.00	14.3%
8.04 Arbitration	\$ 1,950.00	\$ 5,000.00	\$ 5,000.00	0.0%
Legal and Audit Sub Total	\$ 212,280.88	\$ 205,000.00	\$ 240,000.00	
INSURANCE (9.00)				
9.01 Liability Coverage-	\$ 22,831.06	\$ 28,000.00	\$ 28,000.00	0.0%
Auto coverage				
General Liability				
Errors & Omissions				
9.02 Personal Property Coverage-	\$ 12,105.94	\$ 14,000.00	\$ 14,000.00	0.0%
Real & Personal Coverage				
Crime Coverage				
Insurance Expense Sub Total	\$ 34,937.00	\$ 42,000.00	\$ 42,000.00	
GRAND TOTALS	\$ 9,727,606.90	\$ 11,496,198.00	\$ 12,311,477.00	7.1%

b. Close 2024 Budget Workshop - After review of the 2024 Proposed Budget, Mr. Joe D. Olivarez, Vice-Chairman of the Board, closed the 2024 Budget Workshop at 2:30 p.m.

ITEM 4. OPEN REGULAR SCHEDULED BOARD OF DIRECTORS MEETING – Mr. Joe D. Olivarez, Vice-Chairman of the Board, opened the regular scheduled meeting at 2:30 p.m.

ITEM 5. REVIEW AND CONSIDER THE APPROVAL OF THE MINUTES FOR THE REGULAR SCHEDULED MEETING HELD ON MAY 10, 2023 – Mr. Richard Garza, Member of the Board, made a motion to approve the minutes of the meeting held on May 10, 2023. Mr. Amador Requenez, Secretary of the Board, seconded the motion. The motion passed.

ITEM 6. PUBLIC COMMENTS ON APPRAISAL DISTRICT AND APPRAISAL REVIEW BOARD POLICIES AND PROCEDURES – There were no taxpayers present for public comments.

ITEM 7. REPORT FROM LIAISON OFFICER – Mrs. Lydia Elizondo reported no activities for the month.

ITEM 8. ACCOUNTING & FINANCE REPORTS - Mrs. Lydia Elizondo, Finance & Personnel Director – The Board was provided with the March Accounting and Finance Reports.

a. Accounts Receivable – Mrs. Elizondo explained the Accounts Receivable report for the month of April the report reflected the following entities delinquent with their assessment fees.

	Accounts Receivable				
	2022 4 TH Quarter	2023 1 ST Quarter	2023 2 ND Quarter	2023 3 RD Quarter	2023 4 TH Quarter
Special Entities	EMS District #4 Brush Country Red Sands	EMS District #4 Kennedy Red Sands			
Cities	La Villa	La Villa			
ISD	Progreso	Progreso			

b. Balance Sheet – Mrs. Elizondo explained the Balance Sheet in detail to the Board. After further review of the Balance Sheet, no discussion was held.

c. Budget Report - Mrs. Elizondo explained the Budget Report in detail to the Board. After further review of the Budget Report, no discussion was held.

d. Disbursements - The Board was provided with a list of Monthly Disbursements. Mrs. Elizondo stated she would answer any questions the Board had regarding the list of disbursements. After further review of the list of disbursements, no discussion was held.

e. Collection Summary Report for Un-rendered Personal Property - Mrs. Elizondo explained the Collection Summary Report for Un-rendered Property in detail to the Board. The report reflected the following penalty fees collected for the month:

Collection Summary Report for Un-rendered Personal Property		
HCAD Penalties from Entities (5%)		
Hidalgo County	6,510.81	
City of McAllen	4,668.89	
Total for the month of April 2023		11,179.70
Total Year-To-Date (HCAD Penalties 5%)		\$ 53,629.14

ITEM 9. CHIEF APPRAISER REPORT -

a. Report on Employee Hire and Vacant Positions – Mr. Rolando Garza, Chief Appraiser, provided the Board with an update on the vacant and hire positions report. Mr. Garza reported that currently there is one vacant Real Estate Appraiser position. The positions hired were one Personal Property Appraiser and one Property Records, Records Specialist. Because we are in the process of the protest period the vacant Real Estate Appraiser will be advertising until July or August. Applications will be accepted until that time.

ITEM 10. STATUS REPORT ON PROPERTY VALUE STUDY –

a. 2022 Property Value Study – Mr. Rolando Garza, Chief Appraiser, informed the Board that we are still waiting for the results of the appeal made for the Edcouch-Elsa ISD property value study. We have not heard any word from the comptrollers’ office as of this date. As soon as they respond to the appeal, it will be included in the agenda for your update.

ITEM 11. APPRAISAL REVIEW BOARD AND ACTION IF NEEDED-

a. ARB Member Attendance Report – Prior to the meeting, the Board was provided with a copy of the ARB Attendance Report of the current Appraisal Review Board (ARB) members. The report reflects very good attendance by the ARB members. Mr. Rolando Garza informed the Board that Mr. Guillermo Aguilar had resigned from the ARB. After taking the position he realized the commitment that it was going to take to be here almost on a daily basis in the summer he felt he was not going to be able to meet that requirement. Judge Gonzalez has now appointed Sandra Casas to the ARB.

ITEM 12. DISCUSSION ON REGION ONE ISD BUSINESS MANAGERS MEETING HELD ON APRIL 28, 2023.

– Mr. Rolando Garza, Chief Appraiser, informed the Board of the meeting held at Region One with the School Business Managers. The information given to them is the report included in the agenda, being what Mr. Garza believes to be the increase in the 2023 values once they are certified. Mr. Garza contemplates a conservative 7% increase. These totals do not include the possible future increased homestead and over-65 exemptions.

ITEM 13. DISCUSSION ON 2024-2025 BOD ELECTIONS – Mr. Rolando Garza, Chief Appraiser, briefly explained to the Board of the changes to the elections that will take place later this year for the Board of Directors. The change affects the entities that have at least 5% of the votes need to vote within the first two weeks of when the ballot is sent to them. Election Ballots get mailed on October 15th, and they need to vote by the 2nd open meeting they have after ballot gets mailed. This change applies to the county and the bigger school districts. Those entities affected have been made aware of this change. Mr. Rolando Garza intends to go out and meet with them in person within the next couple of months to make sure they are aware of the changes.

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ITEM 14. DISCUSSION AND ACTION TO AMEND THE CONTRACT WITH JUST APPRAISED TO INCLUDE ONLINE FILING ON AG USE APPLICATIONS. – Mr. Rolando Garza, Chief Appraiser briefly explained to the Board that Just Appraised is a software company that works with the deeds from the county clerk's office. HCAD gives Just Appraised access to the deeds, they process them by matching them up to the owners and accounts numbers they belong to, and upload that information into our system. This facilitates for HCAD staff to have access and make all necessary changes with just a click of a button on those accounts. They have enabled HCAD to be able to have the homestead applications online and are now proposing to add the Ag Valuation applications for an additional fee of \$25,000 per year. They have also proposed to do the same for the Business Personal Property, but Mr. Garza is only proposing to add the Ag Valuation applications. Mr. Garza is requesting that the Board give him the authorization to amend the current contract with Just Appraised to include the Ag Valuation online. Mr. Amador Requenez, Secretary of the Board, made a motion to approve and authorize the Chief Appraiser to amend the current contract with Just Appraised to include the Ag Valuation applications online. Mr. Eddie Betancourt, Member of the Board, seconded the motion. The motion passed.

ITEM 15. DISCUSSION AND POSSIBLE ACTION ON THE CONTRACT FROM THE ARCHITECTURAL FIRM SELECTED FOR THE EXPANSION PROJECT. – Mr. Rolando Garza, Chief Appraiser updated the Board on the notes of changes to the contract that had been submitted by HCAD legal counsel Mr. Rick Talbert. ERO Architects have responded with being ready and willing to meet and address the concerns of Mr. Talbert, one major being any interruption in construction during the period of protest in 2024. HCAD needs to make sure that its construction schedule allows for the continued operations of the office.

ITEM 16. LETTER TO BE MAILED TO TAXING ENTITIES REGARDING CERTIFIED ESTIMATES OF TAXABLE VALUE – Mr. Rolando Garza, Chief Appraiser, informed the Board that the letter to each entity regarding the 2023 values, which was discussed last month, was in fact mailed out on April 24, 2023, therefore meeting the required deadline.

ITEM 17. LEGISLATIVE UPDATES – Mr. Garza, Chief Appraiser, briefly reviewed the legislative issues proposed so far, of most concern, are the homestead and Over 65 exemptions. If these bills are to be passed, how that adjustment will be implemented will be worked out between the Tax Office and the Appraisal District. Other bills don't seem going anywhere. Regarding bills affecting the Board of Directors and the term limits are still the same. There is a bill that affects the Appraisal Review Board, their terms could change to where they can serve their three two-year terms (six years), sit out one year, and be able to come back and serve another three two-year terms (six years). There is no proposed bill that would affect the Board of Directors.

ITEM 18. DISCUSSION AND POSSIBLE ACTION TO APPEAL ARB ORDER OF DETERMINATION ON PROTESTED ACCOUNTS -The Chief Appraiser reported there were no accounts to be appealed.

ITEM 19. DISCUSSION OF ITEMS TO BE PLACED ON FUTURE BOARD OF DIRECTORS AGENDA – The above item is a standard item on the Board of Directors' agenda.

CONSENT AGENDA

ITEM 20. DEPARTMENT REPORTS – Department Reports are submitted for the month of April.

20a. Property Records - Mrs. Blanca Perez, Supervisor - The Board was provided with a copy of the monthly report for the Property Records department for their review.

20b. Real Estate - Mr. Javier A. Gonzalez Supervisor - The Board was provided with a copy of the monthly report for the Property Records department for their review.

20c. Personal Property - Mr. Rolando Mejia, Supervisor - The Board was provided with a copy of the monthly report for the Property Records department for their review.

20d. Data Processing - Mr. George Gandara, Data Processing Manager - The Board was provided with a copy of the monthly report for the Property Records department for their review.

20e. Market Analysis - Mr. Diego Espinoza, Supervisor - The Board was provided with a copy of the monthly report for the Property Records department for their review.

20f. GIS/Mapping - Mr. Polo Olivarez, Supervisor - The Board was provided with a copy of the monthly report for the Property Records department for their review.

20g. HCAD Safety Coordinator's Report - Safety Coordinator – No activities were reported for the month.

EXECUTIVE SESSION

ITEM 21. PERSONNEL MATTERS-EXECUTIVE SESSION AS AUTHORIZED BY SECTION 551.074 OF THE TEXAS OPEN MEETINGS ACT, TEXAS GOVERNMENT CODE

ITEM 22 PENDING LITIGATION-EXECUTIVE SESSION-PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.071 OF THE TEXAS OPEN MEETINGS ACT

REGULAR SESSION

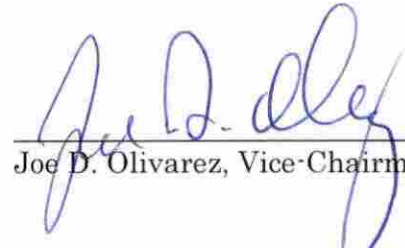
ITEM 23. POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS - No action was necessary on Items 21 and 22.

ADJOURNMENT - There being no further business before the Board, the meeting adjourned at 3:30 pm.

Board Minutes approved this 7th day of **July 2023**.



Albert Cardenas, Chairman



Joe D. Olivarez, Vice-Chairman