

MINUTES
PUBLIC HEARING ON HCAD 2024 BUDGET
REGULAR BOARD OF DIRECTORS MEETING
HIDALGO COUNTY APPRAISAL DISTRICT
4405 South Professional Drive
Edinburg, Texas



July 12, 2023

BOARD MEMBERS PRESENT: Albert D. Cardenas, Chairman
Joe D Olivarez, Vice-Chairman
Amador Requenez, Secretary
Eddy Betancourt, Member
Richard A. Garza, Member

BOARD MEMBERS PRESENT (VIA WEBEX):

BOARD MEMBERS ABSENT: Pablo "Paul" Villarreal, Jr., Member

OTHERS PRESENT: Rolando Garza, RPA, Chief Appraiser
Patricia Garza, Executive Secretary
Lydia Elizondo, Finance/Personnel Director

ITEM 1. DECLARATION OF QUORUM AND CALL TO ORDER – Mr. Albert D. Cardenas, Chairman of the Board, determined a quorum was present and called the meeting to order at 3:00 p.m.

ITEM 2. PLEDGE OF ALLEGIANCE – Mr. Albert D. Cardenas, Chairman of the Board, lead the Board in the Pledge of Allegiance.

PUBLIC HEARING ON HCAD 2024 PROPOSED BUDGET

ITEM 3. PUBLIC HEARING ON HCAD 2024 PROPOSED BUDGET.

3a. Open Public Hearing. The Chairman of the Board opened the Public Hearing on the 2024 Proposed Budget at 3:04 p.m. A copy of the 2024 Proposed Budget was included in the Board of Directors packet for the Board to review.

3b. Close Public Hearing. The Chairman of the Board asked if anyone in the audience had any comments or questions regarding the 2024 Proposed Budget. After no response, Mr. Cardenas, Chairman of the Board requested the Public Hearing be closed at 3:06. A motion to approve the Proposed Budget will be made under Item 10 of the agenda.

REGULAR AGENDA

ITEM 4. OPEN REGULAR MEETING. The Chairman of the Board opened the regular meeting at 3:06.

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. Eddy Betancourt, Member 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 that there had been one complaint in June made by Mr. Samuel Lyle. Mr. Lyle wanted to know how were the values calculated for the ARB members and the Board of Directors. Mrs. Elizondo explained to Mr. Lyle that as liaison officer she does not handle any values information.

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

a. Accounts Receivable – Mrs. Elizondo explained the Accounts Receivable report for the month of May 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 Red Sands	EMS District #3 EMS District #4 Red Sands		
Cities	La Villa	La Villa	Granjeno La Villa Sullivan City Edinburg		
ISD	Progreso	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	3,538.47	
Total for the month of May 2023		3,538.47
Total Year-To-Date (HCAD Penalties 5%)		\$ 68,347.31

ITEM 9. ACCOUNTING & FINANCE REPORTS - Mrs. Lydia Elizondo, Finance & Personnel Director – The Board was provided with the June Accounting and Finance Reports.

a. Accounts Receivable – Mrs. Elizondo explained the Accounts Receivable report for the month of June 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 Red Sands	EMS District #4 Red Sands		
Cities	La Villa	La Villa	La Villa Sullivan City		
ISD	Progreso	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.

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Collection Summary Report for Un-rendered Personal Property		
HCAD Penalties from Entities (5%) Hidalgo County	2,997.33	
Total for the month of May 2023		2,997.33
Total Year-To-Date (HCAD Penalties 5%)		\$ 71,344.64

ITEM 10. DISCUSSION AND ACTION TO APPROVE HCAD 2024 BUDGET – Mr. Rolando Garza made a recommendation to the Board to approve the HCAD 2024 Budget as presented. Mr. Joe Olivarez, Member of the Board, made the motion to approve. Mr. Richard Garza, Member of the Board, seconded the motion. The motion passed.

ITEM 11. DISCUSSION AND POSSIBLE ACTION TO APPROVE HCAD'S 2022 FINANCIAL AUDIT – Mr. Adrian Webb, CPA, presented the Audited Annual Financial Report for the year ending December 31, 2022, briefly explained the HCAD 2022 audit to the Board as follows:

HIDALGO COUNTY APPRAISAL DISTRICT
 Statement of Net Position and Governmental Funds Balance Sheet
 As of December 31, 2022

	General Fund	Total	Adjustments	Statement of Net Position
ASSETS				
Cash and Cash Equivalents	\$ 2,221,583	\$ 2,221,583	\$ -	\$ 2,221,583
Due from Governmental Entities	9,719	9,719	-	9,719
Capital Assets:				
Land	-	-	174,453	174,453
Building and Improvements, Net	-	-	792,166	792,166
Furniture and Equipment, Net	-	-	24,111	24,111
Vehicles, Net	-	-	17,409	17,409
Net Pension Asset	-	-	1,423,500	1,423,500
TOTAL ASSETS	2,231,301	2,231,301	2,431,639	4,662,940
Aggregated Deferred Outflows - Pension	-	-	2,063,040	2,063,040
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,231,301	\$ 2,231,301	\$ 4,494,679	\$ 6,725,980
LIABILITIES				
Current Liabilities:				
Accounts Payable	227,521	227,521	-	227,521
Payroll Liabilities	71,628	71,628	-	71,628
Due to Governmental Entities	559,193	559,193	-	559,193
Non-Current Liabilities:				
Compensated Absences	-	-	137,737	137,737
TOTAL LIABILITIES	858,342	858,342	137,737	996,080
DEFERRED INFLOWS OF RESOURCES				
Aggregated Deferred Inflows - Pension	-	-	3,902,350	3,902,350
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	3,902,350	3,902,350
FUND BALANCES				
Unassigned Fund Balance	1,372,958	1,372,958	(1,372,958)	-
TOTAL FUND BALANCES	1,372,958	1,372,958	(1,372,958)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,231,301	\$ 2,231,301		
NET POSITION				
Net Investment in Capital Assets			1,008,139	1,008,139
Unrestricted			819,411	819,411
TOTAL NET POSITION			\$ 1,827,550	\$ 1,827,550
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				\$ 6,725,980

Mr. Joe Olivarez, Member of the Board, made a motion to approve the HCAD 2022 Audit report as presented. Mr. Eddy Betancourt, Member of the Board, seconded the motion. The motion passed unanimously.

ITEM 12. 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 are two vacancies Real Estate Appraiser position. Published notices on those vacancies will be issued until the end of the month, once all ARB hearings are done.

ITEM 13. STATUS REPORT ON PROPERTY VALUE STUDY –

a. 2022 Property Value Study – Mr. Rolando Garza, Chief Appraiser, informed the Board that no further correspondence has been received at this time regarding the pending protest for the value study, we are waiting on the Comptrollers office to let us know how we are going to proceed.

ITEM 14. 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.

b. Correction to Appraisal Roll under Section 25.25(b)- Mr. Garza, Chief Appraiser briefly explained to the Board that as required by the Texas Property Tax Code Section 25.25(b), a list of accounts that require corrections on the Appraisal Roll are submitted on a quarterly basis. This report is for information purposes only. A list of such accounts has been submitted for correction.

c. Update on 2023 Protest Hearings - Mr. Garza, Chief Appraiser, reported to the Boards that ARB Hearings will continue until July 18th, thereafter Mr. Garza will be certifying the appraisal roll by July 25th. There still remain approximately 5,000-6,000 protests that have not been heard, those will be heard in the month of August. Two weeks have been set aside in the month of August to take care of these accounts.

ITEM 15. UPDATE ON EXPANSION PROJECT – The Board was provided with a copy of the proposal to provide professional surveying services to HCAD from Quintanilla, Headley & Associates, Inc. Mr. Quintanilla has already met the architects, ERO, with Bryan and Yesenia the project manager. The next step will be to get the geotechnical report, which we need to get an engineering firm for that. The project is moving along and will be giving the Board updates. Mr. Albert Cardenas, Chairman of the Board, suggested once the project gets closer to the schematics phase, get a couple of Board members involved to help with ideas.

ITEM 16. DISCUSSION ON THE EXEMPTION OF HOMESTEAD & OVER 65 AND DISABLED PERSON FREEZE FOR SOUTH TEXAS ISD – Mr. Rolando Garza, Chief Appraiser, reminded the Board of the previous discussion over the taxing authority for South Texas ISD regarding the freeze of the Over 65. The Chief Appraiser was under the assumption that the school's exemption was voluntary. When their taxing authority discussions came up, the chief appraiser learned that the school now is created under Chapter 26 of the Texas Property Tax Code, and under this criteria, they are required to give a \$5,000 Homestead exemption and are also required to give the freeze to the Over 65 and the Disabled. After consulting with our attorney, the Chief Appraiser has decided that for the 2023 year to grant \$5,000 for Homestead exemption on 84,00 eligible accounts, Over 65 tax freeze on 42,000 eligible accounts, and Disabled exemption on 3,000 eligible accounts. Mr. Garza, Chief Appraiser, and Mr. Talbert, HCAD Attorney, have met with the school district attorney to inform them of these exemptions. Mr. Garza informed the Board of the possibility of some future lawsuits as a result of these changes, but up to now, no one had protested the matter of the exemption. If any refund liability would come out of those lawsuits that would fall on the school, if granting the exemption was the issue then that would fall on the appraisal district. The Chief Appraiser has also gone back to the year that each of the 42,000 accounts were eligible for Over 65 and Disable freeze amounts, he established the value of the property on said year minus the exemption times the tax rate for that year and froze those amounts. The Chief Appraiser will keep the Board updated on any other matters that may arise as a result of these changes.

ITEM 17. LEGISLATIVE UPDATES – Mr. Garza, Chief Appraiser, informed the Board of the 2nd Special Session at the Texas Legislature. As of now the House and Senate have agreed to the \$100,000 Homestead exemption, the tax rate compression for Over 65 going back to tax year 2018, plus other changes. One proposed change deals with the makeup of the Appraisal District Board of Directors. In a county with a population of 75,00+, there will now be made up of a total of nine (9) members. Five (5) will be elected by the taxing entities, three (3) will be at large through county elections, plus the County Assessor Collector. At this point it seems this change will begin as of 2024 year, TAAD is looking into the manner of inception of this new rule. Also now the term is 4 years and not 2 years. Another change is that the Board of Directors will once again appoint the ARB members instead of the county judge. Legislature Session should close later this week, these are the major changes at the moment, we will be waiting on any other outcomes and promptly report to the Board.

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 June and July.

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

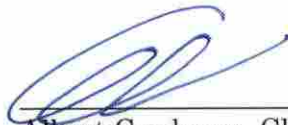
ITEM 22 PENDING LITIGATION-EXECUTIVE SESSION-PURSUANT TO THE TEXAS GOVERNMENT CODE, SECTION 551.071 OF THE TEXAS OPEN MEETINGS ACT

REGULAR SESSION

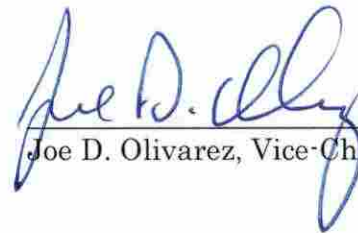
ITEM 23. POSSIBLE ACTION ON EXECUTIVE SESSION ITEMS - No action was necessary on Items 21 and 22.

ADJOURNMENT - There being no further business before the Board, the meeting adjourned at 3:49 p.m.

Board Minutes approved this 13th day of **September, 2023**.



Albert Cardenas, Chairman



Joe D. Olivarez, Vice-Chairman